

## Chapter 2

# Capitalism and Ground Rent

Before discussing the domination of capitalism over agriculture, we should agree on what capitalism is. It does not come within the purview of conventional economics or sociology.<sup>1</sup> It is possible to get as far as a doctorate in social science in the United States without knowing that one lives in a capitalist society! The basic concepts of social science are ahistorical: the three ‘factors’ of production (nature of land, capital—synonymous with production equipment—and labor) are combined in an infinite number of ways, always according to the well-known technical formulas of the society under study. Social science is not based on history, and even when history is not reduced to a direct sequence of events, it does not go beyond a comparative description of institutions and of social, moral, political, or aesthetic ideas. Sociology is grafted on to this shapeless mass; its aim is to examine, in terms of functionality, whether parts of social life, taken at random, are satisfactory or not. It is a risky proposition to study the birth and development of capitalism within this framework: if capitalism is confused with the use of the (so-called) factor capital, i.e., tools, then it has always been in existence. It is also often confused with commodity exchange. As a result, to some people a study of the development of capitalism in a particular sector boils down to a quantitative measure of the increase in capital equipment and of the expansion of trade.

To have a clear understanding of capitalism we must, from the start, look at social science from a different viewpoint, based on the concept of the mode of production.<sup>2</sup>

Here also, unfortunately, a common and highly empirical approach is too often adopted. For it is obvious from everyday experience what a capitalist enterprise is: an autonomous unit of production, privately owned and extensively equipped with production means operated by wage labor. As we discussed in the [Chap. 1](#), capitalism is then reduced to the sum total of these capitalist enterprises. Similarly, in agriculture, production is capitalist if it uses a large amount of capital equipment

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<sup>1</sup> This text is an extract from Samir Amin: *Imperialism and unequal development* (New York: Monthly Review Press, NY, 1976): 37ff. The author retained the copyright for all of his texts.

<sup>2</sup> A more detailed treatment will be found in *Unequal Development* (New York: Monthly Review Press, 1976), ch. 1.

and wage labor. The extent of agrarian capitalism will therefore be measured by the size of the wage-labor force and the degree of mechanization. This is better than confusing capitalism with commercial relations, but it is still very inadequate and can lead to serious misinterpretation.

Let us examine the concept of the mode of production.<sup>3</sup> A production mode is defined as an equation, with two opposing classes: in the case of capitalism, bourgeoisie and proletariat, i.e., owners of production means which are themselves the product of social labor (equipment which becomes capital) and sellers of their own labor power. In the capitalist mode: (1) the entire social product assumes commodity form; (2) labor power itself is a commodity (labor is mobile); (3) capital, which is a social relation, is embodied in capital goods which are also commodities (capital is mobile). From this, it can be deduced that: (1) the ideology characteristic of the capitalist mode is economism, since the extracted surplus—fruit of the surplus labor of the proletariat, or surplus value—is masked by a proportionate redistribution to fragmented capital (surplus value takes the form of profit, and capital appears to be productive); (2) hence, the alienation characteristic of capitalism is commodity alienation (especially since the domination of nature is overcome); (3) the economic factor is not only determining in the last resort but is also dominant.

In contrast, in the tributary modes of production that dominate the history of precapitalist societies, the equation opposes peasant producers (organized in communities) to a state ruling class in control of access to the land. Landownership by the peasant communities (and/or by their members) is superimposed with that by the ruling class (and/or the state and its various constituent parts). The extracted surplus, here taking the form of a tribute (feudal ground rent corresponds to the feudal type of tributary production modes), is clearly obvious and variable, since it depends on the unequal generosity of nature (nature's domination is indeed quite marked). It can be deduced from this that: (1) neither the social product nor the surplus (except possibly a fraction of it, if one assumes trade relations between several tributary societies), nor labor power is a commodity; (2) the dominant ideology and the alienation are of a religious nature; (3) the ideological level is dominant but the economic level is as usual determinant in the last resort.

It must also be remembered that concepts of the mode of production, the most abstract in social science, form the basis of a second set of concepts relating to social formations, and of yet a third set relating to the systems of social formations linked with one another through trade relations. The social formation—a structured combination of several modes of production, dominated by one of them—implies that there is substance to the description of the “dominant mode of production.” Domination should not, under any circumstances, be reduced to the statistical predominance of one form of economic activity. The concept of domination is very

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<sup>3</sup> Concerning this subject, see the studies by Daniel and Alice Thorner: *Land and Labor in India* (1962; New York: Asia Publishing House, 1974), and *The Emergence of Capitalist Agriculture in India*, mimeo (Dakar: IDEP, 1973).

precise and includes: (1) domination by the fundamental law of the dominant mode, which determines the conditions of reproduction of the entire formation (thus, for example, the law of capitalist accumulation determines both the conditions of reproduction of capitalist society, and all the complex relations between its various parts, including a capitalist industrial economy and a peasant economy); (2) the consequent transfer of a portion of the surplus generated in the dominated modes to the dominant mode (thus, for example, the transformation of a portion of rent into profit); (3) the political supremacy of the dominant class in the dominant mode, the other dominant classes being, at best, reduced to the status of allies; (4) the supremacy of the ideology of the dominant mode.

We have distinguished between capitalist and precapitalist formations, pointing out that the fundamental law of the capitalist mode has the inherent tendency to bring about the disintegration and disappearance of the other modes, while this was not the case in the precapitalist formations. The capitalist formations tended to become homogeneous, to be reduced to the capitalist mode, while the precapitalist formations remain heterogeneous. The implication is that the dominated modes in the capitalist formations, insofar as they still exist, are profoundly impaired, transformed, distorted, and sometimes deprived of their substance. It will be seen that this point is fully substantiated by an analysis of the relations between industry and agriculture or between dominant capitalist country and dominated agricultural country. As the debate between Lenin and Chayanov shows, there is a specific set of problems that results from the clash between this tendency toward homogeneity, on the one hand, and the manifestation of domination by the capitalist mode over the other modes, on the other.

The social formations are, for their part, seldom isolated. There are systems of social formations. In the precapitalist world in particular, it often happens that a portion of the surplus generated in the various formations circulates; this is the root of the problem of long-distance trade which is of great import to some civilizations (e.g., Greece, the Arab world, and the Sahelian savanna). The nature and status of precapitalist commercial profits are a category of profit distinct from commercial capital.

A special feature of our contemporary world is that it constitutes a single system of capitalist formations characterized by: (1) the universal nature of commodities—in other words, the supremacy of world values (a more accurate expression than international values) over national values; (2) the universal nature of capital, i.e., its international mobility; and (3) labor markets persistently confined within national boundaries—in other words, the very limited international mobility of the labor force. In addition, we must draw an important distinction between two groups of capitalist formations: the mature, dominant, central formations, and the immature, dependent, peripheral formations.

Because of this, the question of international relations between the center and the periphery (commodity trade, capital flows, technological flows, political organization and stratification, ideological currents, etc.) must not under any circumstances be treated lightly or “in parts,” or too hastily compared with the problem of relations within the systems of precapitalist formations.

It is necessary to make one last methodological observation. We have so far considered only two class modes of production, capitalist and tributary. There are of course many others: (1) the slavery-based mode of production, regarded as an exceptional mode, particularly within highly developed mercantile formations; (2) the simple commodity mode, widespread but only dominant in exceptional cases (for example, in colonial New England); (3) the interrelations between these modes and the dominant tributary modes of precapitalist times; (4) the range of tributary modes, those referred to as ‘Asian,’ ‘African,’ and feudal (which in my view belong to one and the same family comprising a mature central type—China and Egypt), and the peripheral types (in particular, Western European and feudal Japanese). So far, we have not mentioned a peasant mode of production (singular or plural) since it raises very important questions that will be dealt with in our discussion of peasant societies.<sup>4</sup>

Returning to the capitalist mode, the immediate difficulty one meets in studying its relations with agriculture derives from the fact that the concept of capitalist mode does not take into account control of the soil, that is, access to the bounty of nature. In fact, in the capitalist mode there are only two classes, bourgeoisie and proletariat, and two ‘incomes,’ profits and wages. In other words, in conventional economics there are two factors of production, capital and labor. Hence there are no landowners, no rent, no factor termed ‘nature’ or ‘land.’ Would this be a simplification, land being also capital, rent also profit (from ‘land-capital’), and landowners a special type of capitalist? Undoubtedly not, although the precapitalist categories in question (landed property, landowners, and ground rent) take precisely the form mentioned, owing to their distortion through domination by the capitalist mode, as we shall see.

We must first clear up one possible misunderstanding. Any agronomist would disagree, justifiably, if agricultural land were called a virgin portion of nature. Agricultural land is the product of human labor repeated over successive generations. For the peasant, land is not different from the plough or the cow: it is an instrument of labor. Moreover, no productive process takes place in a void; it always calls into play the forces of nature: the windmill is driven by the wind, biological laws are instrumental in the growth of plants, the laws of chemistry operate to combine iron and carbon to form pig iron, etc. Finally, there is practically no economic activity that does not involve a geographical element, a necessary location: the factory takes up ground space, the doctor must have an office, and even a peddler uses the streets.

But the problem does not lie here. It is not a question of knowing whether ‘nature’ exists or not; it certainly exists. There is no doubt that the forces of nature intervene in the productive process. The question is to know the social conditions that govern the right to use these forces. This right is seldom really free—even the grazing land used by a tribe of nomadic herders is forbidden to others, although the

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<sup>4</sup> Louis Althusser: *For Marx* (New York: Pantheon, 1970) and: *Reading Capital* (New York: Pantheon, 1971). See also Chapter 3 in this volume: “In Praise of Socialism.”

sea is open to any fisherman, and the lands of the American West were for a long time open to all those who could slaughter the Indians occupying them. In precapitalist societies, agricultural land was essential and access was strictly controlled by the society. Whether access was open to all or restricted to some (to the members of a clan, for example), whether it was free or subject to the payment of a tithe or rent of some sort, it was always controlled. In contrast, tools were rudimentary and of secondary importance. It is no longer the same with the modern capitalist farm, as we shall see.

On the other hand, in the capitalist industrial enterprise the capital equipment is essential, while the ground is of secondary importance. Moreover, if the capitalist must purchase the land or pay rent, it is because when capitalism came into being, land was already an object of appropriation and subject to rights. 'Capital' is essentially embodied in the means of production, themselves products of social labor. In order to understand the capitalist mode, it is essential to distinguish between Department I (capital goods production) and Department II (consumer goods production), between bourgeoisie and proletariat, between surplus value and the value of labor power, including their many deceptive forms: profits and wages or savings and consumption. How then does this abstract capitalist mode, without any historical background or territorial basis, interrelate with the production mode from which and within which it has its real historical origin? That is the question, and that is the correct way to bring land-ownership and rent into the analysis of the capitalist formation.

## 2.1 Rent and the Ownership of the Soil: Going Back to Capital

Marx's Capital has been the subject of a flood of written comments. How to reconcile volume 1 with volume 3, how to transform values into production prices and surplus value into profits; how to reconcile the two antagonistic classes—bourgeoisie and proletariat—and the 'trinity formula' at the end of volume 3? Discouraged, many writers have given up or have resorted to eclecticism, have reconsidered the marginalist 'contribution' or have revised their conception of social classes. It was easy to argue that only volume 1 appeared during Marx's lifetime and that the other two, uncompleted drafts, remained as they were because Marx had found no solutions to the questions raised above. I do not share this opinion and believe that the order of the three books, as well as the way the questions are put, are carefully thought out and are significant.

The first two volumes deal with capital and labor alone and consider capital in its broadest sense, that is, in its social form and not in its component parts. Volume 1 contains only the most essential concepts, hence the most abstract and least empirical ones: the fetishism of commodities and the dialectics of value, social capital as a relation between classes, and labor power as a commodity. These

concepts suffice for an understanding of the essence of the capitalist mode, the surplus characteristic of this mode, and the way it is generated, precisely by contrasting it with the one which historically precedes it. This explains why the general law of the capitalist mode, i.e., the law of accumulation, is formulated in this volume, together with its historical genesis—primitive accumulation. No additional concepts are required to answer these three essential questions: What is capitalism? Where does it come from? Where is it heading?

The commodity is the key to the system: it is the medium of exchange-value; it conceals use-value; it is fetishized. Contrary to Althusser's view that the 'mature' Marx abandoned the theory of alienation, we believe that Marx, going beyond the critique of humanism formulated by the young Hegelians and by Feuerbach, had discovered that alienation changes its form and its sphere with the development of capitalism. Until then it is based on religion, since society is still ruled directly by nature; it becomes commodity alienation as soon as the development of the productive forces free society from this dependence on nature by subjecting it to another form of dependence, that is, on its own "economic laws."<sup>5</sup>

Labor power reduced to a commodity is the second key to the system. This commodity, whose use-value has the property of producing more value than it itself consumes, enables us to discover the source of the surplus (the surplus labor of the proletariat), to understand its specific form (surplus value), to define productive labor (productive of surplus value), to uncover its appearance (that of the productivity of capital), and to grasp the nature of the ideology of the capitalist mode (economism) and its relations with the base (the latter's dominance).

Hence capital appears primarily as a relation between social classes: it exists only because one class controls the means of production while the other class sells its labor power. Capital is therefore an overall social relation involving the whole society. Empiricism views capital from the angle of immediate phenomena: the equipment in which it is embodied, the individual production units where the equipment is installed. The microeconomic approach of conventional economics simply reflects its inability to understand that the whole is greater than the sum of its parts. Marx begins with the whole.

Volume 2 is a logical continuation, a step closer to the concrete. With these concepts established, Marx is able to formulate the model of the reproduction of the system in terms of quantitative relations, between constant capital and variable capital (the organic composition of capital), and between the latter and surplus value (the rate of surplus value). We have used this framework to reformulate the question of the relation between the objective forces (the law of accumulation) and the subjective forces (class struggle) at the level of the world capitalist system, that is, within a system of capitalist formations characterized by a compartmentalization of labor markets. Raising the question of international trade (unequal exchange) appears to us the only correct way to bring circulation and production into the reproduction process to form a comprehensive whole.

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<sup>5</sup> Karl Kautsky: *Die Agrarfrage* (The Agrarian Question) (Stuttgart: J. H. W. Dietz, 1899).

In volume 3, two further steps are taken toward the concrete. The first is to analyze the redistribution of surplus value among the components of capital and the second is to analyze its redistribution between the capitalists (profit) and the landowners (rent). At this point the transition from mode of production to social formation begins and the question of class alliances is introduced.

Ladislaus von Bortkiewicz is no doubt the first author to have systematically studied these two questions raised in volume 3. As Luca Meldolesi remarked in an account of the work of Bortkiewicz,<sup>6</sup> the latter was not concerned with a ‘correct’ and ‘complete’ formulation of the ‘transformation’ problem, but rather with examining the consequences of his formulation on the central themes of Capital. In doing this, Bortkiewicz demonstrated in detail what Sraffa was to rediscover 50 years later: that profit would not exist without surplus value and that the attempt to find a different basis for profit (as in the work of Bohm-Bawerk and Walras, of which Bortkiewicz wrote a fundamental critique) was based on a tautology. Bortkiewicz also found that the rate of profit depends on real wages and on the productivity of labor in the production of both wage-goods and the intermediate goods which directly or indirectly enter into their production, excluding luxury goods (and gold). On that basis, he reformulated the question of technical progress and its effects on the rate of profit.

We have seen that the inequality between the rate of profit and the rate of surplus value is necessary to explain the hidden nature of the “economic laws of the market,” the basis of the economic alienation inherent in the capitalist mode and everything related to it (the dominance of the economic plane). We have also seen that the conflict between capital as a global social reality (the class relation) and capital as a fragmented social reality (the competition between capitalists and the domination of the circulation process over the production process) reveals the irrational nature of capitalism and of the profitability calculus. For “resource allocation” depends not only on the relations between the proletariat and bourgeois classes but also on the internal contradictions characteristic of the bourgeoisie. Conventional economics, starting with the production unit, i.e., the firm, never achieves such insights: it becomes entangled in a host of superficial details, describes infinite varieties of competition (“pure and perfect,” ‘monopolistic,’ ‘oligopolistic,’ etc.), and reaches no conclusion. The failure of neoclassical economics and of marginalist attempts to refute Marx was complete by 1914, at least on the continent of Europe. England alone, totally alienated owing to its empirical tradition, could ignore this debate and produce Alfred Marshall who, without understanding either Ricardo, Marx, or the refutation attempts of Bohm-Bawerk, Walras, and Pareto, was to appear as a “great man.” Europe’s somber years between the two world wars and the transfer of wealth to the United States explain how a man as intellectually poor and undeveloped as Samuelson was able to become an authority on “economic science” by simply reformulating Marshall’s eclectic idiocies, completely ignorant of the tautology on which this

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<sup>6</sup> Luca Meldolesi, *La teoria economica di Marx* (Turin: Einaudi, 1971).

'science' rested. Then came the "crisis of civilization" of the sixties, followed by that of the economic system itself in the seventies. At this point the whole structure collapsed, leaving an ideological void reminiscent of that of the end of the Roman Empire.

The question of ground rent has elicited less commentary. The chapters devoted to it in *Capital* are reputedly the most difficult and this reputation is firmly entrenched. To Marx, rent is a precapitalist category which survives simply because capitalism did not originate in a void. The class alliance between the nascent bourgeoisie and the landowner class (of feudal or peasant origin) plays a crucial role in the process of primitive accumulation. It is instrumental in taxing the surplus value or profit made by this landowning class, i.e., absolute rent.

As we know, Marx distinguished between differential rent and absolute rent. It may be asked why he dealt at such length with differential rent. Contemporary economists, who possess no sense of history, thought it intelligent to 'generalize' the theory of rent once Marshall had opened the way. Are differences in "soil fertility" not of the same nature as the various differential advantages (of location, for example) found in industry? In this case, in addition to normal average profit, capital receives more or less substantial differential rents. In fact, differential rent is of an entirely different nature for the simple reason that it existed before capitalism came into being. As we have seen, the characteristic feature of feudal rent is that it is unequal: with the low level of development of the productive forces, nature's superiority appeared in those terms precisely because feudal rent did not circulate. In contrast, the differential advantages accruing to capitalist industry arise from the (unequal) competition among capital which does circulate (though imperfectly because of contradictions within the bourgeoisie).

As regards absolute rent, Marx sees it as the manifestation of the class alliance in question. It is interesting to look at Bortkiewicz' attempt to understand the problem of absolute rent. His analysis led him to two conclusions. First, absolute rent does not necessarily require that the organic composition in agriculture be less than that in industry. Thus the rate of absolute rent is not necessarily fixed, as Marx said, by the difference between the production price of agricultural products as such (the surplus value generated in agriculture being withdrawn from its general circulation) and what the price would be if capital, in circulating, did not have to contend with the monopoly of landed property. The rate of rent is determined through class struggle between the bourgeoisie and the landowners. I have reached the same conclusion, and have even drawn a parallel with industrial monopoly in which the redistribution of the surplus value depends on the struggle between the various segments of the bourgeoisie. It appears clearly when one compares urban ground rent in northern and southern Europe. In the first case, the industrial element of the bourgeoisie was strong enough to have reduced the small urban property owners to a state of bare subsistence: this became possible with the alliance between the social democrats and the working class, benefiting from better housing conditions. In the second case, the industrial bourgeoisie came up against a proletariat fighting against its integration; being less strong, this bourgeoisie formed an alliance with a parasitic middle class made up of urban property owners.



This alliance was not free, and the industrial bourgeoisie had to tolerate extortionate rents. Again, there is no economic rationality above the class struggle. However, Marx's apparent 'mistake' has an origin: in his time, the organic composition in agriculture, then still backward, was inferior to that in industry. Moreover, capitalism was emerging from the state of simple commodity relations of the preceding mercantilist period. These relations gave rise to a range of relative prices (from agricultural products to cottage industry, which eventually faced competition from industrial products) which explains the genesis of absolute rent in the terms in which Marx expresses it. Hence, it can be seen that rent necessarily brings history into play and prepares the transition from the capitalist mode as an abstract concept (it is in this sense that I qualified it as ahistorical) to the capitalist formation as a concrete and historical concept (a product of class struggle and alliances). Karl Kautsky has already analyzed absolute rent in historical and concrete terms. He noted that the organic composition in agriculture was less than the average organic composition because capitalism developed primarily in industry. But he further noted that as it penetrated agriculture, capitalism raised the latter's ratio of organic composition.<sup>7</sup>

Bortkiewicz' second solution is that absolute rent does not exist because the capitalist, instead of paying this rent for the least fertile land, can obtain the same result by intensifying his capital investment in more fertile land (in accordance with the model of intensive differential rent which Marx evolved side by side with the one for extensive differential rent). This assumes that the capitalists take advantage of the competition among the landowners in order to reduce absolute rent to zero. But such reasoning presupposes the very absence of a class alliance between the bourgeoisie and the landowners as a group. Again, the economic error of considering competition as a rigid and unbounded rule overlooks the collective class nature of the state power which controls this competition. Yet again, the class (the whole) comes before its individual members (the parts); the whole represents more than the sum of its component parts.

Taking Bortkiewicz' reasoning a step further, Luca Meldolesi observed that the theory of rent rests on the assumption that only one agricultural product (i.e., wheat) is grown. With the possibility of producing several products (each having a different price), the scale of fertilities or investments cannot be established independently of prices. The only solution would be to determine at one and the same time rent, prices, and profit rates, as Sraffa has done. In my opinion, this is a return to the empiricism of apparent facts, since products are infinitely less specific than the market illusion suggests. The food products that serve as inputs in the reproduction of the labor force form a "composite group of products" which, in Marx's time, was made up of a (large) proportion of cereals and a (small) proportion of meat. Today the proportions are different, varying with the evolution of the value

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<sup>7</sup> See Samir Amin: *L'échange inégal et la loi de la valeur* (Paris: Anthropos, 1973). Of course, if the products are not so specific as they appear to be, the whole conventional theory of supply and demand, the basis of marginalism, falls apart, revealing itself as a crude tautology.

of the labor power, itself related to the development of the productive forces, as we have seen. Ground rent therefore clearly invites us to switch our attention from the capitalist mode to the history of capitalist formations.<sup>8</sup>

## **2.2 From the Capitalist Mode of Production to Capitalist Formations: Class Alliances and the Creation of the World Capitalist System**

We know that the Industrial Revolution in Europe was preceded by an agricultural revolution. We also know that between the 'feudal' Middle Ages and the Industrial Revolution there were three centuries of transition, difficult to describe owing to the complexity of their social and economic relations. Another known fact is that capitalist industry progressed rapidly in Europe in the nineteenth century while agriculture stagnated, retaining some backward features. And finally, we know that at the end of that century, or in some cases even after the First or Second World War, agriculture in Europe took a second leap forward with the widespread use of chemical fertilizers and machinery; in other words, agriculture became 'industrialized.'

Three stages can therefore be distinguished: (1) the stage which we call mercantilism, from the fifteenth to the nineteenth century, characterized by the first transformation of agriculture, its commercialization and the disintegration of feudal production relations; (2) the nineteenth century, characterized by the full development of the capitalist production mode in industry; (3) the twentieth century, characterized by the industrialization of agriculture. Corresponding to each stage, there were different relations between agriculture and other activities (manufacture and trade, later industry). The theory put forward here is as follows: capitalist production relations first appear in the countryside but to a limited degree, owing to opposition from the feudal mode of production. Later, these relations transfer to new areas of activity (i.e., urban industry) where they achieve their mature form, abandoning agriculture. Finally, these relations take a hold over all social life, embracing agriculture in a more comprehensive and profound way. This switching back and forth is characteristic of the history of capitalism's relations with agriculture in the central capitalist formations. We shall see that this is not the case for the peripheral capitalist formations.

Let us first look at the first stage, that of mercantilism. During that period the two poles essential for capitalism to achieve its completed stage, i.e., capital and the proletariat, were formed. But they did not actually confront each other until the Industrial Revolution. Capital was still in a prehistoric form, that of accumulation of money wealth by the commercial bourgeoisie of Atlantic Western Europe. That bourgeoisie was amassing wealth from its monopoly of the triangular

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<sup>8</sup> My analysis of rent agrees with the conclusions reached by P.-P. Rey: *Les alliances de classes* (Paris: Maspero, 1973).

trade and its control of the slave-based export agriculture of the Americas. However, this type of accumulation was not yet different from that of the pre-capitalist long-distance trade: it was merely a monopolistic extortion of slave surplus labor at one end and feudal rent at the other. In the real sense, it was only potential capital. Similar phenomena occurred elsewhere, in other precapitalist civilizations: in the Roman Empire, the Arab world, the Italian and the Hanseatic towns, the Islamized savanna areas of Africa, the seaport areas of southern China, etc.

The other aspect of mercantilism, which is of much more direct interest to us, is the disintegration of feudal relations, the proletarianization and commercialization of agriculture. This is characteristic of Europe during those three centuries, and it subsequently made the mercantilist period appear as a period of transition.

What happened to the feudal mode during that period? What sort of transformations did it undergo? In the feudal mode, the peasant is guaranteed access to land: a member of the village community cannot be driven away or proletarianized. Rent (that is, feudal rent, a special form of tribute) is paid in kind—in products and labor. But during those three centuries, first the feudal lords and sometimes some of the peasants became absolute owners of land. There was no longer any superposition of the rights of the two classes. This absolute right of ownership reintroduced the Roman law of *jus usi et abutendi*, with a different interpretation, i.e., as mercantile law. The class struggle between the peasants and the feudal lords decided in whose favor this transformation would be resolved.

What did these new absolute landowners (potential capitalist landowners, agrarian bourgeois, and peasants) do with their land? They invested capital in improving the land and sold a part of their output. In the case of former feudal lords or of the new bourgeoisie—derived nobility who had purchased land—rent in kind was replaced by money rent. In addition, land investments left a proportion of the rural population without employment. It was driven away, proletarianized. The people became vagrants, occasionally sold their labor power or were recruited into the king's armies. In England, this was also the period when people were hanged for theft. Another solution was to emigrate to America.

A market for agricultural products was established, based on the booming urbanization. In the towns could be found the Atlantic trading bourgeoisie, the royal courts and increasingly large centralized administration, the crafts workers who earned their living from this expanding market, and the first manufacturing industries created by the king to supply his army, and his administration.

The appearance of a market for agricultural products meant that henceforth rent circulated. It tended to lose its original characteristic of being unequal and began to even out over the different portions of land. It became, or tended to become, capitalist rent, although this process was not completed until after the Industrial Revolution.

Capitalist production relations and wage labor began to develop. This started in the towns with the development of manufacturing industries, but the process was slow since crafts workers remained organized in guilds, traders did not employ much wage labor except servants, and the administration paid its officials by

granting them privileges. In the countryside, there was a more rapid development of wage labor, however since money was still scarce, tenant farming and sharecropping very often constituted steps leading to the proletarianization of the peasantry. The development of rural capitalist relations was restricted by the smallness of an urban market which, still in the preindustrial stage, had only a limited range of products to offer.

The political economy of mercantilism, or physiocracy, was developed by Quesnay. There can be no political economy to explain the precapitalist modes: the surplus being transparent, there is no mystery to elucidate. Physiocracy is the political economy of the transition to capitalism, this special transition known as European mercantilism: there is already a capitalist surplus in existence (the surplus value in capitalist agriculture and manufacture) and it circulates, but most of it is still located in the rural areas where it is interrelated with the new form of rent. Another example of the political economy of this transitional formation is given in *Theorie economique du systeme feodal*, by Witold Kula.<sup>9</sup> Despite its title, it does not deal with a true feudal mode since the Polish feudal demesne of the seventeenth century was highly mercantilized, connected through the Hanseatic towns to Atlantic Europe.

Like long-distance trade, mercantile agriculture was not an exclusively European phenomenon. In the Roman Empire and the Arab world, among others, there were private estates which marketed at least a portion of their products. Money rent, agricultural wage labor, tenant farming, sharecropping, and the absolute ownership of land existed in the Arab world, as is evidenced by the mercantile nature of Islamic law.

However, what was peculiar to Europe was the relation which emerged between the development of the commercial bourgeoisie and the disintegration of feudal relations (the commercialization of agriculture and the appearance of capitalist relations in agriculture). In *Unequal Development*, this exceptional character was explained by the equally exceptional—peripheral—character of the feudal mode in the family of tributary modes, by the fact that it was incomplete owing to the absence of rent centralization. This exceptional character was reflected in the special type of class alliances during the mercantilist transition. We know that in order to withstand feudal disintegration, the absolute monarchies of Europe of the period made an alliance with the commercial bourgeoisie. They also tried to maintain a certain balance between the feudal class and the peasantry, sometimes allowing the scales in the class struggle to tip in favor of the peasantry, thereby speeding up the appearance of a peasant landowning bourgeoisie. In contrast, in the formations based on a mature tributary mode (China and Egypt), the ruling central power never had to form such alliances: there was never any feudal autonomy. In the formations based on long-distance trade (the Arab world, Sahelian Africa), the surplus extracted from agriculture was invariably too small to

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<sup>9</sup> Witold Kula: *Theorie economique du systeme fe'odal* (The Hague: Mouton, 1970).

enable the commercial class to bring about the disintegration of the rural world as it did in Europe.

The industrial revolution opened a new era. After appearing in embryonic form in the rural world, capitalist relations spread to industry where they achieved their completed form. There was money available which could be transformed into capital; the proletariat was also in existence. The handicraft market was too small to cope with the supply of agricultural products, thus a powerful motive appeared for some craftsmen to invent the first machines. Of course, the new industrial capitalist class did not necessarily derive from the former commercial bourgeoisie. The latter generally allowed itself to be absorbed by the system: it purchased lands or patents of nobility. The newly enriched peasant or the gentleman farmer, the financial adventurer or the court and army supplier grabbed the money accumulated elsewhere and set up new industries.

This industrial revolution took place through the alliance between the new bourgeoisie and the landowners. The motives involved were not simply political or ideological (the sacred nature of private property). As P.-P. Rey has shown in *Les alliances de classes*, the private ownership of land played an essential part in the development of capitalism. It made it possible to expel the surplus population which consequently swelled the ranks of the proletariat. This alliance took different forms according to historical circumstances. We may roughly distinguish between the form it took in England, where the bourgeoisie made an alliance with the big capitalist landlords until they merged into one single class, and the French pattern, in which the bourgeoisie joined with the peasants to bring about a radical agrarian reform leading to the emergence of a new rural class of the kulak type.

Whatever form this alliance took, its cost involved the extraction of a part of the surplus value in favor of the landowners. We can now refer to capitalist rent in the full sense of the term since it is retained from surplus value. The mechanism resulted in high prices for the basic necessities and hence in larger expenditure on wages and reduced profits for the capitalists. These high prices of basic necessities were simply a continuation of the prices prevailing in the transition period. In turn, this landownership monopoly freed its beneficiaries from the constant obligation to improve their production techniques, under the pressure of competition, from which no industrialist could escape. Thus the gulf widened between the modernization of industry and the comparative stagnation in agriculture.

The agricultural sector supplied the towns with their basic food requirements and raw materials for which, in return, it received manufactured consumer goods rather than production goods as during the mercantilist transition period. The relations were fairly evenly balanced.<sup>10</sup>

This autonomy of rural society—autonomy and not autarky—hindered the development of capital. It is obvious that rent was not a category of the capitalist mode and that it slowed down the accumulation of capital. Ricardo had already

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<sup>10</sup> See Christian Palloix: *Problemes de la croissance en economie ouverte* (Paris: Maspero, 1969); Samir Amin: *Unequal Development*, ch. 3.

perceived it as the source of a bottleneck which John Stuart Mill was later to express in very precise terms.

This is why capital attempted to reduce progressively this drain on the economy which rent represented. How? Land nationalization was certainly the most radical way. This is why Lenin regarded it not as a socialist reform but as a revolutionary bourgeois reform. The measures taken toward municipal ownership of urban lands in the most advanced social democracies were a step in that direction.

The third phase opened with the industrialization of agriculture which was henceforth to supply an increased number of products to the towns but, in return, was to receive not only manufactured consumer goods but also agricultural inputs (fertilizer, equipment, power). This phase took particularly varied forms since it started at a time when a world system was already being set up under the wing of monopoly capital. Reduction in rent was therefore being achieved by changing the internal and external class alliances. Consequently the agricultural sector of the periphery was becoming integrated and dominated by capitalism. But before dealing with this decisive question, it is useful to look into the debates in the socialist movement concerning the development of capitalism in agriculture.

### **2.3 The Development of Capitalism in Agriculture: The Theories of Kautsky, Lenin, and Chayanov**

In this field as in others, social democracy reduced Marxism to an economic level. The end of the nineteenth century in Europe saw the beginning of the third phase of the capitalist development in agriculture. Social democracy stated, in very simple terms, the law governing this development: competition must gradually bring about the replacement of the peasants by big agrarian capitalists having the necessary capital to start the process of mechanization. Concentration of landownership, like that of capital ownership, is the characteristic tendency of this development.

However, let us do justice to the Second International. While the popular version of social democracy saw the concentration of landownership as the only trend of evolution in agriculture, Karl Kautsky analyzed the capitalist domination of agriculture in more subtle and surprisingly modern terms in *The Agrarian Question*. Kautsky first noted the fact of resistance to concentration. He expanded on this, showing the contrast between the small peasant farm and the big capitalist farm in terms of “the harder work... on the part of the worker who produces on his own account, in contrast with the wage earner.” He drew the conclusion, as regards the small peasant, that “when the price obtained for his products, after deducting his expenses, is sufficient to pay for his labor, he can manage to live; he can forgo profit and ground rent.” Kautsky explicitly analyzed the problem of the relations between capitalism and agriculture in terms of political class alliances, in terms not of simple development of capitalist agriculture but of domination of

industrial capitalism over noncapitalist or precapitalist rural forms and in terms of actual dispossession although, in theory, landownership was retained. Kautsky went on to describe the small peasant as “a serf of industrial capital.” He gave the specific example of the firm of Nestle at Vevey whose “inhabitants are outwardly owners of their lands but no longer free peasants.” Kautsky also analyzed the competition from overseas products, noting that “we can divide into two categories the countries whose agriculture produces at lower cost than European agriculture: the plantations of oriental despots and the free or former colonies.” We shall be looking into these questions later.

As we know, Lenin borrowed extensively from Kautsky.<sup>11</sup> Thus it is with the assumption of the law of increasing concentration that he examined the development of capitalism in agriculture in Russia. Concentration of ownership of land and of the means of production (ox-drawn ploughs), the appearance and expansion of the number of agricultural workers in absolute and relative terms, increasing differentiation within the peasantry and the strengthening of the position of the rich peasants (kulaks) at the expense of the medium peasants—these were the trends of the system. Lenin nevertheless noted that these were only general trends. Forms of transition could, for a time, mask the fatal outcome: the outright proletarianization of the peasants.

However, it was Chayanov who made a shrewd and penetrating analysis of the interaction between capitalism and agriculture.<sup>12</sup> Chayanov began with an analysis of the peasant mode of production which is noncapitalist, based on family units of peasant workers—owners of their land whose product is intended mainly for family consumption, although a small fraction of it is sold (to pay taxes and to satisfy an urban demand which in return offers manufactured goods in competition with cottage-industry products). In this mode, he noted, it is not possible to differentiate between the factors of production (land, capital, labor) as is very artificially done in the marginalist theory. The basic unit is both the production and the consumption, and commodity trading is of marginal importance: rural economists are fully aware that peasant life is not simply concerned with production, as is the industrial enterprise; it is as much a way of life as a mode of production. With this in mind, Chayanov introduced the idea that the organization of production (the quantities of the various products, how intensive the method should be, etc.) depends on how the family’s needs are balanced against the hardship involved in the labor. This balance between the two factors is itself dependent on the size of the family (the ratio between nonproductive and productive members) and the size of the family plot. And since the size of the family alters in the course of time, as does the plot of land with every succession, Chayanov concluded that the rural world has a particular evolutionary differential

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<sup>11</sup> Lenin: *The Development of Capitalism in Russia* (1899; New York: Beekman, 1969).

<sup>12</sup> A. V. Chayanov: *The Theory of Peasant Economy* (Chicago: Aldine, 1966); *Peasants and Peasant Societies* (Harmondsworth, Middlesex: Penguin, 1971).

rate which he termed “demographic differentiation” in contrast with the class differentiation emphasized by Kautsky and Lenin.

Chayanov’s theory has not generally been well received. The balance between the satisfaction of needs and the hardship involved in the labor is viewed as an unacceptable extension of Robinson Crusoe’s hedonistic economics. Actually, the critics fail to see that Chayanov’s analysis is the result of the following observation: the peasant in question is not a capitalist entrepreneur, he does not seek to maximize the profits from his ‘capital’ and to accumulate, but primarily to live off the land which is his by virtue of a peasant social organization.

In my view, the real problem lies elsewhere. It is to understand the nature of this peasant mode of production and its position among the various types of social formations. The following observations address that end.

First, this mode as presented by Chayanov belongs to the family of small commodity modes of production: the producer who owns his means of production (land and implements) trades his products (at least a part of them) with other commodity producers placed in a similar situation. But although these modes of production occur frequently throughout history it is never on their own and still less in a dominant position. In Chayanov’s view (reinforced by the studies of Daniel Thorner) a peasant economy of this type would become a predominant reality when a certain number of conditions are met: statistical predominance of the rural population, the vast majority of them being small freeholders; trade between town and countryside based on the specialization of rural crafts and urban manufactured products and involving only a minor proportion of agricultural products; a state system of the ‘peasant’ type, etc. These conditions would seem to have been fulfilled only in very special cases, since the state system is not generally based on the peasants but on a ruling class which exacts a tribute rather than taxes from the peasant communities. We should therefore analyze the social formation in question in terms of tributary society.

Mercantilist Europe, from the Renaissance to the end of the eighteenth century, was eminently suited to the development of a peasant economy of this type. Why? Because the feudal mode constituted an extreme, peripheral form within the family of tributary modes, an incomplete form characterized by the dispersion of the feudal surplus (feudal rent), its noncentralization and nonredistribution at the level of the state ruling class as in the mature tributary mode. Under these circumstances, the appearance and development of the centralized monarchies of Europe were based on the curtailment of feudal power, on its subordination. In this endeavor, the monarchies relied mostly on the traders and the towns but also on the peasants. It was therefore largely through the disintegration of feudal relations that the peasant economy in question developed.

This peasant economy, largely characteristic of seventeenth-century France, survived during the three centuries of transition from feudalism to capitalism, alongside the mercantilist commercial and manufacturing economy. Physiocracy, as we have seen, is broadly the political economy of this period.

This is not, however, the only form of transition to capitalism. In Eastern Europe, the peasant economy was linked with the large-estate economy in which



production was mostly sold, in particular to the more urbanized Western Europe. It is certainly not nonsensical to speak of peasant economies belonging to the family of simple petty-commodity modes! We find similar examples in the history of other peoples and other parts of the world. New England was basically such < a peasant economy, as, under other circumstances, was agriculture in the Arab world and some regions of precolonial Sahelian Africa.

One of Chayanov's most important discoveries concerning this mode of production relates to the price of land. The commercialization of its produce leads to land itself becoming a commodity subject to commercial dealings, whereas this did not occur in the direct tributary modes or in the feudal mode, characterized by the inalienable right of the peasant to the soil. Chayanov noted that in those modes the price of land was not equivalent to the capitalization of rent (which did not exist) but to the work required to satisfy the needs of the family.

His second observation was that the peasant mode of production, once integrated into a capitalist formation, is stripped of its content and dominated by the capitalist mode of production. Chayanov noted, in relation to Russia at the end of the last century, the peasant economy's strong capacity to fight capitalist competition. He positively stated that the small peasants could accept total earnings so low that they left capitalist agriculture unable to compete.

This observation is very important because it means that this peasant mode cannot be studied outside the context of the overall formation within which it falls. To speak of capitalist competition amounts to assuming that the small peasant must bring his prices into line with those of the most efficient agrarian capitalist competitors, whether nationals or foreigners in the form of the import of competitive products (American wheat in competition with English wheat is a classic example). What then did a reduction in peasants' earnings mean? That: (1) ground rent (rent imputed to ownership) was abolished; and (2) the rewards to labor—which amounted to the product prices—came into line with the value of proletarian labor power.

Thus dominant capital wiped out rent, i.e., abolished landownership. It proletarianized the peasant worker. The latter certainly remained the formal owner of the land but was no longer its effective owner. On the surface, the peasant remained a commodity producer who offered products on the market, but in actual fact, was a seller of labor power, this sale being masked under the cover of commodity production. Thus the peasant was actually reduced to the status of a person working at home under the domestic system.

Chayanov elucidated these points without always establishing all the links between the various elements of his theory. Comparing the results of regionally organized agricultural production without private landownership (organization based on the state's possibility of detailing agricultural producers to work on individual plots of land) with the results of a system with recognized landownership (Von Thiinen's assumption), Chayanov deduced that the first case gave rise to a greater intensification and a faster growth of production, hence capable of satisfying greater urban demand. In this way, he demonstrated that landownership and rent were obstacles to the development of capitalism.

He laid bare the mechanisms which stripped the peasants of their effective ownership of the land, leaving them only with nominal ownership. From an internal analysis of the various elements entering into production costs, he noted that the optimum farm was not necessarily the largest farm: under the conditions existing in Russia, the optimum was about 5,000 acres for extensive cereal cultivation and 1,235 acres for intensive cultivation of the same crop. Capital domination is therefore not explained by the unlimited concentration of land-ownership. It occurred, Chayanov pointed out, through vertical concentration, i.e., by placing food industries over a group of medium-range peasant farms. By controlling the sale of the produce, these industries could effectively manipulate the level of remuneration of the peasant. Postwar French agricultural economists have been greatly influenced by these views.<sup>13</sup>

Chayanov's analysis of the mechanisms by which the capitalist mode dominated the peasant economy introduces new elements which were disregarded in the narrow economic analysis of social democracy. Chayanov in fact noted that ground rent was high when the land was of poor quality and the rural population of high density. This is easily explained in the logic of his system where the peasant—who was not a capitalist entrepreneur—accepted in that case even lower rewards for his labor. Hassan Riad has analyzed the dialectics of “class differentiation” and “population differentiation” in Egypt along the same lines as Chayanov: evolution conditioned by the combined forces of population pressure together with increasing commercialization of agriculture in Egypt led to a continual increase in the rates of ground rent between 1880 and 1952.<sup>14</sup>

## 2.4 The Domination of Agriculture by the Capitalist Mode of Production

The third development phase of capitalism saw the actual beginning of the subordination of agriculture to capital. Furthermore, this subordination occurred throughout the world since this third phase coincided with that of imperialism, i.e., with the establishment of the world system in its present form.

The main consequence of the subordination of agriculture was the abolition of ground rent. England provides the first historical example of this liquidation which occurred even prior to the beginning of the third phase in question. We know that English capital abolished ground rent simply by liquidating agriculture in England: this was the reason for the repeal of the Corn Laws and for the recourse to American wheat which did not have to bear the cost of ground rent. This operation put an end to the class alliance between the industrial bourgeoisie and the big

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<sup>13</sup> See, among others, M. Gervais, E. Servote, and J. Weil: *Une France sans paysans*, and H. Mendras: *La fin des paysans*.

<sup>14</sup> See Hassan Riad: *L’Égypte nassérienne* (Paris: Minuit, 1965), pp. 26–31, 138–149.

capitalist landowners which had shaped the essential aspects of economic and political life in the first half of the nineteenth century. In the case of England, large estate ownership was linked with industrial capital. This largely made up for the former's loss of its economic importance, as did the maintenance of the political and social privileges of that class, represented by the House of Lords.

In continental Europe, the subordination of agriculture to capital did not occur in the same way. The new industrial bourgeoisie, weaker and sometimes threatened by the rising working class—early in France and much later in Germany—was compelled to form more permanent class alliances with the peasantry who benefited from the bourgeois revolution in France; with the middle strata of the former artisan and trading groups of the mercantilist period in southern Germany and Italy; with the big capitalist landlords in eastern Germany, Central and Eastern Europe, and in southern Italy and Spain. The process of subordination of agriculture there is thus of recent origin, very often occurring after the Second World War. The distortion of relative prices at the expense of agriculture which accompanied the intensified industrialization of agriculture is a typical example of the way in which peasant landownership, while maintained in theory, was rendered ineffective since it no longer produced rent and reduced the peasant's earnings to that of his labor power.

Conventional economic analysis does not understand this mechanism. It attributes this modification of price structure either to the structure of demand (the low elasticity of demand for food products) or to the market structure (opposing the low and dispersed agricultural supply to the concentrated demand of wholesale and food industry oligopolies). These observations are not wrong but they remain superficial and at the level of observed phenomena.

The first condition of this subordination of agriculture is the intervention of dominant capital in the actual process of production in agriculture. This is not the capital deployed in agriculture in the form of equipment utilized in agricultural production. It belongs to those food industries and trading concerns linked with the agricultural producers. Through the standardization of products, the expansion of industrial food processing, and the concentration of networks for collection and marketing, the agricultural producer's production plan is subjected to control by this capital. He is no longer really a free commercial producer producing, in the first place, what he likes and in his own way and later selling a part of it. He is reduced to the status of a proletarian working at home. This interference in the production process clearly indicates that capital is not the sum total of all individual capital. It is more than that; it is global prior to being fragmented. Again, we could never understand the meaning of capitalism if we confined ourselves to a survey of capitalist farms examined separately. The path of concentrating landed property and directly proletarianizing the peasantry is not the principal one followed by capitalism in developing its relations with agriculture but rather is the exception, more costly since it maintains—and often reinforces—the drain which rent represents. This path becomes the principal one only when a particular class alliance demands it. Capital prefers subordinating the peasantry according to the pattern described by Chayanov, for capital then obtains not only a better overall

rate of profit but also better political control over society. Remaining, in name only, the owners of their means of production, the peasants build an ideological picture of themselves which separates them from the proletariat. They believe that their interests diverge from those of the proletariat, and on the face of it they are right since higher prices for their products improve their situation at the expense of the working-class consumers. A contradiction thus develops among the people, of which capital takes advantage.

The second condition underlying the subordination of agriculture is of a political nature. Capital can only give up its class alliance with the landed aristocracy if it can replace it either by a social-democratic integration of the working class or by other class alliances. The first case no doubt applied to northern Europe and the United States. The path for this development was smoothed by the old social-democratic tradition of England (sustained by the immense and long-standing! size of its colonial empire), that of Scandinavia (encouraged by the limited extent of feudalism in that part of Europe, particularly in Sweden), and that of Germany (encouraged by the destruction of communism by Nazism and the force with which Nazism was rejected in the form communism took in East Germany). In North America, the integration of the working class took place even before that class had defined itself politically and ideologically. This did not occur in southern Europe (France, Italy, Spain, Greece) where the working class has never really had a share in political power, since this was threatened capital—as shown by the repeated short-lived experiments of popular front movements. Thus the development of capitalism occurred under authoritarian right-wing regimes (from the Second Empire to the rule of de Gaulle, Franco, Italian facism, etc.) which relied on the peasants, the petty traders, the notables and big landlords, the urban speculators, etc., depending on the case. During the last period of rapid development in this region of Europe (1948–1967), the illusion was fostered that capital could free itself from these alliances by replacing them with alliances with the upper crusts of the new ‘proletariat’ made up of cadres and technicians, through a policy of deliberately accentuating the inequality in income distribution. May 1968 in France, like the creeping ‘May’ movement in Italy, demonstrated the ideological failure of this attempt, the narrow base of the social-democratic working class, and forced capital to seek other alliances with parasitic sectors of the new “petty capitalism” of the tertiary sector, the urban speculator group, and so on.

But the subordination of agriculture is now increasingly taking place on a world scale. It is only in the last few years that the integration into the world capitalist system of countries which have become underdeveloped has begun to be the subject of a scientific, coherent, and systematic analysis. The outlines of the theory of the center and the periphery in the world system have now been developed. Starting with a systematic criticism of the conventional approach to ‘underdevelopment’ (one of the fields in which social science studies have most clearly failed) and with a critique of the linear vision of development characteristic of the mechanistic philosophy underlying the dominant economic ideology, this theory has now formulated in positive terms the nature and mechanisms of world

accumulation and unequal development. The criticism of Rostow and of 'dualism,' the debates on dependence, extraversion, and unequal exchange, and those relating to the periodization of the development of capitalism as a world system, are the steps in this formulation.<sup>15</sup>

Possibly because of its recent origin, this formulation, in spite of its wealth of ideas, does not come readily enough to mind when one is dealing with particular aspects of underdevelopment. One decisive result emerges from the theory of the world system: precisely that the unity of the system (not to be confused with homogeneity) is predominant, i.e., ultimately determines the nature of the components of that system. In other words, we would be making a fundamental mistake if each time we studied a particular phenomenon of the Third World, we looked for its 'cause' in the Third World itself instead of placing it within the dialectic of the world system. For example, there is the debate relating to 'marginality' which opposes the views of those who regard it as a phenomenon peculiar to the periphery and those who consider it as the effect, within the periphery, of the law of accumulation. There is also the debate on the relations between the state and social classes, opposing the views of those who define these relations in their immediate local context and those who place them in a world context. There is the critique of the theory of spatial planning and regional development, inappropriately transferred from the center to the periphery. These are all good examples of such blunders. The analysis of the relations between capitalist development and agriculture in the periphery may suffer the same fate.

Since capitalism at the periphery is the result of external aggression, and not of internal evolution, the first phase referred to above does not occur in it. We know that in the underdeveloped countries, there is no agricultural revolution prior to industrial revolution, as in Europe; on the contrary, the order is reversed: what we call the "green revolution" is a contemporary phenomenon. Daniel Thorner rightly notes that there was a nucleus of rich peasants in India as early as the nineteenth century but that the kulak class has become significant in Indian society only in the last ten years. Broadly speaking, the agrariaa re forms which gave rise to this type of rural capitalism became widespread only after the Second World War.

Capitalism was first introduced into the periphery through comprador trade in the hands of foreigners (the colonial companies and the Asian minorities in Tropical Africa) or of nationals (in Latin America, the East, and Asia). Later this occurred through the export of capital in mining and plantation agriculture owned either by settlers (French Maghreb, Kenya, Rhodesia, and South Africa) or by foreign companies established under colonial or semicolonial concessions (United Fruit in Central America, Unilever in the Belgian Congo, Firestone in Liberia, various types of European tea and rubber plantations in Ceylon, Indonesia, Indochina). In Latin America, the indigenous agriculture generally turned into a

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<sup>15</sup> W. W. Rostow: *The Stages of Economic Growth* (New York: Cambridge University Press, 1960). For a bibliography concerning these debates, see Amin: *Unequal Development*, pp. 400–407.

capitalist latifundia agriculture for export (such as coffee plantations in Brazil, sugar plantations in Cuba, cattle ranches in Argentina). The phenomenon rarely occurred in the East and in Asia, and the agricultural products marketed, either through export or on the domestic market, derived generally from sectors still governed by production relations of a precapitalist type. Egypt, where the dominant form of latifundium was capitalist, is an exception. In sub-Saharan Africa, agricultural production for the market was practically unaffected by this type of direct agrarian capitalism.

Later, in the recent past, capitalism flourished anew on the wave of the industrialization linked with import substitution. Consequently, the demand for food products rose. But more often agriculture, hampered by precapitalist production relations, has been unable to meet this demand. Hence the paradox that the Third World, with the bulk of its population engaged in agriculture, becomes an importer of food products supplied by the center.

At this stage, not yet really superseded in the Third World and still less in sub-Saharan Africa, the capitalist mode of production is established in other sectors than agriculture and dominates the entire society. In this setting, the main functions of the subordinate, so-called traditional rural society are the following: (1) to supply cheap labor to the mining industry and to the plantations; (2) to supply food cheaply, thus enabling the value of labor power to be reduced in the directly controlled capitalist sectors; (3) to enhance the real value of luxury consumption of the privileged groups (comprador and bureaucratic bourgeoisie), particularly through the supply of cheap services (domestic, etc.).

These objectives are met through a series of economic and political measures applied according to circumstances. Very often, they are achieved through a class alliance between dominant foreign capital and the ruling classes of the precapitalist society. At this point, we must mention the entrenched position of the big landowners, common in Latin America, in the Arab Middle East, and in Asia. This leads to a worsening of the precapitalist forms of exploitation, particularly ground rent, which on the one hand provides a market for new capital (a market for luxury consumption) and on the other, pauperizes the peasants and drives from the land a proportion of them who then supply the required cheap labor. These methods must be studied in conjunction with unequal development—particularly in its regional effects—and the set of phenomena termed ‘marginalization.’

The variety of economic and political measures employed in sub-Saharan Africa must be examined in relation to the structures of dependency they developed. We can distinguish between three types of policies for the transition to underdevelopment, which correspond roughly to three regions of the continent south of the Sahara<sup>16</sup>: (1) the colonial trading system of West Africa; (2) the system of concession-owning companies of the Congo basin; (3) the system of reserves in eastern and southern Africa. In that context, I have elsewhere analyzed

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<sup>16</sup> Samir Amin: “Sous-développement et dépendance en Afrique noire,” *Tiers Monde*, no. 52 (1972).

the phenomena of unequal regional development (the genesis of countries and regions termed “least developed”)<sup>17</sup> and those of migration in West Africa<sup>18</sup> which arise from it and express the domination of capitalism over rural societies. These societies, while retaining their precapitalist appearance, are no longer really such, having been greatly distorted and transformed.

In the next stage, the pressures of urban capitalism led to great changes in the rural world. In Latin America, in the Arab countries of the Middle East, and in Asia, the era of agrarian reform began. More or less radical, these changes became generalized after the Second World War, with independence in India, with the wave of petty-bourgeois nationalism in the Arab world in the fifties, with the populist movement and especially that of *desar-rollismo* in Latin America, also in the fifties. These reforms, in bringing to an end the former class alliances between foreign capital and the big landowners, replaced them with the new triple alliance between foreign capital, the local urban bourgeoisie (private and/or state), and the kulaks. They formed the social basis of the green revolution which followed.

In sub-Saharan Africa, the pattern of evolution in agriculture is different: there is no social disruption similar to that caused by agrarian reform elsewhere, but only an extension and a more intensive application of the colonial trading system. The reason for this peculiarity lies in the nature of the class alliances under colonialism in Africa and the patterns of their neocolonial renewal. The colonial administration must not be seen simply as an apparatus for the political domination of conquered regions. It fulfilled crucial economic roles, leading P.-P. Rey to speak of a “colonial mode of production.”<sup>19</sup> European imperialism certainly met with a variety of societies ranging from the type which had almost no class structure to advanced tributary societies (termed feudal). But it was always confronted with comparatively weak societies in terms of human population and the degree of their state organization. This was largely due to the debility which sub-Saharan Africa suffered as a result of the slave trade, including ethnic fragmentation, breakup of large states, and reduction of the population. Under these circumstances, the colonial power could assume direct control of the social life of the peoples conquered, giving less importance to its alliance with the ruling classes of these societies than it did in the colonial Asian or Arab world or in independent Latin America and Asia. Not that such alliances did not exist in sub-Saharan Africa: during the first period, i.e., during the conquest and occupation which followed, they played an important part in the strategies used to establish foreign domination. But they lost importance as the occupation became secure, and were subordinated to direct administrative rule.

The colonial administration thus fulfilled the economic and social functions instead of the local propertied classes. Through administrative measures, it

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<sup>17</sup> Samir Amin: “C.N.U.C.E.D. III. Un bilan,” *Bulletin of Peace Proposals*, no. 3 (Oslo, 1972).

<sup>18</sup> Samir Amin: *Migrations in West Africa* (London: Oxford University Press, 1974).

<sup>19</sup> P.-P. Rey: *Colonialisme, neo-colonialisme et transition du capitalisme* (Paris: Maspero, 1971).

channeled the population into small reservations, as was the case in Kenya and southern Africa. Elsewhere, it took over from the concession-owning companies which were real private administrations. Through the imposition of money taxes, it also introduced forced labor and compulsory crops, and the establishment of the economic dc traitc. When it developed class alliances with the local ruling classes, these alliances served to reinforce its direct intervention.

These direct economic functions of the colonial administration in turn molded the nature of the economic dc traitc, a concept which is oversimplified and badly understood even when it is recognized. Anglo-Saxon economic terminology does not even have such an expression, using the meaningless translation, "trade economy." In the French-speaking world, the expression as it was introduced after the war by Marxist geographers, in particular Jean Dresch, lost its true meaning as it became more widely used. It was reduced to description of an economy characterized by peasant producers' specialization in export crops (peanuts, cotton, coffee, cocoa), exchanged against mass consumption manufactured goods (textiles, hardware), with colonial trading firms controlling trade in both directions. This description is correct but insufficient. To stop here I would imply that the extension of the economic dc traitc is achieved through the 'normal' economic laws of comparative advantage and that the persistent poverty of the producers is attributable to the obvious monopoly of the colonial firms in question.

But the producteur de traite, the producer under that system, is not a petty-commodity producer, in spite of appearances. The administration and capital intervene in the productive process and actually control it. There is a host of administrative measures employed to force the peasant to produce what is wanted and in the manner desired: from pure and simple compulsion to the slightly more subtle approach of taxation in money form. Meanwhile, the authorities are only prepared to buy one particular product from him. There is also the form of compulsion arising from promotion or modernization of the "rural training" services (agricultural extension accompanied by the almost forced purchase of equipment—ploughs, seeders, hoeing equipment, insecticides, fertilizers), "provident societies," and 'cooperatives.' The constant interference of the administration in the productive process ensures and supplements that of capital: both the visible part of that capital—colonial trade, minor agents, transport—and the invisible part, the capital of the processing industries located in Europe or on the coast of Africa. Again, capital is social prior to being fragmented.

Thus dominated, the producteur de traite is stripped of the real control of his means of production. In theory, he remains the traditional owner of the land, and the owner—in the bourgeois, individual sense—of the equipment. However, he is not in control of his production nor can he decide what to produce on the basis of comparative prices. He is therefore not really a commodity producer. His remuneration does not include either compensation for his ownership of the land, i.e., ground rent, or a return on his capital; he is reduced, owing to the domination of capital, to the value of his labor power or frequently to even less. Productivity gains induced by the vaunted improvement brought about by agricultural extension services are immediately taken back through price deterioration. The consequences



of this situation are known: the wastage of land through mining exploitation, the peasants' resistance to proposed 'modernization,' and so on. A peasant reduced to this status is a semiproletarian: a proletarian, because he is subjected to capital exploitation which extracts surplus value from him; a semiproletarian, because he retains the appearance of a free commodity producer. Objectively proletarianized, the peasant remains a small producer in terms of his class consciousness.

Independence has brought no change whatsoever to this system. The new African government fulfills the same functions as the former foreign administration. Hence we have the importance attached to education, its forms, the recourse to the foreign language and, arising from these, the characteristic alienations that occur in the course of the reproduction of this class. This class, like the administration it replaces, is not only a bureaucracy, it also intervenes in the process of production by the peasants.

This type of capital domination over agriculture is not particularly advanced, although it is highly profitable: in spite of the low levels of productivity it gives rise to, the remuneration of labor is so low that prices remain competitive. This explains the lateness of the green revolution in Tropical Africa. This profitability is obtained at the cost of soil exhaustion, deforestation, desert encroachment, and lateralization eventually revealed by drought. It is also obtained at the cost of a remuneration to labor below the value of labor power, which can be wasted, as seen in the exceptional level of mortality, malnutrition, and famine resulting from the fall in food production or rural depopulation.

Broadly speaking, there are two categories of *economies de traite*: the plantation economies and the other 'poorer' types. When the plantation zones are pinpointed on the map, obvious correlations appear between the expansion of these plantations and several other factors, among them: (1) a certain hierarchic division in precapitalist society, which permitted a favorable local class alliance ready to accept this strategic objective; (2) an average population density of thirty inhabitants per square kilometer; (3) the possibility of bringing in migrants foreign to the ethnic group of the plantation zone to initiate the process of proletarianization. We also distinguish between two subcategories of plantation economies in relation to these factors: kulak capitalist plantations, as in Ghana and the Ivory Coast; and the family microplantations, as in the Cameroon. As for the second category of *economies de traite*, i.e., the 'poor' savanna type, it also takes different forms. In predominantly Muslim areas, it frequently takes the form of religious brotherhoods and sultanates (Mouride in Senegal, Ashiqqa and Khatmia in the Sudan, and the emirates in Nigeria), and presupposes a class alliance with the leaders of the religious brotherhoods. Another form, common in the regions where such an alliance is not possible, is characterized by the presence of so-called intervention companies.

Has the *economie de traite* entered a period of grave crisis which heralds its decadence and imminent collapse?<sup>20</sup> By what type of economy could it be

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<sup>20</sup> Rolf G. Gustavsson has drawn my attention to these changes in progress.

replaced? Peasant cash-crop agriculture in the dry zones of the Sahel and the African savanna regions has been competitive only because the peasants have received extremely low rewards for their labor. Following the general law of unequal international specialization and of the consequent unequal exchange, the gap between the earnings of African peasants producing peanuts and that of capitalist soybean producers (these being mutually substitutable oil-yielding crops) was even greater than the gap between their productivities. A pauper economy of this type was only possible through a gradual exhaustion of the soil by mining without any concern to restore its productive capacity. It was also accompanied by an overexploitation of the peasantry which was reduced to a level of subsistence verging on starvation. The continually worsening conditions of the *économie de traite* were bound to lead to its eventual disappearance. The poor rainfall cycle of the last few years has suddenly revealed the destructive nature of this system.

As to replacing this primitive form of colonial exploitation with a new agrarian economy, it would seem that irrigated farming will become more intensive and more modernized. This 'improvement' of farming will certainly cause landownership to become a more important element of social differentiation than has been the case until now in extensive dry farming. This intensification is the precondition for bringing to tropical Africa the green revolution which, as we know, has accelerated class differentiation. Similarly in stockfarming, the trend is likely to be a gradual changeover from seminomad extensive herding to raising animals on ranches. An anonymous article in the English journal *The Economist*,<sup>21</sup> cynically informs us that the African Sahel is eminently suited to the production of meat for the developed world and that this vocation implies the disappearance of the seminomad herders who make up the present population. The new ranches which are increasing in number throughout the world under the impact of agribusinesses and foreign 'aid' and which have priority in the use of water resources, in fact only require a very small amount of labor. When deprived of water, these superfluous herdsmen will disappear. Thus African agriculture and stockfarming, boosted by the green revolution, will contribute to feeding the Europeans while the local populations will be asked to emigrate or 'disappear'.

In its various forms, capital's domination over African agriculture is already a characteristic feature of rural life throughout the African continent.

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<sup>21</sup> "The Golden Calves Could Help Us All," *The Economist*, October 6, 1974.



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