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Jack Barbalet

Department of Sociology, Hong Kong Baptist University

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PRIMITIVE ACCUMULATION AND CHINESE MIRRORS

Jack Barbalet

Sociology, Hong Kong Baptist University

Institute for Religion, Politics and Society, Australian Catholic University

Abstract

A consensus holds that the structure of *Capital* I is problematic. In particular, the section ‘So-called Primitive Accumulation’ discusses the origins of capitalism but appears at the end of the volume rather than the beginning. Even more anomalous, the forecast of the revolutionary overthrow of the capitalist class is in the penultimate chapter. The final chapter, on ‘The Modern Theory of Colonization’, is regarded by commentators as enigmatic, if they refer to it at all. The present paper, on the other hand, shows that Marx considered the structure of *Capital* over a number of years and that his discussion of Wakefield’s theory of colonization is part of an account of the continuing centrifugal re-generation of capitalist relations beyond the sites of mature capitalism. The paper addresses the failure of commentators from Mehring to Harvey to appreciate the logic of *Capital*’s chapter structure. The contemporary resonance of Marx’s account of capitalist development at the periphery of the global capitalist system is indicated by considering primitive accumulation in two distinct phases of China’s history.

Key words

Capitalist accumulation; China’s capitalism; colonialism; globalization; imperial China; Karl Marx.

Introduction

More than any other part of his discussion of capital and the capitalist mode of production Marx’s account of primitive accumulation has suffered neglect and misunderstanding. Marxists typically regard it as merely descriptive of the prehistory and early history of capitalism (Dobb 1963: 178; Mehring 1962: 362; Harvey 2010: 293, 305, 313; Luxemburg 2003: 345). Additionally, they are perplexed that the final part of *Capital* I, where primitive accumulation is discussed, concludes with Wakefield’s theory of systematic colonization rather than with the revolutionary ‘expropriation of the expropriators’, which occupies the penultimate chapter (Brewer 1984: 83-4; Harvey 2010: 301; Roberts 2017: 14-5, 19 note 18). Certain non-Marxists show more respect for the concept by at least discussing it seriously (Gerschenkron 1965: 33-6, 97-100). Others, however, have simply ignored it in their treatment of the ‘great transformation’ (Polanyi 1957) or the ‘commercialization of agriculture’ (Moore 1969). In recent years Marx’s concept of primitive accumulation has attracted renewed attention through Harvey’s (2003; 2007; 2010) use of it as *raison d’être* for his own concept of ‘accumulation by dispossession’, which has in turn been criticized for being both trans-historical and acquiring an expanding scope that compromises its analytic value (Brenner 2006: 96-102). Indeed, this renewed attention largely repeats the errors of preceding commentary.

It will be shown here that while Marx’s account of primitive accumulation does indeed specify the pre-requisites of capital as a relation of production, which are necessarily prior to capital, as well as providing an historical summary of the emergence of capitalism in England, it

also uniquely presents a theoretical argument concerning the future of capitalism and especially its continuing expansion on a world scale. This latter feature of Marx's notion of primitive accumulation defies the revolutionary expectations of his politically committed readers, who fail to appreciate or pay attention to the final chapter of *Capital I* which points to the continuing centrifugal re-generation of capitalist relations at sites distant from those of mature or fully developed capitalism. The present paper demonstrates that in his discussion of Wakefield's theory of modern colonization Marx shows how the global expansion of capitalism is integral to capitalist production relations. The paper goes on to indicate the resonance of Marx's account of the dynamism of capitalist development at the perimeter of the global capitalist system by considering emergent capitalism in mainland China.

Primitive accumulation

Marx's discussion of capital as a means of production and the foundation of not merely a type of economic system but a form of society is set out in a number of texts, *Capital I* being the most authoritative based as it is on research occupying nearly 10 years and published with Marx's direct involvement. This work comprises 33 chapters divided into 8 parts. Part Eight, 'So-called Primitive Accumulation', against the view that its location in the text is anomalous, in fact has a tone, content and location consistent with Marx's discussion overall.

Capital I begins with an abstract form, 'the commodity' (Chapter 1), followed by two chapters which treat respectively the exchange and circulation of commodities. The following three chapters also operate at a relatively high level of abstraction, but after conceptualizing capital in Chapter 8 in terms of its 'constant' and 'variable' components, the focus becomes more empirical, including an account of the working day (Chapter 10), which provides a discussion of legislative determination of working hours in England from the 14th to the 17th century, and production regimes, in which the distinct drivers of the division of labour (Chapter 14) and scientific technology (Chapter 15) are distinguished. The analysis in these chapters also is both historical and conceptual. The text then turns to absolute and relative surplus-value as distinct forms of exploitation (Chapter 16), which is followed by four chapters on wages. Again, theoretical analysis draws on historical cases. The discussion in the following three chapters, on capital accumulation, finishes with 'The General Law of Capitalist Accumulation' (Chapter 25) which argues that as capital becomes more concentrated it requires proportionately less labour in production, leading to a secular rise in mature capitalism of a 'surplus population'.

In this context the subsequent discussion, in Part Eight, of both the pre-conditions and the future of capital, is consistent and sequential. As we shall see the first chapter of Part Eight, Chapter 26, begins with a commodity, labour power. Whereas Chapter 1 discusses the commodity form abstractly, Chapter 26 treats a particular commodity, labour power, in terms of its historical emergence, a process that both necessarily precedes capital and is foundation to it on a continuing basis. This is a contrasting yet complimentary vector to that outlined in Chapter 25 on capital's diminishing requirement for labour. In earlier chapters there is reference to the contribution of state action to relations of production, including the state's role in regulating the working day (Chapter 10), and factories (Chapter 15). Part Eight provides a more focused analysis of state action, and in doing so brings a unifying frame to the overall discussion. But more than anything Part Eight, following treatments in the preceding Parts of particular elements of the relations of capitalist production, overviews the trajectory of the social system of capitalism, from the original commodification of labour to its continuation on an expanding global scale.

In the opening chapter of Part Eight, ‘The Secret of Primitive Accumulation’, Marx distinguishes his position from that of Adam Smith who introduces the notion of a primitive accumulation, although not the term, when he refers to a ‘previous’ accumulation. According to Smith (1976: 276-77) a division of labour is absent from the ‘rude state of society’ in which persons satisfy their own needs and ‘exchanges are seldom made’; it follows, then, that if a specialist trader is to produce only cloth, say, and applies ‘himself entirely to his peculiar business’ – that is, operates within a division of labour – he must, prior to doing so, store ‘a stock sufficient to maintain him and to supply him with the materials and tools of his work’. This, then, Smith says, is an ‘accumulation of stock’ that must be ‘previous to the division of labour’. Such an account of the genesis of productive property is no more than a ‘nursery tale’, according to Marx (1977: 874), who distinguishes two ‘very different kinds of commodity owners’; one, ‘the owners of money, means of production, means of subsistence ... [who buy] the labour-power of others’ and second, ‘free workers, the sellers of their own labour-power, and therefore the sellers of labour’ (874). As these distinct kinds of commodity owners presuppose each other under conditions of capitalist production then ‘so-called primitive accumulation ... is nothing else than the historical process of divorcing the producer from the means of production’ (874-75). Marx says that it appears as ‘primitive’ because it ‘forms the prehistory of capital, and of the mode of production corresponding to capital’ (875); but primitive accumulation – what might better be called ‘primary accumulation’ – is not confined to this prehistory because capitalist production ‘reproduces [this separation] on a constantly extending scale’ (874). The full meaning of this last remark is provided in the final chapter of Part Eight, as we shall see below, a point seldom if ever appreciated in the literature.

In Chapter 26, then, Marx ironically appropriates Smith’s notion, insisting that what is ‘primitive’ in the primitive accumulation of capital is the necessary separation of workers from ownership of the conditions of their labour. For Marx it is ‘primitive’ in two senses; first, in the sense of an originating formation of capital prior to the consolidation of the capitalist mode of production and, second, primitive in the sense of rudimentary, primary or cellular, a point Marx makes not only in *Capital I* (Marx 1977: 874-75) but elsewhere, including in *Capital III* (Marx 1971: 246). The debate about whether primitive accumulation as separation of worker from means of subsistence is original, in the sense of prehistorical, or enduring and continuing is therefore resolved: as Marx indicates in this chapter, it is both (see Bonefeld 2011: 381-85). The following chapter, ‘The Expropriation of the Agricultural Population from the Land’, and the next, ‘Bloody Legislation against the Expropriated’ (Chapters 27 and 28), discuss the changing structure of relations between peasant and landlord in England from the 14th century leading to the forced landlessness of agrarian producers and the punitive legislation from the 15th century against the now ‘freed’ labourers, enforcing their incipient proletarianization. In Chapter 28 Marx offers a discerning observation regarding the regulation of wages and the role of legislation; namely, that once it is fully developed the capitalist process of production itself ‘breaks down all resistance’ and the ‘silent compulsion of economic relations sets the seal on the domination of the capitalist over the worker’ (Marx 1977: 899). Some writers object that Marx implies here that force relates only to the prehistory of capitalism, but the discussion concerns wage formation (902) and is not a broad generalization. These chapters indicate the historical processes underlying the separation of agrarian producers from their means of production set out in Chapter 26.

Having now discussed the ‘forcible creation of a class of free and rightless proletarians’ Marx (1977: 905) begins in Chapter 29 ‘The Genesis of the Capitalist Farmer’ to answer the

question ‘where did the capitalists originally spring from?’ Consisting of only 4 paragraphs the chapter indicates that the ‘only class created *directly* by the expropriation of the agricultural population is that of the great landed proprietors’ (905; emphasis added). Capitalist farmers, on the other hand, have diverse social origins, pay rent to these landlords and at the same time employ wage labour (905). Their success derives from their taking opportunities to grow ‘rich at the expense [of] both [their] labourers and ... [their] landlords’ (907). The advent of the capitalist farmer has a significant consequence, discussed in the following chapter, on the ‘Impact of the Agricultural Revolution on Industry’. Marx (1977: 910-11) shows here that when agricultural production is in the hands of capitalist farmers rather than self-supporting peasants, domestically consumed means of subsistence and raw materials become commodities, manufactured for sale and distributed through markets. In generating a ‘home market’ the capitalization of agriculture therefore encourages the development of industrial capital (913), discussed in the following Chapter 31 ‘The Genesis of the Industrial Capitalist’.

While the separation of the producer from means of production leads to the formation of a working class, and thus an essential element of capitalist relations of production, this separation does not itself generate the class of capitalists. In Chapter 31 Marx (1977: 914) shows that the social source of industrial capitalists is diverse. He goes on to say that feudal relations in the countryside and guild organization in towns prevented industrial capital arising from commercial and other profits; manufacturing, rather, became ‘established at sea-ports’ and towns ‘beyond the control of the old municipalities and their guilds’ (915). The levers that transformed these early manufacturers into industrial capitalists included ‘the colonies, the national debt, the modern tax system, and the system of protection ... all [of which] employ the power of the state’ (915).

The mercantile colonies of the 15th to 17th centuries included those in the Americas and the coastal regions of Africa and Asia. These colonies ‘provided a market for the budding manufacturers’, writes Marx (1977: 918), and also ‘treasures ... [that] flowed back to the mother-country ... [that] were turned into capital’. Additionally, colonial rivalry led to ‘commercial wars [which] served as a forcing-house for the credit system’ (919). The prosecution of these wars required the state to borrow funds that created a national debt, which Marx describes as ‘one of the most powerful levers of primitive accumulation’ because it ‘endows unproductive money with the power of creation and thus turns it into capital, without forcing it to expose itself to the troubles and risks inseparable from its employment in industry’ (919). The national debt is responsible for ‘joint stock companies ... stock-exchange gambling and the modern bankocracy’ (919). As well as the formation of an international credit system the national debt generates the modern system of taxation, the latter being, as Marx approvingly quotes a contemporary commentator, ‘the best system for making the wage-labourer submissive, frugal, industrious ... and overburdened with work’ (921). The industrial capitalist thus indirectly emerges in the process of primitive accumulation through the agency of state action.

Chapter 32, ‘The Historical Tendency of Capitalist Accumulation’, is among the best known in *Capital*; brief – seven paragraphs – and schematic. The internal contradictions of capitalism and their resolution are forcefully outlined by Marx (1977: 929):

The centralization of the means of production and the socialization of labour reach a point at which they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

The chapter closes with a footnote in which a passage from the *Communist Manifesto* is quoted, to which the discussion of this chapter relates. It is at this point that many commentators feel

Capital should conclude, in so far as the beginnings and the end capital and the capitalist mode of production have now been completely subscribed in the compass of the text. But this is not the concluding chapter as it is followed by Chapter 33, ‘The Modern Theory of Colonization’, the final chapter of the first volume of *Capital*.

The chapter on modern colonization is both widely regarded as anomalous and typically misunderstood; indeed, it is often ignored. Marx begins the chapter by contrasting the situation in Western Europe on the one hand and, on the other, in the colonies, by which he means the 19th century British white-settler colonies of America, Australia, Canada and New Zealand. Whereas in the one ‘the process of primitive accumulation has more or less been accomplished’, in the other ‘the producer, who, as owner of his own conditions of labour, employs that labour to enrich himself instead of the capitalist’ (Marx 1977: 931). In the colonies there is an abundant supply of accessible land through which producers have direct access to means of production; this is the ‘secret both of the prosperity of the colonies and of their cancerous affliction – their resistance to the establishment of capital’ (934). Without a separation of the direct producer from their means of production ‘capitalist accumulation and the capitalist mode of production are impossible’ (933), for under these conditions there is no labour force available for employment by capital (934-36). Marx (938-39) observes that this inhibition on capitalist expansion is remedied by Wakefield’s theory of ‘systematic colonization’, through which ‘the government sets an artificial price’ on land sufficiently high to compel the immigrant to ‘work a long time for wages’ rather than immediately becoming an independent farmer. The funds generated by this scheme can then be used by the government to import ‘paupers from Europe into the colonies, so as to keep the wage-labour market full for the capitalists’.

It will be shown that Marx’s argument above and its implications are clear even though obscured by a dominating focus on the argument of Chapter 32 which Marx in fact qualifies by his discussion in Chapter 33. He shows that when capitalism is most advanced in Europe it is formed afresh on the margins of the capitalist system through a state-managed separation of the direct producer from the means of production. The closing paragraph of the chapter and therefore of *Capital I* makes it clear that Marx is ‘not concerned here with the condition of the colonies’ but with the fact that ‘in the New World’ as well as in ‘the Old World’ the fundamental condition of the ‘capitalist mode of production and accumulation ... [is] the expropriation of the worker’ from their property as means of production (Marx 1977: 940). Whereas the second to last chapter ends with the *logic* of capital accumulation leading to the expropriation of the capitalist, the final chapter concludes with the iteration in the New World of the continuing and therefore future unfolding of capital accumulation with the expropriation of the worker and the centrifugal expansion of capitalism on a world scale.

The reception and intention of Marx’s discussion

Readers typically fail to appreciate Marx’s purpose in concluding *Capital I* with primitive accumulation in the white-settler colonies, the sites of expansion of European economy and society to a global scale. One of the few writers to address explicitly the content structure of *Capital I* holds that by concluding the work with part Eight Marx demonstrates that ‘no matter what its beginnings were, the contradictions [of capitalism] arise not from its origin but from its inherent nature’ (Dunayevskaya 1971: 124). Parallel to this distinction, between origin and function, the location of Part Eight is explained in terms of the distinction between the mode of presentation and the mode of enquiry (Bonefeld 2011: 390-50). Similarly adopting an Hegelian apologia for the chapter structure of *Capital* Harvey (2010: 303-4) explains Marx’s concluding

with Wakefield's theory of modern colonization in terms of Hegel's idea of an 'inner dialectic founded on class struggle [which] leads civil societies to seek relief in an "outer dialectic" of colonial and imperial activity'. There is no textual support for this claim but it rationalizes Harvey's supposition that Marx holds that the 'colonial practices that merely re-create the social relations of capitalism on a wider scale' cannot provide a 'solution to the internal contradictions of capitalism' outlined in the 'penultimate chapter of *Capital*' (304).

As though to confirm his misunderstanding of the role and nature of Chapter 33 Harvey (2010: 301) describes the last few pages of *Capital I* as a 'curious chapter that deflates the messianic rhetoric and tone of the preceding chapter ... [fails to discuss] anticolonial revolutionary struggles ... [and instead outlines the theory] of colonization by ... Wakefield, who hardly rates among the greatest political economists of all time'. These views are fair assessments of neither Marx nor Wakefield (see Perelman 2000: 332-39). They echo Brewer's (1984: 83-4) idea that Chapter 32 is the real 'peroration' of the work and Chapter 33 merely 'an appendix' or 'ironic note'. These treatments simply miss Marx's point, namely that in the continuing iteration of primitive accumulation in a spatially expanding universe of capitalist production and accumulation the logical conclusion of capitalism's 'inner dialectic' will not be realized.

The last point above is appreciated by Desai (2002: 79) who, rather than project the vision of the *Communist Manifesto* onto *Capital*, argues that the latter work avoids a prediction of the 'eventual downfall' of capitalism. He notes that the last 3 paragraphs of chapter 32 'describe a long-run vision of the development of capitalism' (79) that is 'apocalyptic', even though Marx's preceding 'analysis does not lead to this conclusion' (81). But Desai is puzzled why Marx concluded *Capital I* with the modern theory of colonization, which 'should have preceded the prophecy of the end' (82). Desai's (83) own conclusion, however, that a reading of *Capital I* shows that 'capitalism will live through cycles', 'spread globally' as it grows and that 'Marx provides a better argument for the long-term survival of capitalism than his detractors or followers have given him credit for', are all indicated in Part Eight and its final chapter on the modern theory of colonization in which the wider implications of centrifugal primitive accumulation are rehearsed.

It is disingenuous to suppose that Chapter 33 is an afterthought and erroneously placed by Marx in the structure of *Capital*. The work as a whole went through a long period of gestation, beginning in the 1850s and continuing to the end of Marx's life. During the period from the 1850s to the publication of *Capital I* in 1867 the plan of the work underwent a number of changes (Rosdolsky 1977: 10-23; Musto 2018); nevertheless, the content and role of what became Chapter 33 emerged relatively early as a substantive concern in Marx's exposition of the capitalist mode of production. While the earliest statements of the plan in 1858 do not refer to Wakefield and modern colonization (Marx in Marx & Engels 1965: 103-8, 112-13) it can be noted that Marx was reading Wakefield from the early 1850s (69) and in 1858 in a letter to Engels (111) he set out the main point of Chapter 33:

The specific task of bourgeois society is the establishment of a world market ... As the world is round, this seems to have been completed by the colonisation of California and Australia and the opening up of China and Japan. The difficult question for us is this: on the Continent the revolution is imminent and will immediately assume a socialist character. Is it not bound to be crushed in this little corner, considering that in a far greater territory the movement of bourgeois society is still in the ascendant?

In his draft plan for the ‘Production Process of Capital’, written in January 1863, Marx (1963: 414) lists 9 sections, the sixth is ‘Reconversion of surplus value into capital. Primitive accumulation. Wakefield’s colonial theory’.

Not only is Chapter 33 not an afterthought, it is entirely consistent with Marx’s discussion elsewhere. From the *Communist Manifesto* through to *Capital III* Marx (1971: 110, 266) argues that the global expansion of the capitalist mode of production is not a contingent factor of capitalist production but rather its ‘basis and the vital element’ and one of its ‘cardinal facts’ (see Pradella 2013). Even more impressive for understanding the chapter order of *Capital I*, in which the chapter treating the ‘expropriation of the expropriator’ precedes the final chapter concerning Wakefield’s theory of systematic colonization and the centrifugal tendency in late primitive accumulation in the New World, is the statement in *Capital III* that the ‘conception of capital’ is formed from the ‘severance of the conditions of production ... from the producers’; the discussion goes on to say:

It begins with primitive accumulation, appears as a permanent process in the accumulation and concentration of capital, and expresses itself finally as centralization of existing capitals in a few hands ... *This process would soon bring about the collapse of capitalist production if it were not for counteracting tendencies, which have a continuous decentralizing effect alongside the centripetal one* (Marx 1971: 246; emphasis added).

This statement is an abstract formulation of the point and purpose of Chapter 33, incidentally explaining why that chapter necessarily follows Chapter 32.

A characteristic feature of the capitalist mode of production, according to Marx, is a class of owners of productive facilities, the latter of which are activated by members of another class of hired labour. This labour provides a return to the owners of capital in excess of the cost of employing them (Marx 1977: 301). The availability of persons prepared to work for another in return for a wage derives from an absence of their direct access to means of production. Such a separation, Marx argues, is achieved by the complex process of primitive accumulation. In his discussion of the latter Marx indicates two principal considerations. First, the historic separation of persons from their direct means of production and subsistence is not achieved by capital but through the agency of the state. Part Eight of *Capital I* demonstrates this for both England from the 15th century and also mid-19th century America and Australia. Second, Marx shows that it is the action of the state in terms of its fiscal and regulatory practices that encourage the formation and development of the capitalist class (see Barbalet 2015a: 181-82; Roberts 2017: 12-3). This is a very different understanding of the state than the one typically associated with Marx, as either a class instrument or a social parasite. The veracity and continuing theoretical relevance of Marx’s Chapter 33 in particular and his fuller account of primitive accumulation in general can be demonstrated by considering the case of China.

The economy of China is a pertinent case against which to measure Marx’s account of primitive accumulation because it offers two contrasting historical examples of capitalist development, one in which capitalism failed to emerge beyond a rudimentary form and the other in which capitalism is effectively world dominant. The economy of imperial China experienced market growth from the Song dynasty (960-1279) and by the 18th century was more successful on a number of indicators than the most advanced contemporary European economies (Pomeranz 2000). For a number of reasons, however, the economy of imperial China failed to progress beyond a petty-commodity form of capitalism. The economic reforms undertaken in the People’s Republic from the early 1980s, on the other hand, have generated patterns of labour market formation and productive activity and organization that is decidedly capitalist even though there

is debate about how 21st century Chinese capitalism should be more completely characterized; as state (Huang 2008; Xing and Shaw 2013), neo-liberal (Harvey 2007: 120-51), or *guanxi* (network) capitalism (Boisot and Child 1996; McNally 2011). It will be shown that in the case of the economy of imperial China the conditions of primitive accumulation set out by Marx were not realized; by contrast, the present-day Chinese economy has gone through transformations identified in the notion of primitive accumulation as essential for capitalism to emerge (Webber 2008).

Constrained primitive accumulation in Imperial China

By the 16th century the economy of imperial China was highly monetized and marketized and, while remaining a largely rural society, the number and size of towns increased and transportation, both road and inland waterway, also markedly expanded (Elvin 1973). At the same time commercial contracts were widely used (Hansen 1995) and double-entry bookkeeping successfully developed (Lin 1992; Yuan *et al* 2015). From this time, then, imperial China began to experience ‘sprouts of capitalism’ (Balazs 1966; Faure 2006: 11-25). While commerce and manufacturing both operated in competitive markets and agricultural productivity was high the economy as a whole manifest limited capitalization, however, and failed to develop beyond a ‘petty-capitalist mode of production’ (Gates 1996). Explanations of this outcome are typically political and cultural. Politically, the imperial household both supported capitalist development as a means of revenue generation and also curtailed it when capitalist interests threatened to become dominant and disturb the established order (Hall 1962: 56-7). Culturally, various aspects of Confucian ideology, from depreciation of profit-seeking to familism, are held to confound the development of Chinese capitalism (see Barbalet 2015b).

Marx’s concept of primitive accumulation, in bringing together a number of distinct factors in economic institutionalization, suggests why capitalist ‘sprouts’ in imperial China failed to flourish. The separation of workers from their means of subsistence underlies primitive accumulation. In Europe the dissolution of feudal estates led to the proletarianization of a significant portion of the agrarian workforce; in imperial China, however, it led to massive numbers of free small-holders. The commercialization of the rural economy, making land ownership less profitable than commerce, effectively destroyed the Chinese manorial system by the 17th century through changes that included the movement of landowners to towns (Elvin 1996: 8-10). The economic consequences of the new structure of rural tenancy included family-farm based commercial production that was the obverse of the European putting-out system, the one supporting continuation of domestic production whereas the other proletarianized it (Elvin 1973: 274-84; Pomeranz 2000: 99-100). Second, landowners found tenants more profitable than serfs; the interest they charged on advances in cash or kind, permitting cultivators to cope with seasonal variations previously managed by manorial organization, was higher than rent and more easily collected (Elvin 1973: 249).

The credit form alluded to above, of short-term loans at high interest, characterizes the financial structures of imperial China from the 17th century, of loan-sharking, pawn-broking and tax-farming together with an underdeveloped banking system (Yang 1952). Primitive accumulation in Europe, according to Marx, led to state-forming rivalries in which national debt produced a credit and banking system that generated capitalist-class formation. The Chinese imperial state, on the other hand, did not use force in overseas commerce and therefore carried no military expenditure; indeed, ‘the Chinese state borrowed very little, did not involve merchants very much in revenue-forwarding, and sold relatively few offices ... before the mid-

nineteenth century' (Pomeranz 2000: 173). Another factor important in European primitive accumulation but limited in China was industrial capitalization. It is often held that capital accumulation failed to achieve a threshold for industrialization in imperial China because inheritance dissipated property through distribution to all sons, in contrast with European primogeniture. In fact, though, lineage trusts operated from the beginning of the 17th century with an express purpose 'to amass and incorporate business property and protect it from the predations of household division' (Zelin 2009: 627). It is also claimed that the prestige of employment in the state bureaucracy meant that commercial economic surplus was in imperial China used to support family member's preparation for imperial examinations; that surplus was also directed to land purchase, providing low financial return but high prestige. More than anything, however, opportunities for industrial investment, important in European primitive accumulation, were low in China because of what Elvin (1973: 298-315) calls a 'high-level equilibrium trap', namely a situation in which an abundance of labour in a highly marketized economy with cheap transport provides few opportunities for investment in capital-intensive production.

Financial instruments for capital investment and modern industrialization were absent in China until the Republic (1912-49). Subsequent foreign-dominated capitalist expansion was disrupted by the 1937 Japanese invasion and the Nationalist-Communist civil war from 1945 to 1949 (Naughton 2007: 43-54). Private business continued after the Communist victory in 1949 until 1956, when socialization of the private economy was completed (Kraus 1991: 49-58). The period of socialist economic transformation of China was itself relatively brief, however, as Mao Zedong's death in 1976 precipitated another turning point in China's development. While anti-capitalist collectivization characterized the Mao era, from 1978 market reform rapidly led China to join capitalist globalization.

Primitive accumulation in China since the 1980s

The ownership of rural land has undergone a number of significant changes in the People's Republic from the promulgation of the first Constitution in 1954 to the 2004 amendments of the 1982 Constitution. In 1954 it was held that the state owns undeveloped land (Article 6) and the co-operative sector of the economy is owned by the working masses (Article 7), even though the state protects the right of peasants to own land and other means of production according to law (Article 8). The ambiguity indicated here persists but is simplified in the 1982 Constitution, which indicates that land is owned either by the state or by collectives (Articles 9 and 10). An amendment of 2004 to the 1982 Constitution permits the state to expropriate or requisition land, with compensation for owners. These Constitutional changes correspond with extensive expropriations of rural land associated with both producers' loss of farmland and massive labour migration from rural to urban areas.

Land ownership in pre-1949 China recognized a distinction in tenure between the land's surface and the subsoil: 'The possessor of the subsoil is the title holder of the land ... [the possessor] of the surface ... has [the] right to use the land directly for cultivation' (Fei 1962: 177). This distinction still operates in the sense that villagers have no legal right to transfer land for financial benefit, only a right to use and supervise the use of rural land. Even though land expropriation has occurred since the late 1980s (Guo 2001: 424) the 2004 constitutional amendment sanctions state expropriation of land under collective ownership. As only the 'surface' of the land is owned by farmers compensation is legally fixed to make up for the loss of crops on the ground and is not related to the market value of the expropriated land that will

typically be used for urban development. Direct consequences of this situation are extensive protests against expropriation in which local government corruption and violence against villagers is typical and second, enormous profits for developers whose compensation payments to villagers, if they are paid at all, represent a fraction of the value of rural land converted for urban development.

This pattern of land expropriation in China parallels Marx's account of primitive accumulation. Not only is rural land acquisition extensive (Guo 2001; Peng 2015; Wang et al 2017) but the violence accompanying it is arguably systemic rather than incidental (Sargeson 2013; Walker 2006). The decline of China's rural population is significant and continuing (Webber 2012: 568-74). From 1995 to 2000 there was an annual decrease of 10 million persons in rural areas and 15 million annually from 2000 to 2014 (Liu et al 2017). In 1980 China's rural population was 80% of the total; by 2011, 50% (Hornby 2015). The separation of producers from means of production makes a working class from direct producers; as it is in Marx's theory of primitive accumulation so it is in China today. During the period 1988 to 2004 rural labour mobility in China went from involving 26 million persons to 126 million (Huang and Zhan 2008: 223). It is estimated that in 2017 there were 287 million rural migrant workers in China, in excess of one third of the entire work-force. The combined actions of the state, in dismantling the People's Commune system in the late 1970s, enhancement of agricultural productivity through state investment in irrigation and infrastructure (Fan et al 2004), relaxation of the *hukou* system of family registration from the 1990s (Chan 2012; Huang 2014), and the Communist Party's 'New Urbanization Program' introduced in 2012 (Chan 2014; Taylor 2015), all directly and indirectly encourage rural workers to urban jobs made available through the state's market reforms (Naughton 1995). A growing feature of China's population of rural-to-urban migrant workers is that rather than return to their home village after a period of urban employment, increasing numbers migrate as a family (*China Daily* 2014; Qi 2018) and reside in the location of their urban employment more permanently (Hu et al 2011).

Employment of proletarianized labour requires capitalist enterprise; these also emerge in 1980s China in conformity with Marx's discussion of primitive accumulation. With the abolition of Communes, completed in 1982, which provided the background of incipient proletarianization described above, commune workshops were converted into profit-led flexible production units known as Town and Village Enterprises (TVEs). TVEs 'played a catalytic role in transforming the Chinese economy from a command economy to a market economy' (Naughton 2007: 271; see 271-94). TVEs were collectively owned and managed by local governance structures and were quite distinct from state owned enterprises (SOEs), with which they competed. Being collectively owned TVEs were also distinct from private enterprises, which remained at the time politically suspect. Nevertheless, TVE's functioned as units of private capital both directly and indirectly. Directly, incipient private capitalists would 'wear a red hat' by operating as TVEs (Ang 2016: 156-8; 192-6), indirectly TVEs in Special Economic Zones established in the 1980s, attracted direct foreign investment, especially from Hong Kong, Taiwan, and overseas Chinese communities, which brought new technology and managerial practices into the hands of mainland Chinese capitalists. A parallel development was the creation of private capitalists through the restructure and sale of a significant portion of the SOE sector (Walder 2010), even though SOEs remain central in economically strategic areas, including energy, transport and communication. China's late 20th century and early 21st century capitalists are of diverse background, emerged in a politically hostile environment and quickly achieved a symbiotic

relationship with state policy and practice (Gold 2017; Kraus 1991: 95-141; Tsai 2007: 72-88; Wright 2010: 37-57), in a standard pattern of primitive capital accumulation.

Conclusion

Marx's theory of primitive accumulation, when it is properly understood, leads to a revision in the widely held characterization of *Capital I* as providing only a simplified model of a closed or national economy. It is shown here that *Capital I* relates directly to Marx's appreciation of a geographically expansive globalized capitalist development in which systemic weaknesses may be offset by peripheral expansion. Political and revolutionary disruption of capitalist development is thus likely to be cyclical rather than terminal. One case which confirms such a prospect is that of Communist China, which went from anti-capitalist reconstruction from the mid-1930s in northwestern China and then nationally from the early 1950s only to develop a capitalist economy by the beginning of the 21st century, emblematic in China's joining the World Trade Organization at the end of 2001. Rather than fully address capitalism in China, discussion here relates to its primitive accumulation by comparing limitations in imperial China with its success in post-1980s China. This comparison indicates the continuing relevance of Marx's account of primitive accumulation; it also suggests an area in which the theory may be expanded.

It is often remarked that capitalism failed to develop fully in imperial China because of the Confucian relegation of trade to a subordinate position in the social hierarchy. This did not inhibit the economic fortunes of commercial families nor distance them from officials (Elvin 1973: 291-93). Nevertheless, profits of enterprise in imperial China were directed to non-capitalistic investment, including education for recruitment of family members to the state bureaucracy and also land purchase, as indicated above. It is of particular interest, though, to note the changing status of capitalists in China from the 1980s to the present. When market reforms were first undertaken neither labour nor capital were officially regarded as commodities, but by 1993 the Communist Party acknowledged both were (Barbalet 2017: 195-98). Capitalists were encouraged to join the Communist Party from 2000 and the Constitution was amended in 2004 to record the state's support of the private sector (Article 11) and its guarantee of private property rights (Article 13). This permissibility, of capitalists as a political and social as well as an economic category, is new not only in the People's Republic but in Chinese history overall.

In comparing primitive accumulation in imperial and post-1980s China the contrasting status of the capitalist emerges as distinguishing, in part at least, the two cases. Indeed, in all instances of primitive accumulation, prior to the consolidation of the capitalist mode of production, social permissibility of capital accumulation is low (Gerschenkron 1965: 60-69). It might be assumed that successful accomplishment of economic growth through capital accumulation is responsible for the realignment of social values that underlies the changing status of capitalists in the economy. Certainly acculturation through habituation is assumed by Marx. But the evidence of the contrast between imperial and post-1980s China in this regard, and the different if not opposite roles of the state in each, suggests that an aspect of the process of primitive accumulation relates to questions of social permissibility and status. From the perspective of a consolidated capitalist mode of production these issues are not problematic. From the perspective of primitive accumulation itself, however, not only the separation of worker from their means of production, and the formation of a class of capitalists, but also the construction of an enabling social organization of acceptability that supports both of these processes and which like them benefits from state action becomes a matter of theoretical concern. This particular issue is beyond the scope of the present paper but it emerges in comparing two

phases of Chinese history. It is an element of primitive accumulation neglected in Marx's discussion and potentially an area of relevance for future research.

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