Reason in revolt

WORKERS' LIBERTY

CAPITALISM AND ITS "PERFECT STORMS"

By Martin Thomas

Sven Beckert's new book is a bravura sketch, in 1,300 pages, of the whole story of capitalism from its pre-history before the "great connecting" of the world market in the "long 16th century" right up to today.

It is a polemic against Adam Smith's idea that capitalism developed as a "gradual consequence of a certain propensity in human nature... to truck, barter, and exchange one thing for another"; and against the more modern idea that capitalist relations derive directly from human nature, and pre-capitalist formations were only underdeveloped preparations for them.

Older societies in fact had distinct "system[s] of mutual obligations… inscribed in custom and law... not markets". Even when and where there were markets (they existed long before capitalism), they were meshed into a moral economy of mutual (even though usually hideously unequal) obligations. Beckert starts the book by noting that as late as 1639, and even among the English settlers in what is now the USA, to "sell as dear as [one] can, and buy as cheap as [one] can", was a sin and a crime, not admired business practice.

Historically, wage labour encountered "deep resistance because people considered it a form of unfree labour — characterised by prison-like structures, militarised discipline, workplace violence, and intense, unrelenting work requirements". Peasant labour in pre-capitalist societies was often gruelling, but not subject to the same constancy of control. Even in the late 19th century, workers in then-early-bourgeois Osaka had a "huge number of holidays that totalled almost three months a year". In early industrial capitalism, "workers left the factory after very short stints, drank excessively, and did not subordinate themselves to foremen". In early 19th century industrial Britain, so E P Thompson records, "Saint Monday [taking Monday off] appears to have been honoured almost universally wherever small-scale, domestic, and outwork industries existed; was generally found in the pits; and sometimes continued in manufacturing and heavy industry", despite after 1823 workers sometimes being criminally prosecuted and fined or jailed for missing a day at work. Workers were drilled into wage-labour regularity only after many battles.

Karl Marx, in *Capital*, wrote that "the historical movement which changes the producers into wage-workers, appears, on the one hand, as their emancipation from serfdom [or other tributary relations] and from the fetters of the guilds, and this side alone exists for our bourgeois historians. But, on the other hand, these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees of existence afforded by the old feudal [or other] arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire".

Smoothly

Beckert concurs. He also shows that world capitalism has not evolved smoothly and linearly from its early days. It is, and has always been, not just the working of markets in the abstract, but the working of markets constructed and regulated by states and embedded in dense and essential non-market relations. Repeatedly its ruling classes have had to reconfigure and reconstruct it on a world scale. There is, he says, world capitalism, not an aggregate of national capitalisms, but in each epoch different areas and populations have been slotted into the world system in different ways.

On one level, this book renders into a fact-filled and comprehensive composite narrative what Marx sketched in *Capital*, especially in his chapter 31 on *The Genesis of the Industrial Capitalist*. It also draws on Fernand Braudel's three volumes on *Civilisation and Capitalism, 15th-18th Century*. In its descriptions of phases of 20th century capitalism, it has much common ground with the writings of the younger Kautsky, of Luxemburg, of Hilferding, of Lenin, and others, on the era of "high imperialism", and with latter-day Marxist surveys like Marglin and Schor on *The Golden Age of Capitalism* and David Harvey's *Brief History of Neoliberalism*.

Usefully, though patchily and I think not without error, Beckert has brought in more information about working people's battles in the poorer areas of the world, about the evolution of domestic labour, and so on, than previous such surveys.

Beckert dislikes capitalism and records the battles of working people against exploitation with sympathy. He is a professor at Harvard University. The economics department there will not like his take-down of neoclassical economics, and the top university managers there must be hoping that the book does not catch the attention of the Trump administration and complicate their pushback against punitive measures by the federal government.

Yet his conclusion, where he says that capitalism will end and speculates about how, seems limp to me. He is cool about the Russian Revolution of 1917, though he credits it as the first attempt to go beyond capitalism; he says nothing about the Stalinist counter-revolution that followed; he describes the Stalinist states as "postcapitalist" and "socialist", as we would not, but gives them no place in the drama other than "noises off".

More on all that later. First let me summarise the phases of global capitalism as Beckert sees them, and explicate his critique of the idea that they represent the "natural" evolution of market propensities.

Capitalism, he says, signifies "all inputs and all outputs turned into commodities… Even labour power is a commodity". (Here he follows Marx's distinctive approach, of describing what wage-workers sell as "labour power", or labour-capacity, whereas capitalist "common sense" and most other theorists say that we sell "labour").

Further, capitalism is defined by, within it, "wealth [being] principally deployed to generate more wealth… invested in undertakings that combine labour, machines, technical knowledge, and raw materials to generate further investible capital". It is further characterised by "the constant redrawing of the boundaries between the spheres of life seen as subject to capitalist logic and those seen as outside it… it subsumes other logics into its reproduction... Capitalism… is a process, not a thing or an event".

Side-swipe

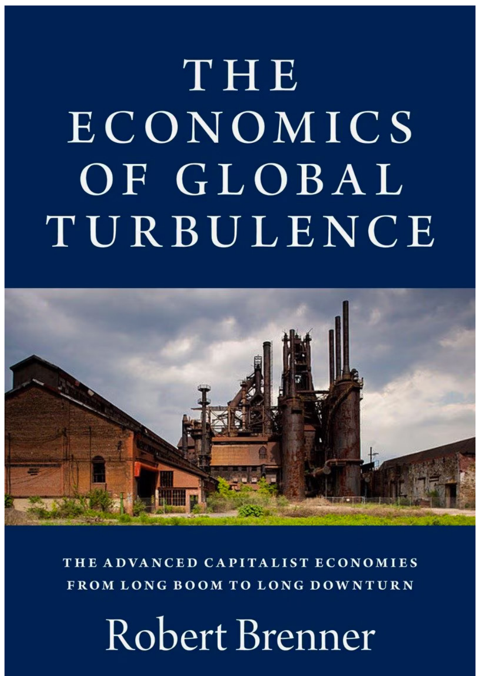
Apparently intending a side-swipe against Marxism, he says that capitalism "at key historical moments" has rested not on wage-labour but on slave labour (in what are now Haiti and Barbados, then in the Southern states of the USA in the 19th century) or on the "second serfdom" (serfs mobilised for commercial production in Poland and Eastern Europe in the high days of the Baltic trade from the late 14th century onwards). However, Marx too described the pivotal role of explicitly-unfree labour in early capitalism. Marx declared that the Industrial Revolution and "the cotton industry... in England... gave in the United States a stimulus to the transformation of the earlier, more or less patriarchal, slavery into a system of commercial exploitation. In fact, the veiled slavery of the wage workers in Europe needed, for its pedestal, slavery pure and simple in the new world… In 1790, there were in the English West

Indies ten slaves for one free man, in the French fourteen for one, in the Dutch twenty-three for one". And Beckert's own description shows global capitalism shifting, unevenly, reluctantly, but shifting, towards wage labour across the board. There is no clear difference here.

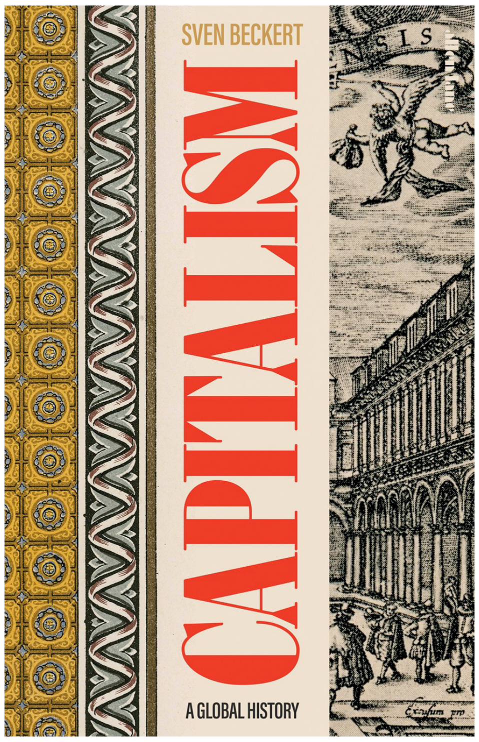
Like Braudel, Beckert identifies the "first capitalists" as merchants in long-distance trade in luxuries. Ordinary market days in towns, dominated by small traders and small stocks of both cash and goods, did not have the same capitalist character.

Werner Sombart, a German professor who wrote at great length on the history of capitalism, named highway and seaway robbery, tax-farming, looting, treasure-trove, and alchemy as the main routes for greed for wealth before capitalism properly speaking. In his early years Sombart was a sort of Marxist, though also a personal friend of the conservative Max Weber. Sombart coined the hopeful term "late capitalism" which would be adapted by Ernest Mandel for his major political-economy book. Engels had friendly correspondence with him. Sombart is not much cited now because he came to applaud World War One and then, in old age, the Nazis. Beckert cites Sombart frequently but not on this. Beckert does, however, name "taxation, tribute, plunder… war booty", not just long-distance trade, as the chief means of accumulation in the early era.

Beckert tells us something about the technology and scale of long-distance trade in the era when he starts his story. Maybe 70 to 80 ships a year (in the 1220s CE) went through the great hub of Aden on the chief route of the time, between East Africa and India. Each carried maybe one ten-thousandth of the load of a modern container ship, of which there are about 7,000 on the seas now, taking maybe nine days to get from East Africa to Mumbai. Back in the day, the round trip between Cairo and India



Robert Brenner's study of 1998 identified destabilisation of world-market relations as the core of the economic crises of the 1970s



via Aden took about two years. (The Silk Road land round trip was about as long).

It is a pity, I think, that Beckert then writes nothing on the ensuing technical revolutions in trade and communications. We need not follow Marx's flourished technological-determinist exaggeration in *The Poverty of Philosophy*: "The hand-mill gives you society with the feudal lord; the steam-mill, society with the industrial capitalist". But container ships, automated ports, giant trucks, rail, air travel, and the internet shape different possibilities for trade than a world where it took years to get goods, information, or payment between main nodes. There have been many shifts in technology between times.

Riches

The long-distance trade was small by modern standards, but the riches were sizeable for the time. They circulated in "islands of capital", while "agricultural production and manufacturing remained almost entirely embedded in non-capitalist structures".

The Crusades turned trade from Venice and Genoa towards the east. Genoa imported grain from the Black Sea as early as the 14th century (possibly the first sizeable long-distance trade in basic goods?). Baltic trade and the Hanseatic League grew from the 13th century. Europe developed fairs as marketplaces for long-distance luxury trade. North Italian city states developed banking, insurance, double-entry book-keeping, legal forms for commercial companies.

China and India were by far the main world centres of industry then. But, maybe because they had strong imperial governments (the Mughal Empire did not decline sharply until the early 18th century) drawing tribute-revenues from large hinterlands, in contrast to the parcellised city-states and princedoms of feudal Europe, they did not become central in the new merchant capitalism. "In India, production primarily took place within traditional village structures… By the 15th century, political authorities in China… had severely limited overseas trade in all its forms" and scaled back China's navy.

So "at the core of" what Beckert calls the "Great Connecting" of the "long 16th century" (1450-1650) "was a small slice of the world's merchants in a few European cities".

"It began with the expansion of Europe's most developed nodes of capital — the Italian city-states". The small kingdom of Portugal developed advanced ship designs (caravels, galleons) and a sea-route to Asia (1497-99), bypassing the Ottoman Empire which now (after 1453) controlled what is now Istanbul. The English East India Company (1600) and Dutch VOC (1602) followed. Europeans looted the old empires of the Americas, opened huge and murderous new silver-mining at Potosi (in modern Bolivia), and developed an Atlantic slave trade, with Cape Verde as its first hub, greater than the old Arab slave trade from east Africa.

"The silver-based Spanish peso ['pieces of eight'] became a universal currency" (later to be replaced by the Maria Theresa thaler). A bourgeois revolt in the Netherlands (from 1566) created a republic with "merchants' control of political power", a central bank, a stock exchange, a futures market. In Marx's words, endorsed by Beckert, it was "the model capitalist nation of the 17th century". Then by the late 17th century "Britain maintained the world's largest navy".

State power was central: "markets… were deeply institutionalised and politically constituted entities". This was "war capitalism". European powers "weaken[ed] competing nodes of capital" by plunder, conquest, and control of seaways. Sugar, grown in the Caribbean by slave-labour, became "the first of the planetary commodities". More and more, merchants did not just trade a marketed sub-portion of the produce of handicraft small-producers. "Merchants put sharecroppers, wage-workers, slaves or serfs to work, producing… to be traded". "Proto-industrialisation", with greater small-scale production for the market, under a variety of regimes, spread, including in India and China.

However, "ultimately most consequential… was… wage-labour", generated by "forceful eradication of the commons", dispersal of feudal retinues, and state action to force the ensuing "vagabonds" into wage-work.

"Mines, breweries, tanneries, forges, and even textile factories… arsenals, shipyards" and, notably in Paris, luxury factories, multiplied. Technical improvements accelerated (Kay's flying shuttle 1733, spinning jenny 1764, Arkwright's water frame 1768). "As industry intensified, wage labour spread". Europe urbanised. By 1800, Britain was 29% urban, the Netherlands, 34%.

By the late 18th century, a "perfect storm" of world trade, urbanisation, marketisation of the countryside, and states in alliance with capitalists, had produced the "Great Leap", the Industrial Revolution. "From shaded sprouts, the growth of a new kind of capitalism — industrial capitalism — had broken through the canopy and yielded a tectonic and exceedingly unlikely departure in human history". Meanwhile European powers "uprooted the sprouts of capitalism" elsewhere.

Now cotton mills, then a much-expanded coal industry, iron-working, railways, machine-building, expanded, with productivity increases unparalleled in previous history. Clocks, bells, and time-keeping became widespread. Social labour "now became sharply demarcated and set apart from all other activities", though in older societies "work" had faded loosely into the spectrum of "life" (as it still does today with "housework"). Wage-labour became "a labour system central to latter-day capitalism", though often in forms far from an "ideal" free labour market: convict labour, indentured labour, a "Master and Servant Act" of 1823 in Britain which yielded up to 10,000 criminal prosecutions a year, often with jail sentences, for workers charged with breaking their contracts.

Slave production of cotton, sugar, and coffee in the Americas and Caribbean remained axial. Slavery was not abolished in Cuba until 1886, in Brazil until 1888.

Reward

A class of self-aware "capitalists" and "bourgeois" developed, considering their new wealth to be the reward they deserved for their "hard work, prudence, intelligence", but also producing "intellectual tools and political energy… to oppose forms of dependence and hierarchy that had structured human societies for centuries", such as absolutism, clericalism, slavery, and explicit subjugation of women.

Industrial-revolution capitalism, however, reached a watershed in the 1870s after which "capital owners… reconstructed global capitalism".

Came the era of huge industry-dominating corporations, vertically-integrated production, cartels, trusts, capital markets, managerialism, systematic accountancy, electricity, more rail and iron and steel, the start of chemical industries and oil, high imperialism, a systematic international division of labour between manufacturing industry in richer countries and extractive industries in poorer ones, and more "enclosures" of land in poorer countries. Barbed wire came into widespread use from 1877. Labour also was "reconstructed", with much indentured labour, sharecropping, debt peonage, etc., as well as standard wage labour.

Trade unions and workers' parties grew and won reforms. Real wages rose between 1870 and 1913 by 40-odd or 50-odd per cent in the UK, USA, Germany, and Belgium. State expenditures, including some social expenditures, rose.

Then came World War One. "The survival of many new forms of capital

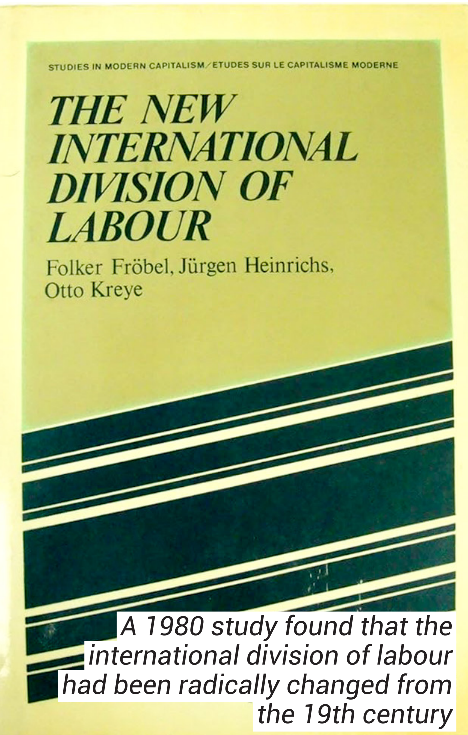
The Bretton Woods conference of 1944 sketched the US-hegemonised world order of the "golden age of capitalism"

seemed to rest on a nation-state that could guarantee access to raw materials, agricultural commodities, labour, and markets", and European states went to war over that access.

After the war came huge working people's revolts in 1919-20: Beckert tells us about strikes and other battles in Senegal, the USA, Japan, India, West Africa, Egypt, Trinidad, and Iraq, as well as the better-known ones in Europe. "Capitalism… has always been unstable and contested… rarely was that instability more evident than in the two and a half decades after World War One".

The capitalist classes survived that "wild ride". Along the way they developed initiatives and adaptations which would be massively deployed in a new reconstruction of global capitalism, under US hegemony, after 1945.

They learned, precariously at least, how to manage mass-production lines. In 1913 Ford had had 10% absenteeism and 370% per year labour turnover in its factories: it learned how to engineer a modus vivendi. There was a "new social settlement in select areas of the world", with more public social provision, which would allow many states to keep their "reserve armies of labour" in good working availability and moderately educated. (In 1918, school became compulsory in England until age 14). Capitalist governments turned more attention to organising "social reproduction", rather than assuming it would take care of itself in slums and rural labour reservoirs. Poorer-country governments advanced "import-substitution industrialisation": Egypt's textile output multiplied by seven in the 1930s; Brazilian manufacturing doubled between 1920 and 1938; industry in India, Turkey, and Mexico also grew.



A 1980 study found that the international division of labour had been radically changed from the 19th century

All that would be limited and zig-zag in the "time of monsters", 1918-45. After 1945, it was systematised and much expanded. Beckert calls this "taming industrial capitalism", though a better diagnosis might be of an industrial capitalism more capable, for a while, of bridging its own fractures and thus allowing more scope for reform. Higher education expanded in richer countries (and in many poorer ones too). Wages increased. Women's participation in wage-labour increased (fairly steadily, in fact. Beckert suggests a dip in the 1950s in Sweden. Sweden, being outside World War Two, did not have the 1940s wartime uptick in women's wage-work that warring countries had, but best evidence is that women's wage-work expanded from 1950). Equal pay for women became a constitutional right in Italy in 1948, and followed in other European countries. Workers' paid holidays expanded too: in Britain, a general right to one week's paid holiday a year dates only from 1938. And commercial meal preparation: by the 2010s, people in the USA were eating as much "out" as at home. Social-democratic parties and trade unions in richer countries won real reforms with the consent of capitalist classes whose profits stayed good: Beckert describes Sweden.

"Urbanisation took off [across the world] after World War Two", and wage-labour too, although across Latin America 53% of adult workers in 2016 were in "informal" (cash-in-hand, no contract) jobs. Wealthier classes in poorer countries gained confidence and popular support to win colonial independence. Some of those would organise fast growth, in Taiwan and South Korea, for example. In other ex-colonies, even rudimentary underpinnings of industrial development were lacking after decades of imperial plunder. In Burkina Faso, for example, "even wage-labour was almost unknown" at independence in 1960. In such countries, "local elites came to build their power on the control of the state, not the ownership of capital".

Uncontrolled

The 1970s, with the "oil crisis" (exporting countries quadrupling prices), the emergence of the free-floating and uncontrolled "Eurodollar" financial market ("fed first by Soviet oil dollars"), and the growth of infrastructure for industry in many more countries across the world (the "New International Division of Labour" then identified by Fröbel, Heinrichs, and Kreye), forced a new "epochal break in capitalism's history".

Beckert diagnoses this turning point, unlike previous ones, as driven by a "rebellion of capital-owners" whose "fundamental impetus was to push back the nation-state". He also identifies feminist, anti-racist, student, and ecological rebellions as "undermin[ing] the golden-age order". (No real explanation why. I can't see why they should have given impetus to neoliberalism, rather than pushing "golden age capitalism" into further reforms. Besides, the eco-rebels of the 1970s were as likely to be neo-Malthusian conservatives, agitating for "population control" and worrying that there would be too little oil to extract, as green-minded Australian building workers).

In any case, the ruling classes organised a "shape-shifting", "a global political and economic recasting", a "new global political economy", that would be called neoliberalism. It started in Chile after the 1973 military coup and went worldwide, following Reagan and Thatcher, in the 1980s. The Latin American debt crisis of the 1980s, and IMF Structural Adjustment Programmes, spread it.

Globally, this was not, as it might seem from a glance at Sheffield or Detroit, "deindustrialisation". It was "the most dramatic wave of industrialisation the world had ever seen". Containerisation, pioneered in the USA in the mid-1950s, spread worldwide. Microelectronics and other new technologies rose. World financial markets burgeoned. China, Indonesia, Thailand, and others became major centres of export manufacturing. Carbon emissions burgeoned, too.

There were big worker revolts in the 1980s, notably in South Korea and South Africa, but on the whole labour became "weakened". (Beckert mentions PATCO in the USA and the British miners' strike. But would it not be more accurate to say: "defeated", and then kept on the back foot by faster-than-ever-before industrial restructuring?)

The previous epoch had created "a world market for production locations". "Capital moved into being able to pick 'its' state from an ever increasing number of locations competing to host it". Those competing states pushed privatisation and deregulation to woo footloose capital.

Government ideologues said that public social provision should be reduced, with "the family" making a better social safety net. But "the welfare state was so important that it survived". Or, more directly, working-class resistance forced its survival, more marketised, more punitive with the unemployed, frayed, but still real. (Beckert could have added that social health insurance was won in Japan, for the elderly, only in 1972; Australia only in 1984; Brazil 1988; Taiwan 1995, South Korea 2000 — all within or near the span, and against the grain, of neoliberalism).

Then the 2008 crash. Beckert's narrative dwindles for more recent times, but he suggests a new "moment of capitalism's shape-shifting" may now be under way: "a new moment of reinvention in which tariffs, nationalised [surely better alliance-based?] commodity chains, immigration restrictions, and statist industrial policies [are] re-emerging as important policy tools".

Beckert contests the conventional neoliberal view that capitalism is a story of the ever-more-perfect unfolding of humanity's inbuilt propensity for market exchange. Markets are not human nature: most of the history of humanity is one of social life with no or very restrained markets. Markets are constructed by governing powers, and in different ways. Globally, they have had to be reconstructed several times. In most of their history they were only islands within a non-market sea of social life. Even now they can continue only thanks to much non-market life around them.

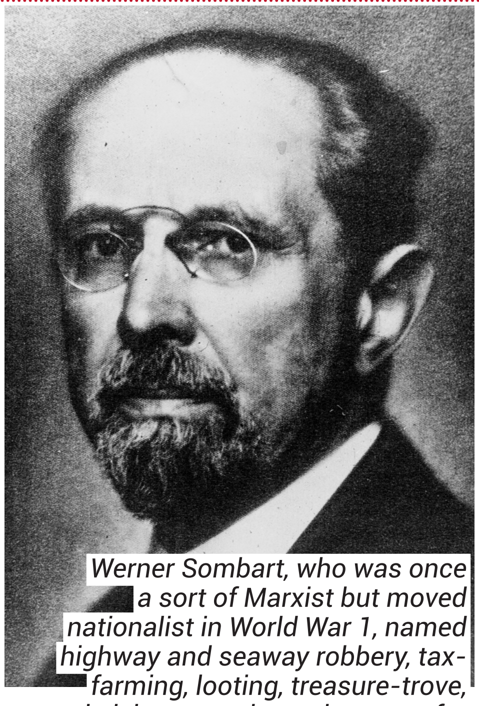
Terrain

Dynamic commercial capitalism, and industrial capitalism, originated in Europe not because of any special quality of the climate, the terrain, or the demography, but for contingent reasons and only in combination with forces pushing capitalism "from the outside in", for example capitalist slaveowners in the Americas and Caribbean.

I think Beckert overstates the element of contingency in the development of capitalism when, for example, he calls the Industrial Revolution an "exceedingly unlikely departure in human history".

The word "unlikely" here confuses rather than clarifies. What has actually happened is now neither likely nor unlikely. It is just what happened. Or, in another sense, everything that happens was "unlikely" before it happened, at least in detail. We already know from physics that it is untrue that "everything happens for a reason". Besides, where things do happen for deterministic reasons, often we do not know or even cannot know those reasons. Looking from the vantage point of my grandparents and great-grandparents in Wales, Ireland, Italy, and England, it was vanishingly improbable that they would share a descendant who in December 2025 would be writing a review of Beckert's book.

This apparently logic-chopping truth is important for understanding capitalist crises. Each individual crisis has its own specialness, unpredictable in advance and distinct from other crises in its triggers and timing. It is "unlikely" in its timing and its detail. Yet it remains true that capitalism generates crises. There is "unlikely" and "unlikely".

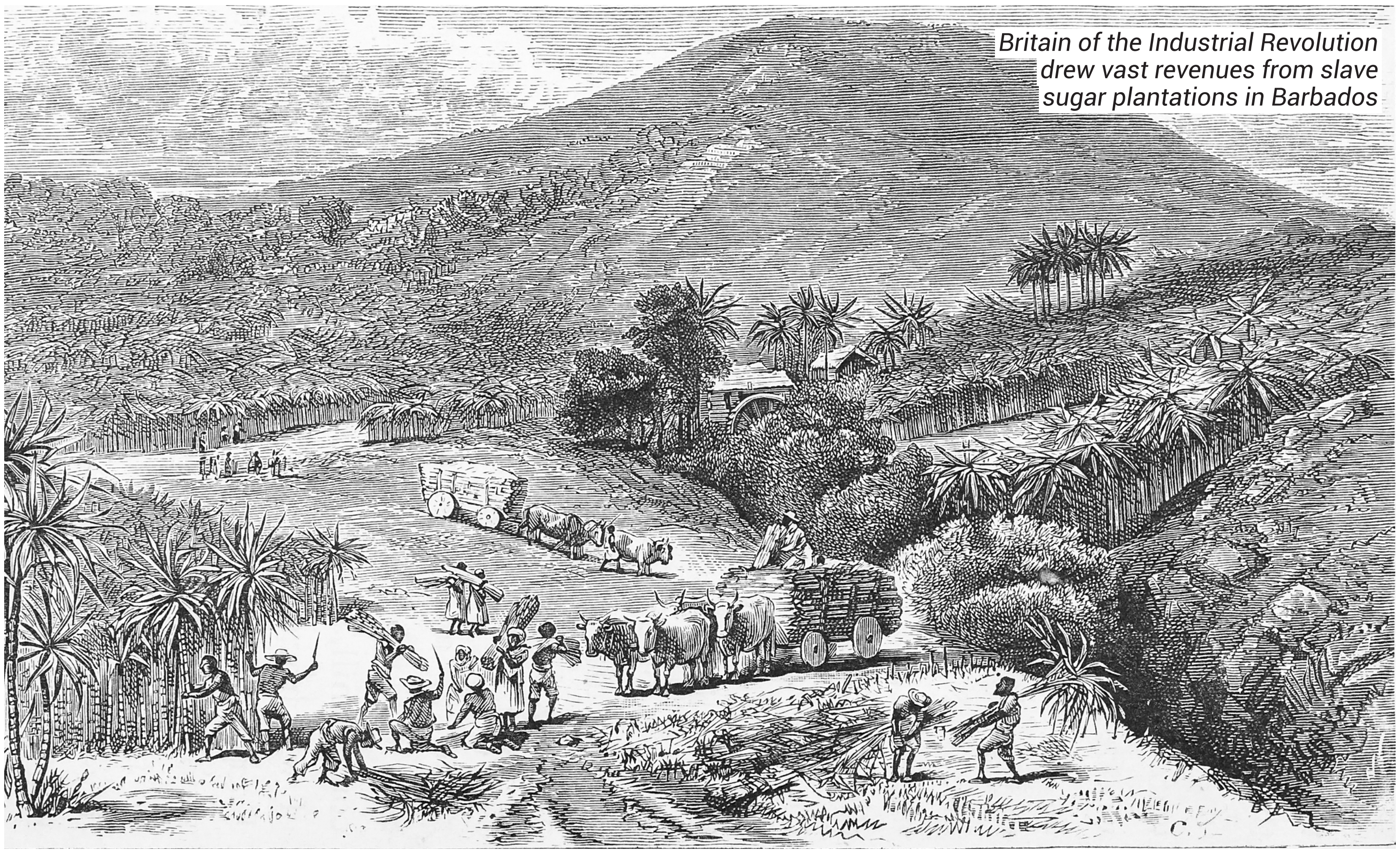


Werner Sombart, who was once a sort of Marxist but moved nationalist in World War 1, named highway and seaway robbery, tax-farming, looting, treasure-trove, and alchemy as the main routes for greed for wealth in the run-up to capitalism

Marx is sometimes thought to have argued that capitalist development was set on predictable lines by ineluctable general "reasons", as direct as the law of gravity which makes objects fall to earth. But the nearest he came to a statement like that says nothing so over-generalised. He wrote in his preface to *Capital* volume one: “The country that is more developed industrially only shows, to the less developed, the image of its own future”. That was a response to “the German reader [who] shrugs his shoulders at the condition of the English industrial and agricultural labourers, or... comforts himself with the thought that in Germany things are not nearly so bad”, i.e. that German industry then was mostly artisanal workshops where many workers were apprentices destined to become masters themselves. No, said Marx, industrial hell-holes like the English textile factories and their adjacent slums would come to Germany too. Soon. As they did.

Even when they came, he indicated, they would be different, because Germany would have its own unique combination, its own variant of what Trotsky later called “uneven and combined development”, “suffer[ing] not only from the development of capitalist production, but also from the incompleteness of that development… alongside the modern evils, a whole series of inherited evils... arising from the passive survival of antiquated modes of production”. In opening chapter 10 of *Capital*, on the Working Day, Marx declared that the worst exploitation came with that “uneven development”. “As soon as people, whose production still moves within the lower forms of slave-labour, corvée-labour, etc., are drawn into the whirlpool of an international market dominated by the capitalistic mode of production, the sale of their products for export becoming their principal interest, the civilised horrors of over-work are grafted on the barbaric horrors of slavery, serfdom, etc.”

In his 1847 *Speech on the Question of Free Trade* he lambasted those apologists of “comparative advantage” who “believe perhaps… that the production of coffee and sugar is the natural destiny of the West Indies” and “cannot understand how one nation can grow rich at the expense of another”. In *Capital* he denounced the “new and international division of labour, a division suited to the requirements of the chief centres of modern industry [which] converts one part of the globe into a chiefly agricultural field of production, for supplying the other part which remains a chiefly industrial field”. No single all-reasons-clear-in-advance queue of development for all countries there.



Britain of the Industrial Revolution drew vast revenues from slave sugar plantations in Barbados

Genesis

Elsewhere Marx railed against a critic who, he said, converted Marx’s “historical sketch of the genesis of capitalism in Western Europe into an historico-philosophic theory of the marche générale [general path] imposed by fate upon every people, whatever the historic circumstances in which it finds itself”. He remonstrated that world-history would be of “a very mystical nature, if ‘accidents’ played no part”. His apparently super-orderly listing of successive modes of production in his *Preface to the Contribution to a Critique of Political Economy* (1859) was in an improvised text written after he ditched the longer Introduction to that book he had been working on. It was probably tilted to read very “objectivist” so as not to annoy the official censors. For the same reason the body of the *Contribution* book contains nothing about capital or exploitation, although Marx had already worked out his theory of surplus-value. The *Preface* gained the status of an all-you-need-to-know keystone document, quoted much more than the episodic mention it had had before, rather than an occasional text to be read alongside others, only after it was widely republished by Stalinists. They had their own reasons for wanting all the sufferings in history to be seen as merely the temporary side-costs of inexorable advance.

So, yes, history does not run on rails. But that does not mean that any emergence of capitalism was a freakish quirk. Markets and technologies and cities had their own momentum, at different speeds and in different ways, in many parts of the world before the “islands of capitalism”, as Beckert puts it, found their “great connecting”. Relatively contingent and secondary elements in history might have given the “connecting” a different hub, or delayed it, or speeded it; but that the “islands” should “connect” eventually, in one way or another, and that ripples of transformation would flow from the “connecting”, was surely not “unlikely” in the sense of depending, in order to happen at all, on some concatenation of previous circumstances which would have been made impossible by even small variations of secondary details.

Beckert’s account is, of course, far more detailed, but is similar in gist to that given by Marx in *Capital*, of the initial surge of capitalist production being far from the gradual or automatic result of an organic and inevitable expansion of free-market relations.

Gold

“The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalised the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive [or original, or initial] accumulation.

“On their heels treads the commercial war of the European nations, with the globe for a theatre. It begins with the revolt of the Netherlands from Spain, assumes giant dimensions in England’s Anti-Jacobin War, and is still going on [mid-19th century] in the opium wars against China, etc.

“The different momenta of primitive accumulation distribute themselves now, more or less in chronological order, particularly over Spain, Portugal, Holland, France, and England. In England at the end of the 17th century, they arrive

Richard Arkwright’s Cromford Mill was one of the first big factories of the Industrial Revolution

Containerisation accelerated world trade from the late 1960s.

at a systematical combination, embracing the colonies, the national debt, the modern mode of taxation, and the protectionist system.

"These methods depend in part on brute force, e.g., the colonial system. But, they all employ the power of the State, the concentrated and organised force of society, to hasten, hot-house fashion, the process of transformation of the feudal mode of production into the capitalist mode, and to shorten the transition. Force is the midwife of every old society pregnant with a new one. It is itself an economic power...

"In fact, the veiled slavery of the wage workers in Europe needed, for its pedestal, slavery pure and simple in the new world..."

Rudolf Hilferding's book Finance Capital (1910) described capitalism then as having entered a new mode or phase characterised by the domination of big banks

Moreover: "It is not enough that the conditions of labour are concentrated in a mass, in the shape of capital, at the one pole of society, while at the other are grouped masses of people, who have nothing to sell but their labour-power. Neither is it enough that they are compelled to sell it voluntarily.

Nature

"The advance of capitalist production develops a working class, which by education, tradition, habit, looks upon the conditions of that mode of production as self-evident laws of Nature. The organisation of the capitalist process of production, once fully developed, breaks down all resistance. The constant generation of a relative surplus-population keeps the law of supply and demand of labour, and therefore keeps wages, in a rut that corresponds with the wants of capital. The dull compulsion of economic relations completes the subjection of the labourer to the capitalist. Direct force, outside economic conditions, is of course still used, but only exceptionally...

"It is otherwise during the historic genesis of capitalist production. The bourgeoisie, at its rise, wants and uses the power of the state to 'regulate' wages, i.e., to force them within the limits suitable for surplus-value making, to lengthen the working-day, and to keep the labourer himself in the normal degree of dependence. This is an essential element of the so-called primitive [or initial] accumulation".

Yet Beckert is frequently at pains to distance himself from Marx or Marxism, sometimes in ways that are just puzzling.

In contrast to Adam Smith, who "naturalised what he called 'barter'", i.e. presented it as an inevitable expression of human nature, Marx (so writes Beckert, accurately) "denaturalised the commodity form", analysing it as a particular phase of history. Aha, adds Beckert: Marx, however, "naturalised class conflict".

I really don't know what he means. Marx did not consider class conflict to be inevitable in human nature. The Communist Manifesto declared summarily that "the history of all hitherto existing society is the history of class struggles", but a footnote qualified it, "that is, all written history", and mentioned "primitive communist" societies which had no class battles. The footnote was written by Engels after Marx's death, but Engels based himself on notes made by Marx after reading Lewis H Morgan's *Ancient Society* (1877). And of course Marx and Engels looked forward to a communist society in which there will be disputes and clashes, but not conflicts of exploiting and exploited classes.

Eurocentric

Beckert also considers Marx "Eurocentric". Maybe Marx, having little to draw on for the history of India and China, overestimated the degree to which their societies had been static and unchanging. We surely know since the multi-volume (1954-2004) *Science and Civilisation in China*, by Joseph Needham, that China made many scientific and technical advances long before Europe. Beckert's highlighting of developments and battles outside Europe is useful, though his repeated tacking-on of such adjectives as "astounding" and "astonishing", including when the reference is not at all surprising to anyone who has read Marx's summary above, seems painfully overdone and sometimes tokenist and "virtue-signalling".

Marx himself, despite all the limitations of his information, wrote of India not as a sink of inertia, but as "that great and interesting country, whose gentle natives are... more subtle and adroit than the Italians... whose country has been the source of our languages, our religions". He insisted, as we've seen, that "the modern history of capital dates from the creation in the 16th century of a world-embracing commerce and a world-embracing market", i.e. from developments across the world and not just in Europe.

Beckert further reproaches Marx with understating the role of merchant capitalism in the development of gen-

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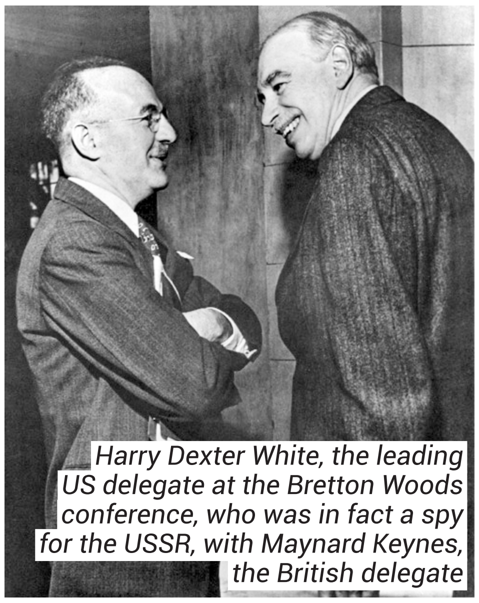
eral capitalism. But Beckert himself stresses that that the “great leap” into full capitalist development came only by a “perfect storm” of circumstances, not by a simple expansionary logic of merchant capital.

Beckert's evidence for Marx understating is a half-sentence quote: “merchant capital is synonymous to the non-submission of production to capital”. The fuller passage is as follows:

“The independent and preponderant [note the qualifying adjectives] development of capital in the form of commercial capital is synonymous with the non-subjection of production to capital... Trade always has, to a greater or lesser degree, a solvent effect on the pre-existing organisations of production... But how far it leads to the dissolution of the old mode of production depends first and foremost on the solidity and inner articulation of this mode of production itself... [And then] in the ancient world [Greece and Rome] the influence of trade and the development of commercial capital always produced the result of a slave economy; or, given a different point of departure, it also meant the transformation of a patriarchal slave system oriented towards the production of the direct means of subsistence into one oriented towards the production of surplus-value”.

This is, I think, in line with Beckert's substantive account, and, more important, true. Beckert also complains that Marx understated the entry of merchants into industrial production. In *The Poverty of Philosophy* Marx wrote: “It was not... in the bosom of the old guilds [of handicraft industry] that manufacture was born. It was the merchant that became the head of the modern workshop, and not the old guild-master”. Werner Sombart would complain, indeed, that “Marx... [reduced it] to a simple formula... gradual application of commercial capitalist to the work of production”. Sombart argued that “rising” craft workers also initiated early capitalist enterprises; and landlords and the state too, despite their culture of disdain for “trade”.

Twenty years later, in the chapter of *Capital* on the *Genesis of the Industrial Capitalist*, Marx was more reticent than earlier. Having identified the capitalist



Harry Dexter White, the leading US delegate at the Bretton Woods conference, who was in fact a spy for the USSR, with Maynard Keynes, the British delegate

farmer class in Britain as having developed out of the old stratum of landlords' bailiffs, he declined to identify the personal origin of the early industrial capitalists. But he did not write that they were not merchants.

Beckert cites research into the family backgrounds of 28 owners of Scottish cotton mills between 1787 and 1912, and finds that 28% of their fathers were “merchants”, 43% “manufacturers” or “farmers”. I looked up the origins of ten famous early industrial figures in Britain, from David Dale to Josiah Wedgwood. None came from merchant families, though Dale, from a small shopkeeper family, became a rich merchant before becoming an industrialist. Several came from handicraft worker backgrounds. Some married into merchant wealth. A survey of ten is not definitive, and neither is one of 28, but it is hard to blame Marx's caution about repeating his sweeping identification from *The Poverty of Philosophy*.

Orderly

Decades ago, a historian, David Cressy I think, told me, in order to refute simplistic pictures of the Industrial Revolution, that the biggest “investment project” of the 18th century in England was not Arkwright's Cromford Mill (1771), or anything like that, but Blenheim Palace (1705-22). I haven't been able to check that, but it fits well with Marx's picture. Early industrial undertakings grew from the fringes of and in the pores of upper-class wealth, not in an orderly flow from the centre.

Beckert's quotation from Marx on merchant capital is an example of wider problems with his quotations. I well understand that in a 1,300 page book with many thousands of footnotes, slips are unavoidable. But too many quotations are arbitrarily chosen, or misquoted. Too many are footnoted as “as quoted by”, when checking the original would be easy. The many graphs included in the book frustratingly often lack information necessary to interpret them rigorously.

Beckert covers the worldwide student rebellions of the 1960s by a quote from the Berkeley Free Speech Movement (without saying what it was actually about), a few words about “massive student rallies” in France in 1968, and... a pamphlet issued by Essex University Socialist Society. Why those three? Essex was a militant campus, but the university was just starting up (only 750 students in 1966). It wasn't central, and in some ways it was atypical: the leading student rebel, David Triesman, was then a Maoist and would become a union general secretary, then a Blairite Labour Party general secretary and minister, then a merchant banker and member of the House of Lords.

Such coverage, and I could add more examples, on aspects I know something about, make me worry about Beckert's apparently valuable passages on developments and battles where I know little.

Beckert's coverage of the Russian

Mikhail Stepanov, the chief USSR delegate at Bretton Woods, being chummy with Keynes and the Yugoslav delegate

revolution of October 1917 is a serious case of misquoting. Thus: “the Bolsheviks, under the leadership of Vladimir Lenin, seized control of key institutions. On October 25 1917, Lenin declared in Petrograd that ‘in Russia we must now set about building a proletarian socialist state’.”

The saying by Lenin was reported by John Reed (from 26 October, old style) as “We shall now proceed to construct the socialist order”, and as the introductory flourish to a speech moving the Decree on Peace at the Congress of Soviets. Trotsky notes that none of the newspaper reports from then have it, and that the official record of the Congress has been lost, but thinks Lenin probably said something like that.

The Bolsheviks no more seized “control of key institutions” of the old order than the French revolutionaries of 1789-94 seized the “key institutions” of the old absolute monarchy. The police had vanished from the streets months earlier, and did not reappear. The army was falling apart, and would be disbanded by the Bolshevik government in early 1918 (though then it had to build a new, Red, Army to counter domestic counter-revolution from the remnants of the old army and fourteen invading armies). State officials refused to co-operate with the government chosen by the elected Congress of elected Soviets (workers' and soldiers' councils), and left empty ministry buildings for the new government to try to work from. (Later, when the officials saw that the workers'-council government was solid, many of them came back to work, and with that came problems as well as advantages; but that is another story).

The Bolsheviks were, on the contrary, the majority force (by elections) of a new institution, the workers' and soldiers' councils.

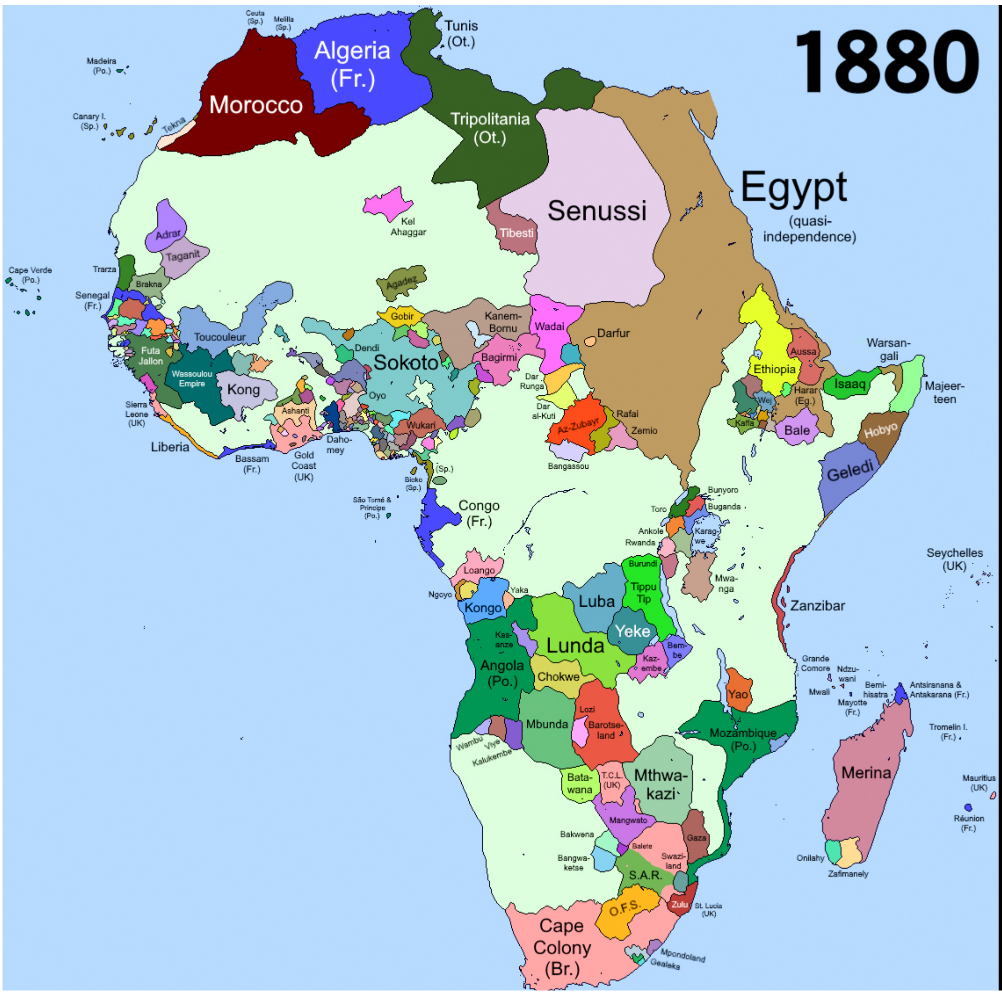
Lenin could not have told the Congress delegates that they “must” “build a proletarian socialist state” in Russia. Lenin insisted that it was impossible to build socialism in isolated, backward Russia. If he declared confidence in “building the socialist order”, that would have been about extending the revolution. In Reed's account, Lenin finished the speech by saying: “We address ourselves to the workers of France, England, and Germany... The revolution of 6 and 7 November [new style, i.e. 25-26 October old style] has opened the era of the social revolution... The labour movement, in the name of peace and socialism, shall win, and fulfill its destiny”.

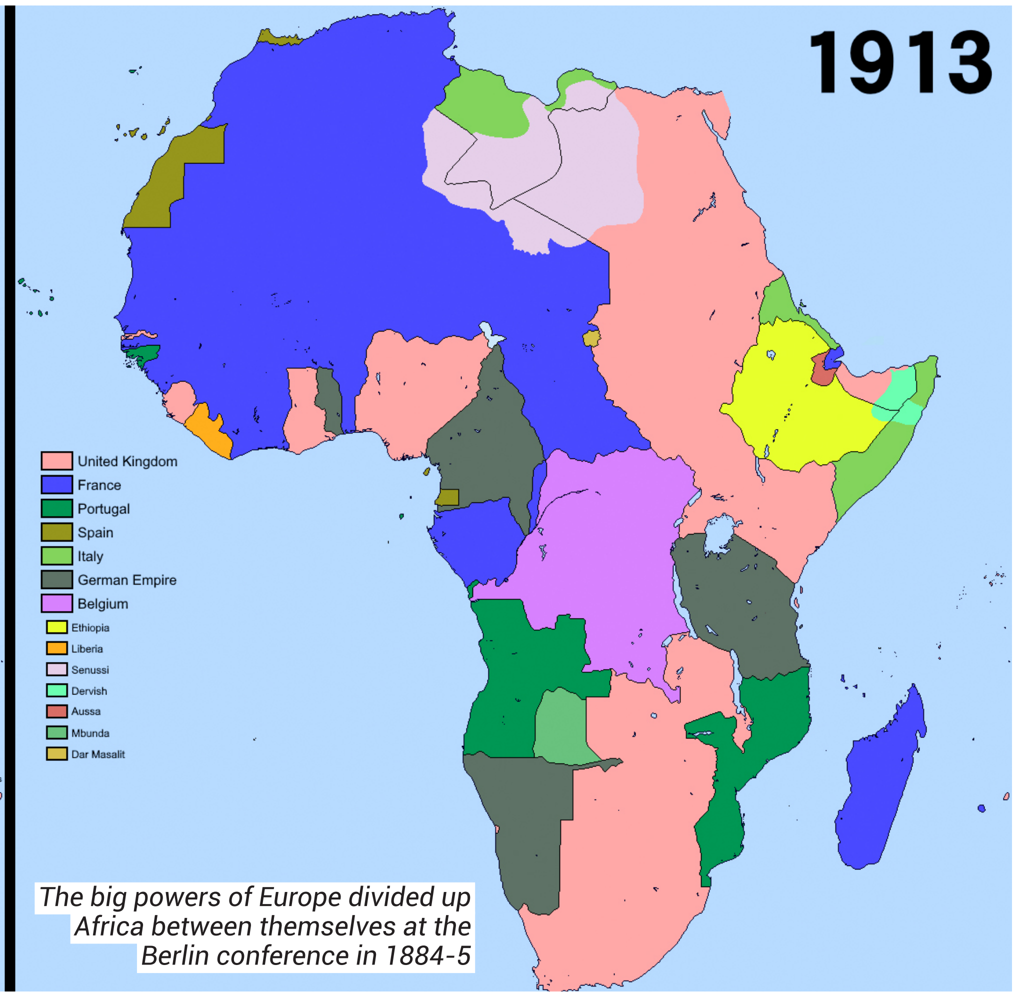
Praise

And yet Beckert accepts the Bolshevik revolution as “to industrial capitalism what the Haitian Revolution [against slavery, of 1791-1804] had been to war capitalism”. It set a government “oriented... toward an irrevocably [?] postcapitalist future”. He says nothing about the Stalinist counter-revolution, and so suggests that he sees Stalinism as the direct continuation, without any “unlikely departures”, of the revolution; he describes the Stalinist USSR, and movements and states modelled on it, without demur and equally without praise as “socialist”.

In a book covering centuries of global history, even with 1,300 pages, even the best writer must skip over a lot. But it is odd that Beckert says nothing about the French Revolution of 1789-94, the English Revolution of 1640-9, the American War of Independence of 1775-1783 (or the settler revolutions of 1808-33 which made Spanish America into independent states, despite Benedict Anderson's well-known identification of those revolutions as central in the development of bourgeois-democratic nationalism, which Beckert does discuss). Perhaps he means here to “deconstruct” the whole idea of bourgeois revolution, as George Comninel for example did. I don't know. He does stress the importance of the Dutch “bourgeois revolu-

Spanish “pieces of eight” were the “world money” from the 16th century to the 19th





The big powers of Europe divided up Africa between themselves at the Berlin conference in 1884-5

tion".

Whatever about that, it is even more odd that Beckert writes almost nothing about the Stalinist states. He recounts the rise of mass Marxist-informed working-class socialist movements of the late 19th and early 20th century with apparent sympathy, and records no discontinuity coming when Stalinism bit those movements. Does he mean that he accepts that those states embodied what such forces could actually achieve? They were socialist, but it turned out that socialism was so poor that the people raised under it would eventually rebel to get capitalism back? That "socialist" postcapitalism is unviable? Undesirable? He finds the speed at which most of the Stalinist states collapsed in 1989-91 "astounding", but expresses no surprise or consternation about the collapse itself as distinct from its speed, or about the slower but still "compressed" form of "capitalist revolution" in China.

Emphasis

As we have seen, Beckert emphasises that, though wage-labour is central to capitalism, historically capitalism has also used other labour regimes. Even when it has wage-labour, it often differs widely and variously from "ideal" free-market labour. Markets are never the "ideal" schemes supposed by some economists to come by nature, but are variously constructed and shaped by state powers. And he writes that in many areas of the ex-colonial world, "local elites came to build their power on the control of the state, not the [individual] ownership of capital".

Given all that, I don't know why he would not accept the description which I personally would favour, of the Stalinist states as a deformed and "primitive" variant of state capitalism. He does discuss statised capitalism in countries such as Nasser's Egypt in the 1960s, but with no acknowledgement that the Stalinist states had any parallel or similarity with it. (Oddly, also, he groups the system in Algeria, 1962 to the 1980s, with the Stalinist states, not with Egypt and other statised capitalisms. I don't know why).

When discussing what he means by capitalism early in the book, at one point he describes it as defined by "ceaseless accumulation of privately controlled capital". Maybe the adverb "privately" signals a view that a society can be defined as capitalist only if individuals own individual chunks of productive wealth, and can sell or buy them individually. I don't know. But "privately" is not quite the same as "individually". If a ruling class organised as an official hierarchy "owns" the state, and the state owns productive wealth, then that class, as a class, owns and controls the productive wealth "privately" in the sense of imposing privation from it of the general population. As Christian Rakovsky, a Left Oppositionist sent to internal exile in the USSR by Stalin, wrote, in the Stalinist USSR there was formed "a large class of rulers which has its own interior groupings, multiplied by means of premeditated cooptation, direct or indirect (bureaucratic promotion, fictitious system of elections). The basic support of this original class is a sort, an original sort, of private property, namely, the possession of state power. The bureaucracy 'possesses the state as private property'..."

Other Workers' Liberty people would disagree with my term "state capitalist", however qualified. They would say that the Stalinist states were too far from market norms to be considered capitalist. But they would, I think, agree with the old East European joke which described that fake-socialism as "the longest and most painful path from capitalism to capitalism". The Stalinist states were woven into the global history of capitalism. They were not just "noises off", or a matter of those countries going off into orbit apart from everywhere else until they "returned".

Solid

In any case, there is solid evidence that those states were not a real embodiment of what the working-class socialist movements generated by capitalism can achieve. The working-class socialist movement in Russia knew and said that it could not achieve its socialist aims if its revolution remained isolated in poverty-stricken Russia. It could establish a bridgehead of workers' power, but move into socialism only if workers' revolutions spread more widely and to more technically-equipped states. The revolutions spread but were defeated. The workers' revolution in Russia was defeated, as its leaders predicted, yet not in the way they expected, by the old bourgeoisie returning to power. It was defeated by the internal Stalinist bureaucratic counter-revolution. That then reshaped the revolutionary-minded workers' movements outside Russia, and constructed a model for further Stalinist states. Those further Stalinist states were shaped by the model, by Russian Stalinist state power, and by internal forces having little to do with working-class movements. The rise of those Stalinist states, their "credibility" for a whole epoch, and then their abject demise, have surely set back working-class socialist movements, and delayed the special (if maybe not "exceedingly unlikely") "perfect storm" required for such movements to revive, to organise and orient themselves, to defeat the ruling class, and transform society along lines of common ownership, social solidarity, workers' control, and democracy. But that says only that the coming of socialism will be no more a smooth evolution of human nature than the emergence of capitalism was.

Beckert concludes by writing that "capitalism, like everything else in human history, is finite". However, having dismissed the labour movements, the best speculation he can make about what will end it is: "New non-capitalist islands will arise and eventually connect to each other and expand to form a different kind of society". What "islands"? Public libraries and schools. Living in communes. Artisanal agriculture.

Premium

Artisanal agriculture, in richer countries anyway, is not at all non-capitalist. It generally sells its output at premium prices and gets other revenue from tourists and from training courses, but it sells its stuff. Beckert himself has noted only a few pages before that in neoliberalism (and this trend is not reversing) "more relations [get] thought of and structured in terms of markets", and capitalism is more and more "nestling into the nooks and crannies of human life". His "non-capitalist islands" have the seas rising round them and water trickling across them. A few surviving public libraries linking with artisan farmers and commune-households to raise "non-capitalist islands" out of the capitalist sea, and then to raise solid land between them, is fanciful. And, if it were possible, what new society would it create? How would it feed itself? Communicate island-to-island?

Battered and scarred though the labour movement is, it offers better prospects than that. □