

Informal notes on Ellen Meiksins Wood's *The Origin of Capitalism: A Longer View* (2002)

It's a brilliant book, a Marxist account highly sympathetic to Robert Brenner's interpretation. Gives commentary on the old debates (Paul Sweezy, Maurice Dobb, Rodney Hilton, etc.) and elaborates a rather persuasive 'new' perspective, according to which the question isn't how market *opportunities* arose in early modern times—for there have been market opportunities throughout history, despite the absence of a truly capitalist dynamic—but how market *imperatives* arose. For it is the *imperative* that producers are subject to the market that distinguishes the capitalist economy from all previous systems and makes its growth *self-sustaining* (at a compound rate, as David Harvey would add). Other theorists have tended to focus on how feudal *obstacles* to capitalism were overcome in Western Europe—for instance, how urban trade undermined feudalism—but this makes it seem as though producers simply had to be liberated from shackles in order finally to be free to become capitalists. The point, though, is that the rise of capitalism had less to do with “freedom” or “opportunities” than with *subjection to market imperatives* (or *coercion*)—of a kind that had never really existed before. For the first time, producers, on a wide scale, couldn't acquire the means of living except through ruthless economic (*not political*) competition. (The economy became its own separate sphere sundered from politics, subject to a strictly market-based logic.) So how did a system of market imperatives come into being?

I'd note here, by the way, that there's a lot of truth in the earlier interpretations too. As Wood indeed acknowledges. While the key transition may have happened in the English countryside, as Brenner and Wood argue, it was substantially dependent on earlier developments like the rise of trade, the existence of urban markets, the slow and partially interstitial erosion of feudal dominance across Western Europe.

Throughout recorded history, of course, there has been commerce on a very wide scale. But insofar as it wasn't “subjected to the pressures of competitive production and profit-maximization, the compulsion to reinvest surpluses, and the relentless need to improve labor-productivity,” it wasn't really capitalist *per se*. Capitalist competition necessitates the continual transformation of production, its continual “revolutionizing.” The kind of trade that created great commercial powers tended to be “carrying” trade, with merchants buying goods in one location to be sold for a profit in another, or “commercial arbitrage between separate markets.” “But even within a single, powerful, and relatively European kingdom like France, basically the same principle of non-capitalist commerce prevailed. There was no single and unified market, a market in which people made profit not by buying cheap and selling dear, not by carrying goods from one market to another, but by producing more cost-effectively in direct competition with others in the same market.” Nor was there a *mass market* for cheap everyday consumer products such as the market that would later drive industrial capitalism in Britain.

Even such advanced commercial societies as Florence during the Renaissance and the Dutch Republic during the sixteenth and seventeenth centuries weren't “capitalist” in the strictest sense. The success of Florentine trade depended on extra-economic factors like monopoly privileges and other types of “politically constituted property.” The Dutch were even more commercial than Florence, but they too were dependent on the (European) market in luxury goods and subject to its limitations. They also relied on “extra-economic superiority in negotiating separate markets, rather than on competitive production in a single market: on dominance in shipping and command of trade routes, on monopolies and trading privileges, on an elaborate network of far-flung trading posts and settlements, on the development of sophisticated financial practices and instruments.”

Capitalism really began in the agrarian sector in early modern England. Wood doesn't go into as much detail as I'd like, but she sketches some of the conditions that made England unique. No other country was as effectively unified as England by the sixteenth century: it had a much more centralized state than even France and Spain, made possible by an impressive network of roads and water transport. London was becoming the hub of a national market, and agriculture was the foundation of this emerging national economy. The English ruling class was distinctive in two respects: first, it was demilitarized before any other aristocracy in Europe, and so did not possess "extra-economic" power or "politically constituted property" to the same degree as its continental counterparts.

On the other hand [Wood continues] there was what might be called a trade-off between the centralization of state power and the aristocracy's control of land. Land in England had for a long time been unusually concentrated, with big landlords holding an unusually large proportion, in conditions that enabled them to use their property in new ways. What they lacked in "extra-economic" powers of surplus extraction they more than made up for with increasing economic powers.

This distinctive combination had significant consequences. On the one hand, the concentration of English landholding meant that an unusually large proportion of land was worked not by peasant-proprietors but by tenants... On the other hand, the relatively weak extra-economic powers of landlords meant that they depended less on their ability to squeeze more rents out of their tenants by direct, coercive means than on their tenants' success in competitive production. Agrarian landlords in this arrangement had a strong incentive to encourage—and, wherever possible, to compel—their tenants to find ways of reducing costs by increasing labor-productivity.

...As for the tenants, they were increasingly subject not only to direct pressures from landlords but also to market imperatives that compelled them to enhance their productivity. English tenancies took various forms, and there were many regional variations, but a growing number were subject to economic rents—rents fixed not by some legal or customary standard but by market conditions. There was, in effect, a market in leases. Tenants were obliged to compete not only in a market for consumers but also in a market for access to land.

The effect of this system of property relations was that many agricultural producers (including prosperous "yeomen") became market-dependent in their access to land itself, to the means of production. Increasingly, as more land came under this economic regime, advantage in access to the land itself would go to those who could produce competitively and pay good rents by increasing their own productivity. This meant that success would breed success, and competitive farmers would have increasing access to even more land, while others lost access altogether...

In short, "it was unfixed, variable rents responsive to market imperatives that in England stimulated the development of commodity production, the improvement of productivity, and self-sustaining economic development." Even tenants (or, in some cases, landowners working their own land) who enjoyed some sort of *customary* rent that gave them more security might have to sell their produce in the same markets as farmers who were responding more directly to the

pressures of the market. So if they weren't productive enough to compete with other producers' low prices they wouldn't be able to sell their produce. Ultimately they might go under and join the poorer classes.

So, as competitive market forces established themselves, less productive farmers lost their property. Market forces were, no doubt, assisted by direct coercive intervention to evict tenants or to extinguish their customary rights... The famous triad of landlord, capitalist tenant, and wage-laborers was the result, and with the growth of wage-labor the pressures to improve labor-productivity also increased. The same process created a highly productive agriculture capable of sustaining a large population not engaged in agricultural production, but also an increasing propertyless mass that would constitute both a large wage-labor force and a domestic market for cheap consumer goods—a type of market with no historical precedent. This is the background to the formation of English industrial capitalism.

Wood contrasts these developments with what happened in France around the same time, as the absolutist state, in the process of resolving the crisis of feudalism, *strengthened* old forms of peasant possession to preserve and expand the kingdom's tax-producing base while simultaneously reviving feudalism. (Because of this persistence of feudalism, moreover, France had to await the Napoleonic era to remove internal barriers to trade, whereas in England a competitive national market emerged much earlier.)

By the seventeenth and, especially, eighteenth centuries (the latter of which was the heyday of English agrarian capitalism), a practice and ideology of agricultural “improvement”—enhancing the land's productivity for profit—emerged on a broad scale across England. Scientists, landowners, tenants, eventually politicians, etc. grew intensely interested in new techniques of farming, technological innovations, and new forms and conceptions of property that would yield more productive agriculture. Thus arose the enclosure movement and the increasing privatization of land.

Wood's discussion of bourgeois revolution, and her distinction between bourgeois and capitalist, is of interest. Personally, I've always used the concept of “bourgeois revolution” in a somewhat ambiguous way, to designate both a country's long transition to capitalism and a particular moment of political revolution, such as the Glorious Revolution or (in some respects) the French Revolution. In the latter sense, capitalism has necessarily already made progress before the dramatic political clashes, which serve to sweep away some remaining obstacles to its further advance. Wood is semi-critical of the concept of bourgeois revolution, and I take her point that we should be more careful and analytical in how we use it. Anyway, the differences between the French Revolution and the English Revolution of the mid-seventeenth-century are indeed striking. The latter revolution consolidated the position of a capitalistic landed class that was already dominant both in society and in the state. “The revolution was not a class struggle that gave victory to a capitalist bourgeoisie against a ruling class thwarting its progress. The class struggle that certainly did take place within the Revolution was between that ruling class and subordinate popular forces, whose class interests had as much to do with opposing as promoting the progress of those capitalist landlords or their bourgeois collaborators.”

The French Revolution of 1789, on the other hand, was (she says) much more of a “bourgeois revolution” than the English case, if that's supposed to mean it was a major struggle between bourgeoisie and aristocracy. But it wasn't very *capitalist*, inasmuch as the revolutionary

bourgeoisie (city-dwellers, etc.) was, by and large, not capitalist even in its aspirations, being more concerned with civil equality between the Estates and the elimination of aristocratic privilege. But Wood does admit that in the long run the Revolution probably facilitated the development of capitalism by unifying the state and eliminating internal barriers to trade. —I'm inclined to think that Jean Jaurès' classic history of the Revolution partially refutes Wood's "problematizing" interpretation.

As agrarian capitalism progressed, an entirely new kind of commercial system was born, centered in England and especially London. For one thing, England developed its own distinctive banking system, which wasn't just a more sophisticated version of ancient and medieval banking systems like in other European countries—specializing in money-changing operations, public banks dealing with state finances, and mechanisms for financing long-distance trade—but was organized around *domestic* trade. Specifically, it facilitated a network of distribution from London outwards throughout the country "by means of 'factors' or agents who operated on commissions and credits." This sort of banking made possible the integrated national market that sustained a growing non-agrarian population. And the national economy became the center of an international commercial system different from any other in history, which replaced "the infinite succession of arbitrage operations between separate, distinct, and discrete markets that had previously constituted foreign trade."

Another unusual thing about the new British economy was that the poverty of its mass of consumers, namely the propertyless wage-laborers who had become dependent on the market for their survival, *impelled* rather than *hindered* development of the forces of production. For it was necessary to produce cheaply in order for all these people to afford the basic necessities of life. So the masses' poverty reinforced the systemic compulsion to reduce costs of production in order to compete with other producers. (It's ironic that the *limitations* of the market stimulated development and reinforced the economy's dynamism.)

Agrarian capitalism made industrial capitalism—which is to say the maturation of the capitalist mode of production—both possible and probable (if not inevitable). The reasons should be obvious by now: it was agrarian capitalism that created a dispossessed mass forced to sell its labor-power for a wage, a mass that also constituted a consumer market for the cheap everyday goods (food, textiles) that drove industrialization in England. The outcome of the logic of agrarian capitalism was industrialization.

The chapter on the origins of capitalist imperialism is another enlightening one. Wood starts out by critiquing the view common among anti-Eurocentrists like J. M. Blaut that it was imperialist ventures in the New World, Africa, and Asia that made possible the "primitive accumulation" of wealth that led to Europe's capitalism. One obvious problem with this view is that while several European powers, such as Spain, Portugal, Holland, and France, were imperialistic/colonialist, only England made the leap to capitalism and then industrial capitalism. Moreover, Britain was a relative latecomer to the colonization game, and "its acquisition of colonial wealth lagged behind its own domestic capitalist development." Later, it wasn't only Britain that accumulated enormous wealth from slavery, but it *was* only in Britain that that wealth was converted into industrial capital (as Marxist historians like Eric Williams have argued). So why was colonialism associated with capitalism in one case but not in others? Evidently because the necessary transformations in property relations had already occurred in Britain but not elsewhere. "The wealth amassed from colonial exploitation may have contributed substantially to further development, [but] it was not a necessary precondition of the *origin* of capitalism."

“We can, nevertheless, identify a specifically capitalist form of imperialism, an imperialism that was more the result than the cause of capitalist development and stands in contrast to other European forms.” Pre-capitalist imperialism is just the usual stuff: seizing territory and resources, capturing and enslaving people (thus the Spanish *encomienda* system and the slave plantation), using military power to squeeze taxes and tribute out of subject territories, etc. Or, in other cases, it was done in the interests of commerce, to secure trade routes, impose monopolies, gain exclusive rights to some precious commodity, and so on. The new capitalist imperialism, by contrast, amounted to the world’s first “structural adjustment programs.” England’s conquest of Ireland in the sixteenth and seventeenth centuries was arguably the first case. For a long time England had tried to subdue Ireland by direct military means, but the Tudor state embarked on an aggressive new policy of colonization. “The effort to exert extra-economic control by a more effective military conquest was supplemented by an attempt to impose a kind of *economic* hegemony, using military force to implant a new economic system, as well as a new political and legal order.” In 1585, for instance, a plan was enacted to grant expropriated lands in Munster to settlers who would introduce English agriculture to the region. The goal was to establish an English-style commercial order—not to turn Ireland into a commercial competitor but to make it an economic dependency of England. This aggressive colonialism “was the chief legacy of late Elizabethan Ireland to English colonization in the New World.”

In the New World, of course, the establishment of property relations governed by market imperatives was even more brutal, involving genocide. It wasn’t quite so brutal in other regions, such as India—but it was certainly brutal enough there too.

The book’s last chapter, on “modernity and postmodernity,” makes useful distinctions between various features of modernity. The tendency to equate *bourgeois* with *capitalist* and both with *modernity* is, Wood argues, analytically imprecise and misguided. If modernity is, in part, supposed to mean *rationalization* (as Weber said)—bureaucratic organization, the spread of education, industrial capitalism, the decline of superstition, and the progress of science and technology—capitalism isn’t solely responsible for it. Neither in its sense of *market imperatives* nor as a *mode of production* is capitalism the only force that has propelled rationalization. Consider the Enlightenment, which is associated with science, rationalism (and empiricism), universalism, a belief in linear progress, the freedom of the individual, and other “modern” phenomena. In some respects it was produced by *non-capitalist* (not only *pre-capitalist*) social relations. The French Enlightenment in particular belonged to the absolutist state in France, which wasn’t only a political form but also an economic resource for a substantial section of the ruling class. “In that sense, it represents not just the political but also the economic or material context of the Enlightenment.” She continues: “The absolutist state was a centralized instrument of extra-economic surplus extraction, and office in the state was a form of property that gave its possessors access to peasant-produced surpluses.” In an overwhelmingly rural society there were also other, feudal forms of extra-economic appropriation; and the internal market, which was limited and fragmented, operated on (strictly speaking) non-capitalist principles. The bourgeoisie wasn’t really a capitalist class—and for the most part wasn’t even a *commercial* class, since it consisted largely of professionals, office-holders, and intellectuals.

I’d reply that while all this may be true, it was nevertheless a mainly urban and commercial context, and a context integrally tied to England’s emerging capitalism, that produced the characteristic achievements of the Enlightenment. Western Europe wasn’t structured by a competitive system of market imperatives, but even so, market relations, internal and external trade, colonialism, etc. were pretty fundamental to the context of the Enlightenment. Insofar as

people loosely understand “capitalism” to mean something like widespread commercialism, it certainly was part of the context of the Enlightenment.

But sure, one can agree that *capital-ism*, in the strict sense, had little do with the Enlightenment. In fact, of course, the inherent nature of capitalist exploitation, compulsion, and privatization is quite opposed to the liberatory, republican, democratic, humanistic values and achievements of the Enlightenment. In this sense, *modernity* and *capitalism* are by no means synonymous. Capitalism is merely one aspect of modernity, an aspect that isn’t the source of all others but even contradicts and tends to crush some of them (e.g., democracy). (But, again, it is popular struggle in the context of capitalism that has given us liberal democracy.) Other aspects, such as “rationalization,” progressed even under the absolutist state in France; and the later bourgeois revolution only completed the centralizing and bureaucratizing project of absolutism.

A comparison of France with England makes Wood’s point forcefully. The characteristic cultural and ideological expressions of English capitalism in the seventeenth and eighteenth centuries weren’t Cartesian rationalism or rational planning (as under Richelieu and Colbert) but the “invisible hand” of classical political economy and the philosophy of British empiricism. (But this philosophy was taken up by French thinkers and used fruitfully in their battles against authority. In this sense, then, one aspect of the ideology of British capitalism was rather integral to the French Enlightenment, which undercuts Wood’s argument.) “What set England apart from other European cultures was above all the ideology of ‘improvement’: not the Enlightenment idea of the improvement of *humanity* but the improvement of *property*, the ethic—and indeed the science—of profit, the commitment to increasing the productivity of labor, the production of exchange value, and the practice of enclosure and dispossession.” Again, the point is that capitalism produced very specific ideologies and practices, only a limited subset of the rich panoply of the Enlightenment.

Anyway, the central lesson of Wood’s book is well taken: we must appreciate the incredible *specificity* of capitalism and not naturalize it as the inevitable result of—or even as *defined by*—increasing commerce or an urban society (or pre-capitalist imperialism, or a declining feudalism, or whatever). It was the product of a unique set of circumstances in early modern England. And if it had such a definite and even implausible beginning, the possibility of its end suddenly becomes much more thinkable.