

The Rise of Capitalism



The capitalist system is the most productive mode of production in the history of humankind. In the space of a few centuries the world has been transformed beyond all recognition. Average life expectancies have more than doubled. Technological developments occur at a rate that would have been previously unimaginable. More food, clothing and shelter can be produced using less labour than ever before. It would seem that the material problems of survival have finally been solved.

Yet capitalism is a system at odds with itself. The need for constant accumulation is the driving force of society, determining where and in what way human energies will be used. Instead of humankind controlling the fulfilment of its own development, humanity is at the mercy of an economic system which it has itself created. It is the conflict between the need to accumulate capital and the need to fulfil human want that is at the heart of all social problems today.

Enough food could be produced to feed all of the world's population, yet people go hungry. Why? Because those in need of food do not have the money to pay for it. Industry pumps pollutants into the environment yet less destructive methods of production could easily be utilised. Why? Because more profit is to be made this way. Vast wealth co-exists with abject poverty leading to an ever-widening gap between rich and poor. Why? Because capitalist accumulation is dependent on the exploitation of the wage labourer.

Transition from feudalism

The transition from feudalism to capitalism is often viewed as the result of a gradual and rising progress of technology, urbanisation, science and trade – inevitable because humans have always possessed “the propensity to truck, barter and exchange” (Adam Smith). However, as writers such as Ellen Meiksins Wood and Robert Brenner have demonstrated, the rise of capitalism depended on very specific and localised conditions and was the result of a process that was far from automatic.

The relatively recent change from a primarily agricultural society of petty producers to a society of

commodity production and market dependence required a change in the social relations at the heart of society. The central relationship instead of being between landlords and un-free peasants became one between capital-owners and propertyless wage-labourers. Such a change could only be bought about by a complete rupture with the old relations of human interaction.

By the 17th century trade, mercantilism and money lending had grown and developed in Europe but these by themselves did not undermine the foundations of feudal society. The mere existence of commodity production, merchants' capital and money lenders capital are necessary but not sufficient conditions for the full development of capitalism. "Or else ancient Rome, Byzantium etc. would have ended their history with free labour and capital" (Karl Marx).

Only in England were conditions right for the essential prerequisite to take hold, capitalist relations in agriculture. The later industrial revolution would have been extremely unlikely without an agricultural sector that was productive enough to support it.

These changes can be explained by looking for the 'prime mover' in society. In capitalist societies this is the need to accumulate capital. In feudalism the need to maintain class position takes this role.

In order to maintain and improve their position as members of the ruling class and to defend it against their rivals, their underlings and moneylenders, the pressure was on feudal landlords to increase rents. In capitalism surplus wealth is extracted through economic means; it is because of the market-dependency of the wage-labourer that labour-power is sold. In feudal society, as the peasants have their own means of production, surplus must be extracted via 'extra-economic' methods through the real or ultimate threat of force, which explains their un-free status.

By the mid 15th century through ongoing resistance and evasion the peasantry of much of western Europe including England, were able to break the shackles of serfdom and gain their freedom. This proved a problem for landlords as they could now no longer depend on arbitrary peasant labour or duties and income from rents fixed long-term by custom, the value of which tended to decrease in the face of rising costs.

In order to counter this tendency in England, more easily than in other western European countries, landlords were able to appropriate peasant holdings that had become vacant due to a falling population. These properties were able to be leased at rates in excess of customary rent.

Another option available to landlords was the imposition of fines and levies. Charges could be made whenever land changed hands or was inherited and many landlords used these as a method for removing customary peasants from their land so that competitive commercial rents could be charged. However this process did not go on unchallenged; widespread and fairly successful peasant uprisings were a recurrent theme for much of the 15th century. This trend continued into the 16th century with security of tenure and the question of fines being core to what became known as Kett's rebellion of 1549. If successful such events may have "clipped the wings of rural capitalism" (Stanley Bindhoff), but they were not and by the end of the 17th century around 70-75 percent of cultivatable land was under the control of English landlords.

In France the property rights of peasants developed along a different line. The monarchical state had evolved into an independent collector of tax and had the power to draw revenues from the land; it had an interest in curbing the rents of landlords, so that peasants could pay more in taxes. The state was thus in competition with the lords for surplus peasant product and for this reason often intervened to secure peasant freedoms and property. French landlords had a legal difficulty in occupying vacant peasant lots and so the majority of the land remained under customary rents. The state used peasant production as a direct source of revenue and increased its power by intervening in matters between peasants and landlords to guarantee the continuity of the system.

This can be contrasted with the form of state that developed in England during the Tudor period (1485-1603). Here monarchical centralisation was dependent on the support from landlords, evident from the growth of parliamentary institutions of the period. The weakness of the English peasantry deprived the monarchical powers of a means of generating an income independently of landlords.

Powerful elements of the nobility and gentry would support the monarchy's centralising efforts in the hope of achieving the stability and order necessary for their own economic growth. It was however these same elements from the landlord class who had the strongest interest in freeing themselves from customary peasants and replacing them with commercial tenants.

The nature of the two different states can be illustrated by the content of peasant revolts in the two countries. In England, revolts were directed against the landlords in an attempt to protect peasant ownership against the encroachment of capitalistic property relations. In France the crushing taxation of an absolutist state was the source of the peasants' grievances.

Market dependency

English landlords controlled a large proportion of the best land but didn't have, or need, the kinds of extra-economic powers that other European feudal ruling classes depended on. Instead they largely depended on the increasing productivity of tenants and required the state only as a means of protecting their private property and enforcing contractual obligations. In England, unlike anywhere else, an increasing amount of rents took the form of economic leases being fixed not by law or tradition but variably priced according to market conditions. For tenants this meant having to respond to market imperatives and taking an interest in agricultural 'improvement' and increasing productivity, often involving enclosure of common lands and increased exploitation of wage labour. Both producers and landowners were becoming dependent on the market for their own self-reproduction.

Market imperatives rather than market opportunities were the driving force of the process. Tenant farmers were specialising in competitive production for the market because they needed to in order to be able to continue leasing. This can be contrasted with the peasant who may have had the opportunity to sell surplus product on the market but, as they owned their own means of subsistence, was in no way dependent on it.

Peasants who were unable to keep up with fines or tenants that failed to compete successfully were pushed into a mere subsistence existence and eventually made landless. Some became vagabonds, wandering the roads looking for food or others became wage labourers on large farms. The landless became not only labourers but also consumers as they needed to buy goods in the market which they had previously been able to produce themselves. This was one of the reasons a healthy home market was able to develop in England.

Until 1640 the state operated in the interest of the old feudal order, restricting the full development of capitalist relations in the countryside. During the turbulent events of the English civil war the commercial classes, favouring capitalist development against the traditional rights of peasants and monarchy, managed to take hold of Parliament. The rate of change now rapidly accelerated with the 'improving' capitalist tenant farmer becoming typical by 1660. State-sponsored enclosure of common lands increased and became commonplace, forcing more and more peasants into becoming landless wage-labourers.

The emergence of the landlord/capitalist tenant/wage-labourer triad made the agricultural revolution possible and laid the groundwork for the industrial revolution. Growing agricultural production provided rising incomes for not only the middle but the lower classes, fuelling the growth of the home market. "Industry fed on agriculture and stimulated in turn further agricultural improvement - an upward spiral that extended into the industrial revolution" (Robert Brenner)

Worldwide market

Once English capitalism reached its industrial phase the world-wide market with its competitive pressures became the means for the spreading of capitalist social relations. Economies that depended on trade would be subject to the market imperatives of competition and increasing productivity. These market imperatives transformed social property relations leading to a new wave of dispossession and commodification of labour-power, both small agricultural and independent industrial producers faced the same fate. As more and more people were brought under the sphere of market dependence the strengths of these imperatives grew. Capital was able to remake the

world in its own image.

The social changes of the 17th century freed technology and science from the shackles of feudal backwardness, making possible the advances that began in the 18th century. Yet the direction of technological development is dictated by the profit motive, the need to accumulate capital for its own sake. Could the 21st century see a further period of social change, where humanity as a whole takes control of the productive powers and where human need becomes the guiding force for a new age of technological and scientific progress?

By studying capitalism we learn that human society is not the result of some eternal logic or divine laws but is created through our own actions as we produce the things we need and use every day. The historical conditions that set in motion the social changes that have transformed the world were in no way inevitable. We must fully understand the full power of market imperatives, of the need to accumulate capital and of the need to raise the productivity of labour. We must also have a clear idea of their origins. Once we can begin to answer how and why society works in the way it does we are already some way towards understanding what could be done to change it.

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