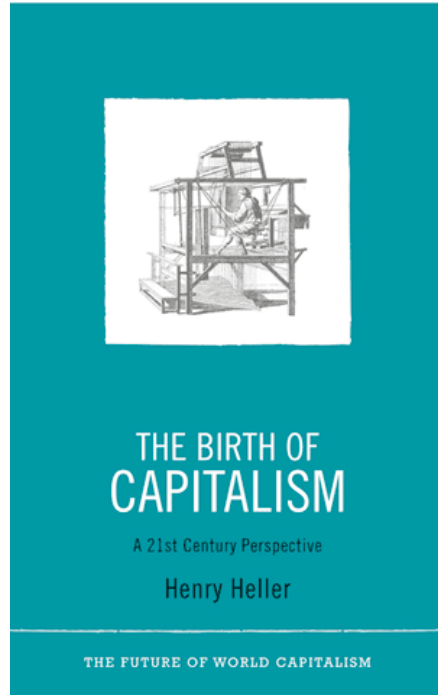


Review by Dominic Alexander of *Counterfire*

The Birth of Capitalism: A Twenty-First-Century Perspective

Henry Heller's *Birth of Capitalism* is a lucid and comprehensive introduction to a range of central debates concerning Marxist arguments and interpretations of recent history.

The origins of the capitalist system in a series of revolutionary transformations, political, industrial and even scientific was once broadly accepted, sometimes celebrated, by mainstream history. For over thirty years now, however, the relevance of the very concept of revolution to social change has been under systematic attack. One choice means of neutralising the idea of revolution is to posit the problem of 'continuity and change' in history. Approached with suitably myopic terms of reference, it is always possible to eliminate the discontinuities across time and to find that revolutionary phases in fact changed little. It is now possible to reject the very notion of a capitalist mode of production and any transition from 'feudalism to capitalism', by claiming, for example, the long existence of a single 'world system' of trade (pp.225-6).



Henry Heller, *The Birth of Capitalism: A Twenty-First-Century Perspective* (Pluto 2011), xiii, 305pp.

The latter notion, supported by various scholars broadly on the left, seems to be a clear result of the dominance of neo-liberal ideology in academic thinking. Ultimately, the argument assumes that trade or 'the market' is itself capitalism. Thus the existence of trade, or rather exchange, in world history means that it is unnecessary to look for any transition from one mode of production to another, since the essence of capitalism has always been present. The presentation of 'exchange' as a supra-historical category which is meaningful without a social and historical context, is a familiar move. It proclaims the eternity and necessity of capitalism for all time. And indeed, the ultimate motivation, conscious or unconscious, behind this whole brand of historical 'revisionism' is to fend off the idea that capitalism might be less than permanent as a social system. If, in essence, it has always existed, then there is no real point in discussing either its origin, or its end and replacement with something more useful to humanity.

The word 'exchange' itself, like 'labour' in fact, denotes a simple concept only, which in absence of social-historical contextualisation, is not very revealing. To employ the concept as an abstract, universal category is to be reductionist in the worst sense of the word. In contrast, Henry Heller emphasises repeatedly in *The Birth of Capitalism* the necessity for a dialectical understanding of modes of production and the transitions between them. A crucial aspect of this is to relate parts to the totality: 'exchange' may always have happened between humans, but in particular social-historical moments, how does it relate to other social relations, production for example? Only by understanding a particular form of exchange within the totality of a social system is it possible to make the necessary distinctions between the symbolic trading of seashells among palaeolithic bands, and a system of commodity production based on the exploitation of waged labour. 'Exchange' just does not represent the same thing in the two particular instances.

Another key element of the Marxist dialectical method is to recognise the principle that at a certain stage 'quantity' turns into 'quality', a transformation that those historians so beloved of the idea of continuity in history are usually determined to ignore. This is of particular importance to the history of capitalism since markets and trade in commodities did indeed exist before capitalism as a mode of production came into being. The difference is between a social system where these elements are subordinate parts of the overall system, and where they have come to drive and dominate every other part of the total social system. So, in an empirical sense, one way of recognising the transition between a pre-capitalist mode of production and the capitalist one does indeed lie in the sheer volume, reach and extent of production and exchange for the market. At some point what is a relatively subordinate element becomes the dominant relation; the growth in quantity of exchange has become a qualitative change in the nature of social relations. Recognising this point is not, in practice, an easy thing to do, but any analysis that does so needs, once again, to relate the parts of a system to the totality. Otherwise it is quite easy to miss the wood for the trees.

The debates over the origins of capitalism which have taken place between mostly Marxist historians over the last sixty years or so are the subject of Henry Heller's very thorough and welcome book. The transition to capitalism from the late middle ages through to the eighteenth century in Europe is the classic starting point of the debate, beginning with the famous exchanges between the English Marxist historian Maurice Dobb, and the American economist and founder of the socialist journal *Monthly Review*, Paul Sweezy. Others soon joined in, and the debate was reignited by Robert Brenner in the 1970s. It is a telling sign of the prolific and influential work of Brenner that he and his followers are prominent targets for Heller to critique in many of the central controversies. Heller certainly gives Brenner and the so-called 'political

Marxists' their due, but finds that the lack of genuinely dialectical thinking in this school's approach to history and the problem of modes of production lead them into narrow, mechanical models, that ultimately result in positions congruent with revisionist and anti-Marxist thinking.

Some of the original problems of the debate echo through later controversies, and do hinge on attempts to grasp the way one total social system can transform into a distinct and separate mode of production. Again, without a dialectical understanding of the contradictory nature of social systems, and thus the way in which a social entity can transform itself into something quite different through a revolutionary process, this problem is not open to being solved. None of this is either conceptually or empirically easy to accomplish, which helps to explain the complexity and scale of the debate. Heller however is a perceptive and very clear guide to all this research and argument, setting out the various positions objectively but not without useful comment and judgement.

The argument between Dobb and Sweezy is paralleled in some ways by the later contrast between Brenner and Wallerstein. Dobb concentrated his research on late-medieval English estates, seeking the origins of capitalism in developments in English agriculture, an approach effectively extended in Brenner's research. Sweezy by contrast sought the stimulus for European capitalism in the growth of international trade. Wallerstein was later to develop the concept of capitalism as a world system, thereby also privileging long distance networks of trade as key to the emergence of capitalism. All of this work had its merits, but what each contributor tended to do was to take one facet or aspect of capitalism and make that the driving motor of historical development. Each was, in that sense, one-sided, or undialectical in nature (on Brenner see pp.95-7 in particular).

It is certainly likely that a key dynamic in the emergence of capitalism does lie within the changing relationships between lords, tenants and labourers in the English countryside from the late Middle Ages through to the seventeenth century. Yet it is unlikely that such changes would have happened on their own without their being embedded within wider systemic changes in Europe more broadly. On the other side, a concentration on international trade in and of itself makes capitalism an external event in the development of societies, divorcing it from questions of production and class. This view even can be seen to support a neo-liberal understanding of the role of trade, in making the mistake of abstracting 'exchange' from other social relations (see similarly Heller's cogent critique of Brenner and Wood's understanding of the market, pp.101-2). It also begs the question why the capitalist breakthrough should have happened in such an unprepossessing backwater of the world trade system as north-western Europe.

The real strength of the first section of the book, dealing with the origins of capitalism as an economic system, is Heller's attempt to develop a picture of capitalism developing as a totality, rather than as a collection of unarticulated social and economic elements. Heller argues that the question of capitalism cannot be reduced to its appearance in England, whether in its agriculture or its industry, but what is needed is a perspective that takes in each episode in the emergence of a new total system across Europe. The final 'breakthrough' would not then have happened without the legacy of the earlier episodes, including their class struggles, and an emerging European-wide social system of production. Thus there are sections on Italy and merchant capital, the German Rhineland, France, and Holland as well as England. This is a convincing way of framing the overall problem, and Heller provides an immensely useful overview of the research to date. While agreeing with Heller's criticisms of Brenner in particular, and welcoming the emphasis on the need for a dialectical analysis, there are some conceptualisations which invite criticism. Early on in the book, Heller appears to endorse Althusser's distinction between modes of production and social formations, the former being abstract entities that cannot be found in the world, and the later being the approximations that actually exist in the world (p.19). Rather than dialectical, this conception seems idealist in effect. It certainly appears to contrast with how Marx sought to understand capitalism; Marx began with the commodity and worked outwards to define an actually existing mode of production in its dialectical totality. In the Althusserian conception however, different 'modes of production' can co-exist within one social formation, even if one 'mode' predominates.

This formulation encourages, it seems to me, definitions of 'capitalism' which see the mode of production in terms of a certain level of trade, or certain kinds of industry, and is a conceptual step back from the attempt to grasp capitalism as an emerging social totality. Such definitions focused on the 'parts' (international trade, factory production) frequently appear to lead to the sort of one-sided analysis that Heller criticises. The development of capitalism is surely not about the emergence of a particular kind of tenancy agreement in English agriculture (Brenner, see p.100), or a certain level of international trade. Rather it must lie at the point when commodity production for profit becomes the dominant economic relationship that colours all other relations within the whole social system. At that point, New World slave-owning planters and slaves, Prussian Junkers and their labourers, artisans and merchants, all become incorporated into a new mode of production, each no longer representing some abstractly different 'mode', but rather all subordinated to a totalising capitalist logic.

Heller seems to agree that capitalism was emerging in sixteenth-century Europe, and even had come into being in seventeenth-century England, but that classically free labour in the context of the real domination of capital, as opposed

to its formal domination, had not quite done so. That is to say that labour was dominated by capital, but workers mostly remained ‘artisans’ in the strict sense, and a factory system was yet to emerge. According to some abstract or positivist definitions of capitalism, seventeenth-century England would therefore fail to qualify. Yet Marxist historians working on the period, and perceiving the society in its totality, have tended to be able to see it in terms of emergent capitalism at least. To ‘define’ capitalism abstractly apart from its history, as Althusser’s approach would have us do, tends to make the appearance of capitalism ever more tenuous and ever later, to the point that, in its pure form, it never quite ever got here. It is in this context that Heller’s brief dismissal of Jairus Banaji seems unfortunate (p.50), since his is an example of a fully dialectical analysis of the problems of modes of production and of the transitions between them.

A frequent and related conceptual mistake is to see the growth of merchant trade, and even artisanal industry, as a sign of the development of capitalism. By this kind of analysis, it is possible to see the emergence of capitalism in Europe as early as the twelfth century. Yet one would equally have to see the emergence of capitalism at points in the ancient world, and certainly in other parts of the Old World well before the early modern period. At this point capitalism really is a kind of eternal element within human societies, always threatening to emerge whenever ‘exchange’ becomes important. It would surely be better to see trade and industry in twelfth-century Europe as an aspect of a feudal economy, and subject to the quite un-capitalist logic of *that* mode of production instead. The question then becomes where a truly capitalist social logic begins to emerge, which would require trade and industry, but would not be co-terminous with those phenomena. Heller’s discussion of European economic history from Italy through to Holland and England is in fact a good exercise in exploring the halting and partial emergence of exactly that kind of transition from one sort of social totality to another. Here Heller makes fruitful use of the concept of uneven development, which he draws from Hobsbawm’s contributions to the debate, to track the dialectical nature of capitalism’s development. These problems are connected to the very important theme, which Heller raises throughout the book, of ‘euro-centrism’ in discussions of the emergence of capitalism. Certainly capitalism, and many histories of it, has been a key element in claims of European superiority, and so it particularly behoves Marxism to purge itself of any taint of such imperialist perspectives. Equally, Marxism is surely better placed than most intellectual schools to do so. Here Heller is a frequently shrewd guide to the problems, producing stimulating discussions of the emergence of capitalism outside Europe, in Japan for example. He rightly points out that Dobb and Brenner are clearly not only euro-centric but anglo-centric, and both ignored the need to understand the development of capitalism in terms of imperialist reach into other lands, for markets, land and resources, including labour in the form of slaves (see pp.165-7 for one key discussion in this area).

Here again a Marxist analysis must be able to grasp the emergence of capitalism not simply in terms of the growth of its 'ideal' form of exploitation, that of wage labour, but be able to encompass the way that the development of capitalism nurtured longstanding slave systems in the Americas, for example. To claim that these were separate 'modes of production' from the overall capitalist totality would seem to fly in the face of the evidence that New World slavery was, from the start, embedded in an international system of commodity production. Heller notes Robin Blackburn's compromise position in this debate, but this does not quite resolve the issues involved (see pp.169-72). Attempting to separate slavery from capitalism would seem to let the system off the hook; as if capitalism is inherently 'progressive', always leading to free labour. A more dialectical perception of capitalism would surely point to its contradictory nature: any 'progressive' aspects in some areas being dependent upon or at least intimately connected to the most barbaric and destructive aspects elsewhere.

These issues are not merely of academic interest for the origins of capitalism since they go towards defining what constitutes capitalism, and conceptualising the transition beyond it. Heller introduces the book noting that the transition to capitalism took '500 years' in Europe 'and it is still taking place in Asia, Africa and Latin America' (p.1). The idea that capitalism still has a significant way to go before pre-capitalist modes are eliminated seems of a piece with the pessimism expressed later on in the book that 'it is likely that any transition to socialism, likewise, will take a long time, with many sudden changes, surprises and reversals' (p.244). Although Heller is not explicit about this, his reasoning seems to lie in continuity with perspectives in the chapters on the industrial revolution and 'Capitalism and World History', which tend to identify capitalism with industrialisation itself, and that where peasant production survives, then some sort of pre-capitalist mode of production remains in place (pp.236-8).

These kinds of assumptions lead to political despair since, as a global system, capitalism clearly needs underdevelopment as well as industrialisation. The concept of 'combined and uneven development' (pp.147-9) surely points towards the way in which capitalism will constantly produce the most advanced economic sectors within the most 'backward' contexts. If we wait for the moment in which capitalism reaches its apotheosis of development, we will have waited until the final collapse of society into an ecological nightmare. Capitalism will never 'finish' developing and create a 'pure' system ripe for replacement. Rather it must be seen as a contradictory system whose very core features require and encourage the appearance and reproduction of supposedly 'non-capitalist' elements, like peasants for example. Slavery was not an anomaly of an early stage of capitalism, which the system has now superseded, but an example of a permanent tendency to create barbaric 'regressive' social forms as well as 'advanced' ones.

While sometimes Heller seems to concede too much to undialectical conceptions in these debates, in other respects he mounts an impressive and important defence of central arguments in the Marxist understanding of capitalism's development. His chapters on the bourgeois revolution offer a robust case that the Dutch, English and French revolutions were real social revolutions representing the victory of a bourgeois class over feudal state power. Here again the target is Robert Brenner and his followers, particularly Ellen Meiksins Wood, and Georges Comninel on the French Revolution. Heller finds that the economic approach of the 'political Marxists' encourages them to accept the de-coupling of the revolutions from any bourgeois class so that the French revolution was, for example, bourgeois without being capitalist, while the English was the other way round (p.117). In effect, this school of historians, for all their brilliance in some areas, fell into line with the revisionist attack on the Marxist theory of history which grew from the 1970s onwards (pp.70-2). Aside from this controversy, the chapters on bourgeois revolution from above and below (four and five) are a rich and lucid resource covering the work of historians who have been substantiating Marx's theory of revolution in the transition to capitalism.

The closing two chapters cover the debates over the industrial revolution itself, and then the controversies over euro-centrism and industrialisation outside Europe. Once again these chapters present the arguments very clearly, and if judgements on particular historians could be challenged, it is perhaps inevitable that anyone with an interest in these matters will find points of disagreement. However in each area, Heller offers very useful defences of the integrity of Marxist history. This book is rich in fascinating historical debates, and provides a comprehensive and eminently readable introduction to a complex field at the centre of the Marxist tradition of history. It will be of great use to anyone concerned the problem of capitalism, its origins and development.