

The Secret of Primitive Accumulation

There is a marked shift in tone, content and method in part 8 of *Capital*. To begin with, it goes against the central presumption of the rest of the book, established back in chapter 2, where Marx accepts Adam Smith's theoretical world of atomistic market exchange in which freedom, equality, property and Bentham rule in such a way that all commodity exchanges occur in a noncoercive environment of properly functioning liberal institutions. Smith knew perfectly well that this is not how the world actually is, but he accepted it as a convenient and compelling fiction on which to build a normative political economic theory. Marx, as we have seen, takes this all on board in order to deconstruct its utopianism.

By this strategem, Marx was able to show, as we saw in the last chapter, that the closer we get to a regime of liberal market action, the more we will find ourselves confronting two significant consequences. The minor consequence is that the decentralized, fragmented and atomistic structure that would prevent any single power cornering and manipulating the market gives way to increasingly centralized capitalist power. Competition always tends to produce monopoly, and the fiercer the competition, the faster the tendency toward centralization. The major consequence is the production of immense concentrations of wealth at one pole (particularly on the part of the centralizing capitalists) and increasing misery, toil and degradation for the working class at the other pole.

The neoliberal project of the past thirty years, grounded in liberal utopianism, has successfully conformed to both of Marx's predicted trends. Of course, there is a good deal of divergence, geographical as well as sectoral, in the details, but the degree of centralization of capital that has occurred in various spheres has been striking, and there is general acknowledgement that the immense concentrations of wealth occurring at the very top of the wealth and income scale have never been as great as they are now, while conditions among the working classes of the world have either stagnated or deteriorated. In the United States, for example, the proportion of the national income and wealth held by the top 1

percent of the population has doubled over the past twenty years, and for the top 0.1 percent it has tripled. The ratio of income between CEOs and their median salaried workers, which stood at 30:1 back in 1970, has soared to more than 350:1 on average these past few years. Wherever neoliberalization has been rampant (as in Mexico and India since 1990 or so), billionaires have suddenly emerged on the *Forbes* list of the wealthiest individuals in the world. Carlos Slim of Mexico is now ranked as one of the wealthiest people in the world, and he rose to that position on the back of the wave of neoliberalization that occurred in Mexico in the early nineties.

Marx arrived at these counterintuitive conclusions through deconstructing the classical political economists' propositions on their own terms. But he also used their powerful abstractions critically, to probe creatively into the actual dynamics of capitalism and so reveal the origins of struggles over the length of the working day, the struggles surrounding the conditions of life of the industrial reserve army and the like. The analysis of Volume I can be read as a sophisticated and damning account of why "there is nothing more unequal than the equal treatment of unequals." The ideology of freedom of exchange and liberty of contract gulls us all. This grounds the moral superiority and hegemony of bourgeois political theory and underpins its legitimacy and supposed humanism. But when people enter this free and egalitarian world of market exchange with different resource endowments and different assets, then even minor inequalities, let alone the major divide of class position, get magnified and compounded over time into huge inequalities of influence, wealth and power. When coupled with increasing centralization, this makes for Marx's devastating reversal of the Smithian vision of "the benefit of all" that derives from the hidden hand of market exchange. This enlightens us mightily as to the class content of what, for example, the past thirty years of market-based neoliberal globalization have really been about. The upshot for Marx is a fierce critique of the theses of individual liberty and freedom that ground liberal and neoliberal theory. These ideals are, in Marx's view, as misleading, fictional and fraudulent as they are seductive and beguiling. Laborers, he early on observed, are free only in the double sense of being able to sell their labor-power to whomsoever they chose at the same time as they have to sell that labor-power in order to live because they have been freed and liberated from any and all control over the means of production!

What part 8 of *Capital* does is to take up the question of how this second kind of “freedom” was secured. Here we are forced to confront the thievery, predation, violence and abusive use of power that lay at the historical origins of capitalism as it freed up labor-power as a commodity and displaced an earlier mode of production. The assumptions that have dominated the argument in the first seven parts of *Capital* are cast aside with brutal consequences.

Capitalism depends fundamentally, as we have seen, on a commodity capable of producing more value than it itself has, and that commodity is labor-power. “Why this free worker,” Marx observed early on in *Capital*,

confronts him in the sphere of circulation is a question which does not interest the owner of money, for he finds the labour-market in existence as a particular branch of the commodity-market. And for the present it interests us just as little. We confine ourselves to the fact theoretically, as he does practically. One thing, however, is clear: nature does not produce on the one hand owners of money or commodities, and on the other hand men possessing nothing but their own labour-power. This relation has no basis in natural history, nor does it have a social basis common to all periods of human history. It is clearly the result of a past historical development, the product of many economic revolutions, of the extinction of a whole series of older formations of social production. (273)

Primitive accumulation is about the historical origins of this wage labor, as well as about the accumulation of the necessary assets in the hands of the capitalist class to employ them.

Part 8 therefore addresses the central question of how labor-power became a commodity (or, more generally, how the working class was formed). The standard bourgeois story devised by Locke and Smith was that

long, long ago there were two sorts of people; one, the diligent, intelligent and above all frugal élite; the other, lazy rascals, spending their substance, and more, in riotous living . . . the former sort accumulated wealth, and the latter sort finally had nothing to sell except their own skins. And from this original sin dates the poverty of the great majority who, despite all their labour, have up to now nothing to sell but themselves, and the wealth of the few that increases constantly, although they have long ceased to work. (873)

This standard story depicts the transition from feudalism to capitalism as gradual and peaceful. But “in actual history,” Marx argues, it was anything but:

It is a notorious fact that conquest, enslavement, robbery, murder, in short, force, play the greatest part. In the tender annals of political economy, the idyllic reigns from time immemorial. Right and ‘labour’ were from the beginning of time the sole means of enrichment, ‘this year’ of course always excepted. (874)

This is so, because the process

which creates the capital-relation can be nothing other than the process which divorces the worker from the ownership of the conditions of his own labour; it is a process which operates two transformations, whereby the social means of subsistence and production are turned into capital, and the immediate producers are turned into wage-labourers. So-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production. It appears as ‘primitive’ because it forms the pre-history of capital, and of the mode of production corresponding to capital. (874–5)

As a matter of historical fact, the history of primitive accumulation “is anything but idyllic” (874). It “is written in the annals of mankind in letters of blood and fire” (875).

Marx’s account, radically at odds with that of Smith and Locke, poses some interesting questions. First, are merchant’s capital and finance capital and usury simply antediluvian forms, or do they still have a very active role, independent of production capital, industrial capital and the like? Marx had also earlier observed that “we shall find that both merchants’ capital and interest-bearing capital are derivative forms,” at the same time as “it will become clear why, historically, these two forms appear before the modern primary form of capital” (267). The implication is that the transition from feudalism to capitalism occurred in stages such that merchants’ capital and usury pioneered the way for the rise of production/industrial capital. The role these earlier forms of capital played in the dissolution of the feudal order is therefore open to investigation.

Second, does this mean that once capitalism has gone through primitive accumulation, once the prehistory is over and a mature capitalist

society has emerged, that the violent processes he here describes become insignificant and no longer necessary to how capitalism works? This is a question to which I will return. But bear it in mind as we go forward.

In Marx's version of primitive accumulation, all the rules of market exchange earlier laid out (in chapter 2) are abandoned. There is no reciprocity, no equality. Yes, the accumulation of money is there, markets of a sort are there, but the real process is something else. It is about the violent dispossession of a whole class of people from control over the means of production, at first through illegal acts, but ultimately, as in the enclosure legislation in Britain, through actions of the state. Adam Smith, of course, did not want the state to be construed as an active agent in the victimization of a population, so he certainly could not tell a story of primitive accumulation in which state violence played a crucial role. If the origins of capital accumulation lie with the state apparatus and state power, then why now advocate *laissez-faire* policies as a primary means to augment national and individual well-being? Consequently, Smith, along with most other classical political economists, preferred to ignore the role of the state in primitive accumulation. There were exceptions. James Steuart, Marx notes, certainly understood that state violence was absolutely central to proletarianization but took the position that it was a necessary evil. Michael Perelman's book *The Invention of Capitalism*¹ provides an excellent account of how original or primitive accumulation was handled within classical political economy.

Marx's primary concern in part 8 is to unravel the history of primitive accumulation from the sixteenth century onward and to investigate how these processes were set in motion. He readily admits, of course, that

the history of this expropriation assumes different aspects in different countries, and runs through its various phases in different orders of succession, and at different historical epochs. Only in England, which we therefore take as our example, has it the classic form. (876)

Does "classic" mean that it was a template for the transition to capitalism that everybody around the world had to follow? Marx later on denied this interpretation and stated that he viewed Britain as but one, albeit

1. Michael Perelman, *The Invention of Capitalism: Classical Political Economy and the Secret History of Primitive Accumulation* (Durham, NC: Duke University Press, 2000).

special and pioneering, example. Again, these are controversial issues to which we will have to return. How we think them through has relevance to another important but largely occluded question: is it necessary to go through primitive accumulation and the long history of capitalism in order to arrive at socialism?

CHAPTERS 27–33: PRIMITIVE ACCUMULATION

The chapters of part 8 are relatively short and arranged in a sequence that has clear implications. I shall consider them briefly, pointing out some significant elements. Chapter 27 deals with the expropriation of the agricultural population, as well as the equally important process of the dissolution of the bands of feudal retainers. The appropriation of the land was the primary means to dispossess the peasantry, but release of the retainers owed as much to the way in which money power began to be exercised within and over the feudal order (e.g., by merchant capital and usury). “The new nobility was the child of its time, for which money was the power of all powers” (879). In the *Grundrisse*, Marx is rather more explicit. He there writes of how money dissolves the traditional community, and in dissolving the traditional community, money becomes the community. So we move from a world in which “community” is defined in terms of structures of interpersonal social relations to a world where the community of money prevails. Money used as social power leads to the creation of large landed estates, large sheep-farming enterprises and the like, at the same time as commodity exchange proliferates (an idea made much of in the early chapters on money and exchange in general). The traditional community does not yield without a struggle, and in the initial stages, at least, state power attempts to preserve what E. P. Thompson later called “the moral economy” of the peasantry against raw money power.

But state power gradually yields for two reasons. First, the state depends on and thereby becomes vulnerable to money power. Secondly, money power can be created and mobilized in ways that state legislation has difficulty stopping. Under Henry VII, acts were passed trying to hold back the process of monetization and proletarianization. But the rising power of incipient capitalism demanded “the reverse of this: a degraded and almost servile condition of the mass of the people, their transformation into mercenaries, and the transformation of their means of labour into capital.” The “forcible expropriation of the people

received a new and terrible impulse in the sixteenth century," and after that, the resistance of the traditional social order starts to crumble (883). Instead of the illegalities of money power taking a subversive lead, the state allies with money power and starts to actively support processes of proletarianization. This trend consolidates, Marx suggests, with the Glorious Revolution of 1688, which

brought into power, along with William of Orange, the landed and capitalist profit-grubbers. They inaugurated the new era by practising on a colossal scale the thefts of state lands which had hitherto been managed more modestly. These estates were given away, sold at ridiculous prices, or even annexed to private estates by direct seizure . . . The Crown lands thus fraudulently appropriated, together with the stolen Church estates, . . . form the basis of the present princely domains of the English oligarchy. (884)

On this basis, new and more powerful class alliances form. "The new landed aristocracy was the natural ally of the new bankocracy, of newly hatched high finance, and of the large manufacturers, at that time dependent on protective duties." In other words, there is a formation of a bourgeoisie made up of landed capitalists, merchant capitalists, finance capitalists and manufacturing capitalists in broad alliance. They bend the state apparatus to their collective will. As a result, "the law itself now becomes the instrument by which the people's land is stolen, although the big farmers made use of their little independent methods as well."

So there is a systematic theft of communal property which goes on during this period, spearheaded by a grand movement of enclosure of the commons. The "forcible usurpation, generally accompanied by the turning of arable into pasture land, begins at the end of the fifteenth century and extends into the sixteenth" (885). These circumstances, incidentally, spawned a significant literature of nostalgia for the loss of the old order. This was the world of Oliver Goldsmith and Gray's elegy, lamenting the destruction of a supposed "Merrie England." Marx chooses to comment on a later example, the spectacular case of the Highland clearances in Scotland, which dispossessed the crofters of their land in wave after wave until the later nineteenth century. He revels in the hypocrisy of the Duchess of Sutherland, who, while simultaneously expelling people from the land in the Highlands through a quasi-legal process, "entertained Mrs

Beecher Stowe, authoress of *Uncle Tom's Cabin*, with great magnificence in London to show her sympathy for the Negro slaves of the American republic" (892).

Summarizing, Marx writes:

The spoliation of the Church's property, the fraudulent alienation of the state domains, the theft of the common lands, the usurpation of feudal and clan property and its transformation into modern private property under circumstances of ruthless terrorism, all these things were just so many idyllic methods of primitive accumulation. They conquered the field for capitalist agriculture, incorporated the soil into capital [a very interesting phrase], and created for the urban industries the necessary supplies of free and rightless proletarians. (895)

The question of what all these people kicked off the land are going to do is taken up in chapter 28. Often there was no employment for them, so they became, in the eyes of the state at least, vagabonds, beggars, thieves and robbers. The state apparatus responded in ways that continue to this day: it criminalized and incarcerated them, depicted them as rogues and visited the utmost violence on them. "Thus were the agricultural folk first forcibly expropriated from the soil, driven from their homes, turned into vagabonds, and then whipped, branded and tortured by grotesquely terroristic laws into accepting the discipline necessary for the system of wage-labour." The violence of the socialization of workers into the disciplinary apparatus of capital is at first transparent. But with the passing of time, "the silent compulsion of economic relations sets the seal on the domination of the capitalist over the worker." Once the proletariat is formed, Marx here seems to be saying, then the silent compulsion of economic relations does its job and the overt violence can fade into the background, because people have been socialized into their situation as wage laborers, as bearers of the commodity labor-power. But "the rising bourgeoisie" continues to need "the power of the state" to regulate wages, to prevent any kind of collective organization of the worker (anti-union legislation and what at the time were called the Combination Laws, banning workers' associations or even assemblies) (899). This was a crucial support, Marx points out, to the consolidation of the liberal regime (founded on private property rights).

During the very first storms of the revolution, the French bourgeoisie dared to take away from the workers the right of association they had just acquired. By a decree of 14 June 1791, they declared that every combination by the workers was ‘an assault on liberty and the declaration of the rights of man.’ (903)

Bourgeois legality is used in this very specific way to inhibit the potential collective powers of labor.

Chapter 29 examines the genesis of the capitalist farmer. Marx here tells a very simple tale of how bailiffs became sharecroppers became tenant farmers and then came to pay ground (money) rent to landlords. This process of monetization and commodification underpinned an “agricultural revolution” on the land, which permitted capital to command the soil in certain ways. Capital circulated through the soil, through nature, in exactly the same way that it came to circulate through the body of the laborer as variable capital. The impact of this agricultural revolution, he says in chapter 30, was double-edged. Not only did it set free a lot of labor, it also set free means of subsistence formerly consumed on the land directly. It commoditized the food supply. The market for goods and commodities grew, in part because fewer people could subsist on their own. The result was an expansion of market exchange and an increase in the size of the market. Meanwhile, capital was destroying many of the subsidiary artisanal and household trades not only in India but also in Britain. This resulted in the creation of a stronger and larger domestic market. The growth of the internal market in Britain from the sixteenth century onward was, in Marx’s view, an important element in the development of capitalism.

This leads us to consider, in chapter 31, the genesis of the industrial capitalist who takes over the leading role from merchant’s capital, usurer’s capital, the bankocracy (finance capital) and landed capital. This takeover from the very beginning was tightly integrated with colonialism, the slave trade and what happened in Africa and in the United States. Under feudalism, there were many barriers to turning the growing quantity of money capital into industrial capital. “The feudal organization of the countryside and the guild organization of the towns” inhibited industrial development based on wage labor, but “these fetters vanished with the dissolution of the feudal bands of retainers, and the expropriation and partial eviction of the rural population.” But, Marx presciently notes,

the new manufactures were established at sea-ports, or at points in the countryside which were beyond the control of the old municipalities and their guilds. Hence, in England, the bitter struggle of the corporate towns against these new seed-beds of industry. (915)

Industrial capitalism developed in Britain on what we would now call greenfield sites. The corporate towns like Norwich and Bristol were highly organized, and it was politically difficult to take them over and break the power of the guilds. On greenfield sites in the countryside, there was no regulatory apparatus to stop you—no town bourgeoisie, no guild organization. So most of the industrialization that occurred in Britain occurred on former village sites like Manchester (all the cotton towns were originally just small villages). Leeds and Birmingham, again, began as small trading villages. This is different from some patterns of industrialization that have occurred elsewhere, although it is still the case that capital likes to move to greenfield sites whenever it can. When the Japanese auto industry moved into Britain in the 1980s, it avoided highly unionized parts of the country and moved to areas open for new development, where the companies could start from scratch and build whatever they wanted (with the assistance of the Thatcher anti-union government, of course). In the United States, the same tendency exists. Finding spaces where regulation and union organization are lacking continues to be a significant aspect of the geographical and locational dynamic of capitalism.

The roles of the colonial system and the slave trade cannot be ignored, either, since it was by these means that the bourgeoisie both circumvented and overturned feudal powers. There is a strong body of opinion that regards the slave plantations of the West Indies in the early eighteenth century as a pioneering stage in the organization of large-scale labor operations of the sort that reappeared later in the factory systems of Britain. “These methods depend in part on brute force, for instance the colonial system” (915). All manner of tactics were used to extract wealth from colonized populations. “Between 1769 and 1770,” for example, “the English created a famine by buying up all the rice and refusing to sell it again, except at fabulous prices” (917). But all such methods

employ the power of the state, the concentrated and organized force of society, to hasten, as in a hothouse, 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 which is pregnant with a new one. It is itself an economic power. (915–16)

But we cannot understand this crucial role of the state as an organizing force, and as promoter of the colonial system, without acknowledging the significance of both the national debt and the public credit system as means whereby money power can start to control the power of the state. The merger between money power and state power from the sixteenth century onward is signaled by the rise of a “modern system of taxation” and an international credit system (921). The “bankocrats, financiers, *rentiers*, brokers, stock-jobbers, etc.” who populate this system then come to play significant power roles (920). The colonial system allowed “the treasures captured outside Europe by undisguised looting, enslavement and murder” to flow “back to the mother-country” and be “turned into capital there” while “the public debt became one of the most powerful levers of primitive accumulation” (918–19).

Colonial system, public debts, heavy taxes, protection, commercial wars, etc., these offshoots of the period of manufacture swell to gigantic proportions during the period of infancy of large-scale industry. The birth of the latter is celebrated by a vast, Herod-like slaughter of the innocents. (922)

This “slaughter” arose out of the need to find and mobilize sufficient labor-power in areas remote from the existing towns. Marx quotes John Fielden: “The small and nimble fingers of little children being by very far the most in request, the custom instantly sprang up of procuring apprentices (!) from the different parish workhouses of London, Birmingham, and elsewhere” and shipping them north to rural Lancashire (923). Marx continues himself: “While the cotton industry introduced child-slavery into England, in the United States it gave the impulse for the transformation of the earlier, more or less patriarchal slavery into a system of commercial exploitation,” thereby giving a stimulus to the slave trade, which fell under the increasing dominance of the British (925). “Liverpool grew fat on the basis of the slave trade. This was its method of primitive accumulation” (924).

It took immense effort to

unleash the 'eternal natural laws' of the capitalist mode of production, to complete the process of separation between the workers and the conditions of their labour, to transform, at one pole, the social means of production and subsistence into capital, and at the opposite pole, the mass of the population into wage-labourers, into the free 'labouring poor', that artificial product of modern history. (925)

If money "comes into the world with a congenital blood-stain on one cheek," Marx concludes, then "capital comes dripping from head to toe, from every pore, with blood and dirt" (926).

The processes of expropriation, Marx argues in chapter 32, are as drawn out as they are brutal and painful. Feudalism did not dissolve without a struggle. "New forces and new passions spring up in the bosom of society, forces and passions which feel themselves to be fettered by that society." Feudalism

has to be annihilated; it is annihilated. Its annihilation, the transformation of the individualized and scattered means of production into socially concentrated means of production, the transformation, therefore, of the dwarf-like property of the many into the giant property of the few, and the expropriation of the great mass of the people from the soil, from the means of subsistence and from the instruments of labour, this terrible and arduously accomplished expropriation of the mass of the people forms the pre-history of capital.

This prehistory "comprises a whole series of forcible methods" that amount to a system of "merciless barbarism" (928). But once set in motion, the processes of capitalist development assume their own distinctive logic, including that of centralization.

One capitalist always strikes down many others. Hand in hand with this centralization, or this expropriation of many capitalists by a few, other developments take place on an ever-increasing scale, such as the growth of the co-operative form of the labour process, the conscious technical application of science, the planned exploitation of the soil.

These proceed apace as the world market forms to impart an "international character of the capitalist regime." From this there also grows the revolt of the working class:

a class constantly increasing in numbers, and trained, united and organized by the very mechanism of the capitalist process of production. The monopoly of capital becomes a fetter upon the mode of production which has flourished alongside and under it. The centralization of the means of production and the socialization of labour reach a point at which they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated. (929)

There is, after all, a huge difference between “the expropriation of the great mass of the people” by a few usurpers and the expropriation of a few usurpers by the great mass of the people.

This call to the barricades of revolution is the rhetoric of the *Communist Manifesto* brought back to bear on the politics of *Capital*. It is a political and polemical statement that should, surely, provide the culminating chapter to an astonishing work of deep analysis that is animated by a revolutionary spirit.

Which brings us to the last chapter, a curious chapter that deflates the messianic rhetoric and tone of the preceding chapter by offering a series of reflections on the theory of colonization. Furthermore, it is not really about the actual colonial experience and the prospects for anticolonial revolutionary struggles (the expropriation of the colonial masters by the mass of the colonized people). It is about the theories of colonization set out by a man called Wakefield, who hardly rates among the greatest political economists of all time and who wrote his book about colonization when in Newgate Prison for attempting to abduct the daughter of a wealthy family. While in Newgate, Wakefield found himself in the company of prisoners about to be transported to Australia, and this evidently set him thinking about the role of Australia in the general scheme of things. He had little idea as to what was really going on in Australia, but he saw something that Marx considered of great import because it amounted to a devastating rebuttal of Adam Smith. Wakefield simply recognized that you can take all the capital in the world to Australia—money, instruments of labor, materials of all kinds—but if you can’t find any “free” (in the double sense!) laborers to work for you, you cannot be a capitalist.

Wakefield, in short, “discovered that capital is not a thing, but a social relation between persons which is mediated through things” (932).

It would be difficult to find laborers in Australia; at the time they had easy access to the land and so could support themselves as independent producers. The only way to ensure a labor supply, and thereby preserve the prospects for capitalism, was for the state to step in and put a reserve price on the land. That reserve price had to be high enough to make sure that everybody who arrived in Australia had to work as wage laborers until they could save enough capital to gain access to land. Wakefield considered that the land system in the United States (the Homestead Act) was too open and too free, and this set the price of labor too high (which, as we earlier saw, led to the faster adoption of labor-saving innovations). The United States, Wakefield correctly predicted, would have to dive back into the brutal tactics of the prehistory of capitalism if capitalism were to survive there. The struggle between “free labor” on the frontier and the increasing control of land policy by corporate (particularly railroad) interests, as well as the retention of immigrant populations as wage laborers in the city, was a vital aspect of accumulation.

“The only thing that interests us,” writes Marx,

is the secret discovered in the New World by the political economy of the Old World, and loudly proclaimed by it: that the capitalist mode of production and accumulation, and therefore capitalist private property as well, have for their fundamental condition the annihilation of that private property which rests on the labour of the individual himself; in other words, the expropriation of the worker. (940)

Let the government set an artificial price on the virgin soil, a price independent of the law of supply and demand, a price that compels the immigrant to work a long time for wages before he can earn enough money to buy land and turn himself into an independent farmer. (938)

This, Marx says, is the “great secret” of Wakefield’s plans for colonization, but it also reveals the great secret of primitive accumulation. These plans did carry considerable influence in the British Parliament and did affect colonial land policy. “The English government for years practised this method of ‘primitive accumulation’ prescribed by Mr Wakefield expressly for use in the colonies” (939).

Marx uses this colonial theory to rebut Adam Smith’s theory of original or primitive accumulation. But there is something else going on

here that may have deep relevance to the whole argument and structure of *Capital* as a book. In the preface to the second edition, Marx takes up his relationship to Hegel, noting, "I criticized the mystificatory side of the Hegelian dialectic nearly thirty years ago" (102). Almost certainly, he is referring to his lengthy *Critique of Hegel's Philosophy of Right*. There, Marx starts his critique at paragraph 250 of Hegel's exposition. But the content of the preceding paragraphs is somewhat surprising. Without any prior warning or theorization, Hegel launches into a discussion of the internal contradictions of capitalism. He notes the "dependence and distress of the class tied" to a certain kind of work, processes that lead to generalized impoverishment and the creation of a rabble of paupers which, at the same time, "brings with it, at the other end of the social scale, conditions which greatly facilitate the concentration of disproportionate wealth in a few hands." The language is very similar to that in chapter 25 of *Capital*, where Marx talks about the accumulation of wealth at one pole and of misery, toil and degradation at the other pole, occupied by the working class. "It hence becomes apparent," Hegel observes, "that despite an excess of wealth civil society is not rich enough . . . to check excessive poverty and the creation of a penurious rabble" and

this inner dialectic of civil society thus drives it—or at any rate drives a specific civil society—to push beyond its own limits and seek markets, and so its necessary means of subsistence, in other lands which are either deficient in the goods it has over-produced, or else generally backward in industry.

A "mature civil society" is thus driven to colonizing activity "by which it supplies to a part of its population a return to life on the family basis in a new land and so also supplies itself with a new demand and field for its industry."²

Why might be called an "inner dialectic" produces greater and greater levels of social inequality. Furthermore, as Hegel says in one of his paragraph addendums, "against nature man can claim no right, but once society is established, poverty immediately takes the form of a wrong done to one class by another."³ This inner dialectic founded on class

2. G. W. F. Hegel, *Hegel's Philosophy of Right*, trans. T. M. Knox (Oxford: Clarendon Press, 1957), 149–52.

3. *Ibid.*, 277.

struggle leads civil societies to seek relief in an “outer dialectic” of colonial and imperialist activity. Whether Hegel believes that this will resolve the inner problem is not clear. But Marx is quite clear that it cannot. The penultimate chapter of *Capital*, which contemplates the expropriation of the expropriators as the ultimate outcome of the inner dialectic, cannot be countered by colonial practices that merely re-create the social relations of capitalism on a wider scale. There can be no colonial solution to the internal class contradictions of capitalism, and by the same token no ultimate spatial fix to the internal contradictions. What we now call globalization is simply, as we are again and again reminded, a temporary fix that “solves” problems in the here-and-now by projecting them onto a larger and grander geographical terrain.

COMMENTARY

There are a variety of issues posed by Marx's account of primitive accumulation that call for commentary. To begin with, it is important to recognize and appreciate the innovative and pioneering character of Marx's account. Nobody had really done this before in such a systematic and ordered way. But as so often happens in an innovative account, it's a bit exaggerated, and it glosses over a host of issues. Historians and economic historians have since done a vast amount of research on the transition from feudalism to capitalism. The consensus would probably be that the story Marx tells is partially true in some places. There were indeed plenty of moments and incidents of extreme violence in this historical geography. And the role of the colonial system, including the evolution of colonial land, labor and taxation policies, is undeniable. But there have also been instances of primitive accumulation that were relatively peaceable. Populations were not so much forced off the land as attracted off the land by employment possibilities and the prospects of a better life offered by urbanization and industrialization. The voluntary move to cities from appalling and precarious conditions of rural life, because urban wages were fairly high, has not been uncommon (even without those processes of forcible dispossession from the land that Marx refers to and for which there is plenty of historical evidence). The story of primitive accumulation is, therefore, far more nuanced and complicated in its details than the one that Marx tells. And there were important aspects to the dynamic that Marx ignores. For example, the gender dimension is

now recognized as being highly significant, since primitive accumulation frequently entailed a radical disempowerment of women, their reduction to the status of property and chattel and the reenforcement of patriarchal social relations.

But Marx did sketch the broad outlines of the industrial and agricultural revolutions, of the processes of proletarianization, commodification and monetization that were necessary for capitalism to come into being. His account set a baseline for all future discussions and for this reason alone was a creative intervention. It also dramatically reminds us of the originary violence and the fierce struggles that brought capitalism into being, an originary violence that the bourgeoisie subsequently sought to deny and forget, even as we live with its trace to this day.

Throughout *Capital*, but also in many of his other writings, Marx tends to relegate processes of primitive accumulation to the prehistory of capitalism. Once that prehistory is done with, then the “silent compulsion of economic relations” takes over. Marx’s political project in *Capital* is to alert us as to how these silent compulsions operate on us, often without our noticing, hidden behind the fetishistic masks that surround us at every turn. It shows us how, as I earlier argued, there is nothing more unequal than the equal treatment of unequals; how the equality presupposed in the market exchange of things deludes us into a belief in the equality of persons; how bourgeois doctrines of rights of private property and the profit rate make it seem as if we are all endowed with human rights; how illusions of personal liberty and freedom (and how and why we act on those illusions and even fight for them politically) arise out of market freedoms and free trade.

But there is, in my view, a real problem with the idea that primitive accumulation occurred once upon a time, and that once over, it ceased to be of real significance. In recent times, several commentators, including myself, have suggested that we need to take the continuity of primitive accumulation throughout the historical geography of capitalism seriously. Rosa Luxemburg put that question firmly on the agenda nearly a century ago. She insisted that we think of capitalism as being based on two different forms of exploitation.

One concerns the commodity market and the place where surplus value is produced—the factory, the mine, the agricultural estate. Regarded in this light, accumulation is a purely economic process, with its most important

phase a transaction between the capitalist and wage labourer . . . Here, in form at any rate, peace, property and equality prevail, and the keen dialectics of scientific analysis [and this was, she argued, Marx's signal achievement in *Capital*] were required to reveal how the right of ownership changes in the course of accumulation into appropriation of other people's property, how commodity exchange turns into exploitation and equality becomes class-rule.

This is indeed what Marx so brilliantly reveals in the first seven parts of *Capital*. "The other aspect of the accumulation of capital," she writes,

concerns the relations between capitalism and the non-capitalist modes of production which start making their appearance on the international stage. Its predominant methods are colonial policy, an international loan system—a policy of spheres of interest—and war. Force, fraud, oppression, looting are openly displayed without any attempt at concealment, and it requires an effort to discover within this tangle of political violence and contests of power the stern laws of the economic process.⁴

There is, she maintains, an "organic connection" between these two systems of exploitation and accumulation. The long history of capitalism centers on this dynamic relation between continuous primitive accumulation on the one hand and the dynamics of accumulation through the system of expanded reproduction described in *Capital* on the other. Marx was therefore wrong, she argues, to confine primitive accumulation to some antediluvian point, some prehistory of capitalism. Capitalism would long ago have ceased to exist had it not engaged in fresh rounds of primitive accumulation, chiefly through the violence of imperialism.

Intuitively, there is much to suggest that Luxemburg was right in principle, even if one does not have to follow her all the way to her specific conclusions. To begin with the specific processes of primitive accumulation that Marx describes—the dispossession of rural and peasant populations; colonial, neocolonial and imperialist politics of exploitation; the use of state powers to reallocate assets to a capitalist class; the enclosure of the commons; the privatization of state lands and assets; an international system of finance and credit; to say nothing of

4. Rosa Luxemburg, *The Accumulation of Capital*, trans. Agnes Schwarzschild (London: Routledge, 2003), 432.

the burgeoning national debts and even the shadowy continuation of slavery through the trafficking of people (women in particular)—all these features are still with us and in some instances seem not to have faded into the background but, as in the case of the credit system, the enclosure of the commons and privatization, to have become ever more prominent.

The continuity becomes even more emphatic when we shift our gaze from the “classic” case of Britain to the historical geography of capitalism on the world stage. Luxemburg cited the so-called Opium Wars against China as an example of the processes she had in mind. One of the largest foreign markets for British goods was India, and the Indians could partly pay for those goods by supplying raw materials to Britain (as Marx points out in *Capital*). But this was not enough. So Indian opium was increasingly marketed in China in exchange for silver that could then be used to pay for the British goods. When the Chinese sought to control foreign trade in general and the opium trade in particular, the British fleet sailed up the Yangtze and destroyed the whole of the Chinese fleet in a short encounter to force open the Treaty ports. Only by these sorts of imperialist means, Luxemburg suggested, could the long-term accumulation and realization of capital be secured. According to Luxemburg’s work, the continuity of primitive accumulation took place mainly on the periphery, in areas outside regions where the capitalist mode of production dominated. Colonial and imperialist practices were crucial in all this. But as we come closer to the present, the role of the periphery changes (particularly with decolonization), and the practices of primitive accumulation not only shift and proliferate in form but also become more prominent in the core regions dominated by capital.

Consider, for example, the case of contemporary China. China had been through its own developmental process under Mao with minimal relations to the outside. But in 1978, Deng Xiaoping started to open China up to the outside and to revolutionize China’s economy. Agricultural reforms not only generated the equivalent of an agricultural revolution in production but also released an enormous quantity of labor, as well as surplus product, from off the land. There is no question that something equivalent to what Marx describes as primitive accumulation has been going on in China over the past thirty years. And to the degree that the opening of China has helped stabilize global capitalism in recent times, Luxemburg would probably look at it and say that this fresh round of primitive accumulation there has been fundamental to the

survival of capitalism. In this case, however, events were not powered by foreign imperialist practices but set in motion by the Chinese state and its ruling Communist Party taking a quasi-capitalist road to the augmentation of national wealth. This entailed the creation of a vast low-wage urban proletariat out of an agrarian population, the initially controlled movement in of foreign capital to selected regions and cities to employ that proletariat, and the development of a network of global trading relations to market and realize the value of the commodities, even as the internal market started to boom. It is also interesting to note the role of greenfield sites in China. Just as Manchester went from a small town to a massive industrial center in a few decades, so did Shenzhen after 1980. The developmental pattern is not too different from that described by Marx, except that the levels of originary violence were muted (some would say they were effectively disguised) and that the power of the state and party has been critical throughout. In the light of this example, and the crucial role that China has played in the continuous expansion of a capitalist system dedicated to “accumulation for the sake of accumulation, production for the sake of production,” it is difficult to avoid the conclusions that (a) something akin to primitive accumulation is alive and well within the dynamics of contemporary capitalism and (b) its continued existence may well be fundamental to the survival of capitalism.

But this proposition holds pretty much everywhere. The violence of extraction of natural resources (throughout Africa in particular) continues, and the expropriation of peasant populations in Latin America and throughout South and East Asia is still with us. None of this has disappeared, and in some instances it has intensified, resulting in fierce conflicts over, for example, the expulsion of peasant populations from the land in India in order to make way for “special economic zones” on greenfield sites where industry can set up activity on a privileged terrain. The killing of peasants resisting expulsions in West Bengal at Nandigram to make way for industrial development is as “classic” an example of primitive accumulation as could ever be found in seventeenth-century Britain. Furthermore, when Marx points to the national debt and the nascent credit system as vital aspects in the history of primitive accumulation, he is talking about something that has grown inordinately since then to act as a kind of central nervous system to regulate the flows of capital. The predatory tactics of Wall Street and of financial institutions

(credit-card companies) are indicators of primitive accumulation by other means. So none of the predatory practices that Marx identified have gone away, and in some instances they have even flourished to a degree unimaginable in Marx's own times.

But in our times, the techniques for enriching the ruling classes and diminishing the standard of living of labor through something akin to primitive accumulation have proliferated and multiplied. For instance, United Airlines goes bankrupt, then gets the bankruptcy court to agree that it has to rid itself of all its pension obligations in order to continue as a viable business. All United Airlines employees suddenly find themselves with no pension and dependent on a state insurance fund that pays out at a very much lower rate. Retired airline employees are forced back into the proletariat. There are interviews with former United Airlines employees who said, "Well, you know, I'm sixty-seven and I thought I was going to be living happily on my retirement income of eighty thousand dollars a year, and now I'm only getting thirty-five thousand. So I have to go back and find myself a job to survive." And the big, interesting question is, where did the equivalent of all that money go? It is perhaps no coincidence that at a time when many working people were being dispossessed of their pension, healthcare and other welfare rights across the United States, the rate of remuneration of Wall Street executives and CEOs more generally was soaring into the stratosphere.

Consider, to take another example, the wave of privatization that has swept across the capitalist world since the 1970s or so. The privatization of water, education and healthcare in many of the countries that once provided them as public goods has dramatically changed how capitalism works (creating all manner of new markets, for example). The privatization of state enterprises (almost invariably at a price that allowed the capitalists to gain immense profits in very short order) has also relinquished public control over growth and investment decisions. This is, in effect, a particular form of enclosure of the commons, in many instances orchestrated by the state (as was the earlier round). The result has been a taking away of assets and rights from the common people. And at the same time as there is a taking away, there are these immense concentrations of wealth occurring at the other end of the scale.

In both *The New Imperialism*⁵ and *A Brief History of Neoliberalism*,

5. David Harvey, *The New Imperialism* (Oxford: Oxford University Press, 2003).

I argued that class power was being increasingly consolidated right now through processes of this sort. Since it seems a bit odd to call them primitive or original, I prefer to call these processes accumulation by dispossession. I argued that while some of this went on in the 1950s and 1960s, particularly through the tactics of the colonialism and imperialism and in the predatory raiding of natural resources, there wasn't that much accumulation by dispossession going on within the core regions of capitalism, particularly those with strong social-democratic state apparatuses. Neoliberalization, after the mid-1970s, has changed all that. Accumulation by dispossession has been more and more internalized within the core regions of capitalism even as it has widened and deepened throughout the global system. We should not regard primitive accumulation (of the sort that might reasonably be considered to be the case in China) or accumulation by dispossession (as it has occurred through the wave of privatization in the core regions) as simply being about the prehistory of capitalism. It is ongoing and in recent times has been revived as an increasingly significant element in the way global capitalism is working to consolidate class power. And it can encompass everything—from the taking away of rights of access to land and livelihoods to the retrenchment of rights (to pensions, education and healthcare, for example) hard-won in the past through fierce class struggles by working-class movements. Chico Mendes, the leader of the rubber tappers in Amazonia, was murdered for defending a way of life against the cattle ranchers, the soybean producers and the loggers who sought to capitalize the land. The peasants of Nandigram were killed for resisting land takeover for capitalist development. The Landless Workers' Movement in Brazil (the MST) and the Zapatistas have both fought to defend their right to autonomy and self-determination in environments rich in resources and either coveted or locked away by capital. But then think of how the newly minted private-equity funds have been taking public companies private in the United States, stripping them of assets and firing as many employees as they could, before taking the restructured companies back on the market and selling them at a vast profit (for which the CEO of the private-equity fund receives an astronomical bonus).

There are innumerable examples of struggles against all these diverse forms of accumulation by dispossession. Struggles against biopiracy and the attempt to patent genetic materials and codes, struggles against the use of eminent domain to make way for capitalist developers, against

gentrification and the production of homelessness in New York and London, the predatory way in which the credit system works to force family farmers off their land to make way for agribusiness in the United States . . . the list is endless. A vast array of practices exists through which accumulation by dispossession is still occurring that, on the surface at least, have nothing directly to do with the exploitation of living labor in the workplace to produce surplus-value in the way Marx describes in *Capital*.

Yet there are commonalities as well as complementarities between the two processes, as Luxemburg correctly, in my view, suggests by pointing to the “organic relation” between them. The extraction of surplus-value is, after all, a specific form of accumulation by dispossession, since it is nothing more or less than the alienation, appropriation and dispossession of the laborer’s capacity to produce value in the labor process. Furthermore, in order for this form of accumulation to continue to grow, ways have to be found to mobilize latent populations as laborers and open up more land and resources as means of production for capitalist development. As has happened in the cases of India and China, for example, the creation of “special economic zones” by expelling peasant producers from the land is a necessary precursor to the continuity of capitalist development, just as the clearance of so-called slums of urban dwellers is necessary for developer capital to expand its urban operations. This taking of lands by the state through eminent domain, or some legal equivalent, has been a widespread phenomenon in recent times. Developers and construction interests in Seoul in the 1990s were desperate for access to urban land and set out to dispossess whole populations who had migrated to the city in the 1950s and built their own housing on land to which they had no title. The construction companies hired gangs of big, heavy wrestler thugs to go into the neighborhoods and smash people’s houses to smithereens with sledgehammers, including all their possessions. During the 1990s you could walk around totally devastated Seoul neighborhoods, punctuated with islands of intense popular resistance.

While Marx tends to the view that expanded reproduction is *the* mechanism whereby surplus-value is accumulated and produced, it cannot continue without first realizing the necessary conditions of dispossession, which in its own right also redistributes assets directly into the hands of the capitalist class. I hold, along with Luxemburg, that accumulation by dispossession cannot be ignored, that the taking away of

pension rights, of rights to the commons, of rights to Social Security (a common property resource for the entire US population), the increasing commodification of education, to say nothing of expulsions from the land and the despoliation of the environment, are all significant to how we understand the aggregate dynamic of capitalism. Furthermore, the conversion of a common property resource like education into a commodity, the conversion of universities into neoliberal corporatist institutions (with massive consequences for what is taught and how), has significant ideological and political consequences at the same time as it is both a sign and a symbol of a capitalist dynamic that leaves no stone unturned in its struggle to expand the sphere of profit making and profit taking.

In the history of primitive accumulation that Marx describes, there were all manner of violent struggles against the forcible evictions and the dispossessions. There were widespread movements in Britain—the Levellers and the Diggers, for example—that violently resisted. In the seventeenth and eighteenth centuries it would not be an exaggeration to say that the primary forms of class struggle were those resisting dispossession rather than those resisting workplace exploitation. In many parts of the world, the same thing could be said today. This raises the question of which form of class struggle constitutes or is going to constitute the core of a revolutionary movement against capitalism in a given place and time. If global capitalism in aggregate since the 1970s has not been very successful at generating growth, then the further consolidation of class power has required a much stronger turn toward accumulation by dispossession. It is probably this that has filled the coffers of the upper classes to the point of overflowing. The resurgence of the mechanisms of accumulation by dispossession has been particularly marked in the expanding role of the credit system and financial appropriations, the latest wave of which has resulted in several million people in the United States losing their homes through foreclosures. Much of this loss of assets is concentrated in poorer neighborhoods, with particularly serious implications for women and for African-American populations in older cities like Cleveland and Baltimore. Meanwhile, the Wall Street investment bankers who grew immensely rich on this business in the halcyon years even get huge bonuses when they lose their jobs because of the financial difficulties. The redistributive impact of loss of housing assets for millions of people and the huge gains on Wall Street appear as a

very stark contemporary case of predation and legalized robbery typical of accumulation by dispossession.

Political struggles against accumulation by dispossession, I argue, are just as important as more traditional proletarian movements. But these traditional movements and their associated political parties tend to pay little attention to struggles over dispossession, often regarding them as secondary and not particularly proletarian in content since they focus on consumption, environment, asset values and the like. The participants in the World Social Forum, on the other hand, are far more preoccupied with resisting accumulation by dispossession and quite often take an antagonistic stance toward class-based workers'-movement politics on the grounds that such movements do not take the concerns of World Social Forum participants seriously. In Brazil, for example, the Landless Workers' Movement (the MST), an organization primarily concerned with accumulation by dispossession, has a somewhat tense relationship with the urban-based Workers' Party (the PT), led by Lula and with a more workerist ideology. The question of closer alliances between the two is therefore worthy of consideration both practically and theoretically. If Luxemburg is right, as I believe she is, to say that there is an organic relation between these two forms of accumulation, then we ought to be prepared to envision an organic relation between the two forms of resistance. An opposition force made up of the "dispossessed," no matter whether they are dispossessed in the labor process or dispossessed of their livelihoods, their assets or their rights, would require a reenvisioning of collective politics along rather different lines. I think Marx was in error in confining these forms of struggle to the prehistory of capitalism. Gramsci certainly understood the importance of building class alliances across these two different terrains, as did Mao. The idea that that the politics of primitive accumulation and by extension accumulation by dispossession belong exclusively to the prehistory of capitalism is surely wrong. But that, of course, is something you will have to decide for yourself.