



# Marx's Inquiry into the Birth of Capitalism: Why Does It Matter?

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## ABSTRACT

Differing approaches to the issue of the beginnings of capitalism imply different conceptualization of what capitalism is. This paper elaborates on the notion of original accumulation. It utilizes the Marxist notion of the mode of production to provide the concept of the historical figure which Marx describes as the pre-capitalist money-owner. Two notions are introduced: (1) The money-begetting slave mode of production, existing since antiquity and clearly distinguishing itself from the classical slave mode of production; (2) the contractual money-begetting mode of production that emerged in the middle ages in relation to financial schemes based on partnerships or associations. The taskmaster of each of these two pre-capitalist modes of production is a pre-capitalist money-owner. His later "confrontation and contact" with the labourer who has become a proletarian is finally discussed. Original accumulation is not primitive developed or humane capitalist accumulation, but the transformation of pre-capitalist social relations into capitalist social relations. No version of capitalism is the realm of democracy, freedom, or justice. Capitalism is a social system in which direct coercion guaranteeing economic exploitation of the ruled by the rulers is incorporated into the economic relation itself. "Freedom" is the form of appearance of a historically specific system of class domination and exploitation.

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## 1. Disputes over the Birth of Capitalism Reveal Different Conceptualizations of What Capitalism Actually Is

At first glance, capitalism is a completely comprehensible term for Marxists (a system of exploitation of wage-labour by capital), but to a great extent also for non-Marxists (the "free market" economic system). However, what seems obvious at first glance is not at all obvious if one penetrates deeper into the constituent elements of the system under investigation and their forms of interconnectedness.

This becomes apparent when one reviews the vast literature on the origins or birth of capitalism. Analyses on the "beginning" of capitalism bring to the fore the divergent understandings of what features and social relations constitute the *sine qua non* of the capitalist system, with issues of money, trade and finance always dividing Marxist (and non-Marxist) social scientists, economists and historians.

According to an enduring Marxist tradition, introduced shortly after World War II by Maurice Dobb (1975),<sup>1</sup> capitalism was first born in the agrarian sector of England in the late sixteenth and seventeenth centuries through the transformation of existing production assets from the feudal into the capitalist ownership form.

However, there have been totally divergent Marxist views as to whether agriculture was the focal point of capitalism's rise.

Two characteristic examples: (a) Karl Kautsky ([1899] 1988), probably the most influential Marxist at the turn of the nineteenth to the twentieth century, wrote in his *The Agrarian Question* (first published in 1899), a book celebrated by V. I. Lenin as “the most important event in present-day economic literature since the third volume of *Capital*” (Lenin 1977, 94), that capitalism, even if it succeeds in conquering the countryside (which was not the case in most capitalist countries), does so only after it has been established in the city: “capitalist agriculture only began to become significant once urban capital, and hence the credit system, had become well developed” (Kautsky [1899] 1988, 88). (b) The prominent Marxist economist Ernest Mandel stressed the significance of “the accumulation of money capital by the Italian merchants who dominated European economic life from the eleventh to the fifteenth centuries” (Mandel 1968, 103), as a factor that facilitated the emergence of capitalism, long before it conquered England.

## 2. Capitalism Is Wage Labour, Money, Finance and More<sup>2</sup>

If one wants to take seriously Marx's notion of capitalism, one has to acknowledge that his analysis in *Capital* and his other therewith related works highlights six fundamental characteristics which, in their interconnectedness, distinguish capitalism from all other social systems: (a) wage labour, which in the first historical period of capitalist domination, that Marx describes as the formal subsumption of labour under capital (or the historical era of capitalism of the absolute surplus value<sup>3</sup>), may take the form of the putting-out or buying-up system;<sup>4</sup> (b) monetization of the whole economy (money begetting money); (c) concentration of the means of production and dissociation of the capitalist from the labour process as such; (d) free competition and the fusion of individual capitals into aggregate-social capital; (e) the financial mode of existence of capital; (f) the formation of a specific juridical-political and ideological structure and a corresponding state form.

## 3. Original Accumulation

Marx approaches the genesis of capitalism as a result of the “confrontation and contact” of two social agents that *pre-existed capitalism*: the money-owner and the propertyless proletarian. The capital relation was formed only when these agents were bound to one another.

Marx here speaks about an *original accumulation*<sup>5</sup> of money and means (of production and subsistence) that are *transformed into capital* only after their “contact” with “free” labour (“free” from personal relations of servitude, but also from production means: the condition of “double freedom”). The two poles of this contact, the money-owner and the proletarian, were the outcome of historical processes more or less independent of one another.<sup>6</sup>

The “double freedom” of the proletariat refers to two processes: (a) emancipation from all forms of direct personal dependence or servitude; (b) an expropriation process of the worker from his/her means of production. However, even the emancipation process, i.e. “freedom” (ownership of oneself) and equality (equal rights or even citizenship), constitutes the form of a specific relation of class domination and exploitation: of capitalism.<sup>7</sup>

In parallel, Marx focuses on the methods and policies which render possible the process of separation of the labourer from the means of production and from all “masters” in the pre-capitalist sense.

Nearly all methods of engendering the creation of the proletariat described by Marx<sup>8</sup> presuppose an *already existing capitalist class interest and a capitalist strategy*, aiming at spreading capitalist social relations. For instance, when Marx discusses the “laws for the compulsory extension of the working day” (Marx 1990, chapter 10, 340–416), he clearly illustrates a well-defined state policy which controls wage labour in order to safeguard surplus value extraction.<sup>9</sup> This allowed certain critics of Marx to claim that his whole analysis was based on a circular reasoning: “the birth of capitalism presupposes capitalism itself” (Pellicani 1994, 17).

It is true that Marx described original accumulation as two distinct historical processes: (a) on the one hand, the process of *genesis of the capital relation as such* and (b) on the other, the state-driven processes which paved the way for the *broadening and deepening of the (already-born) capital relation*. Nevertheless, while both processes refer to the *transformation of non-capitalist social relations into capitalist*, only the first describes the birth of capitalism. Commenting on the colonial system, Marx writes: “the modern mode of production in its first period, that of manufacture, *developed only where the conditions for it had been created in the Middle Ages.*”<sup>10</sup>

But who is the pre-capitalist money owner out of whom, in a later historical era, the capitalist emerged?<sup>11</sup> Marx points to two social figures who were external to the landlord-peasant relationship: The *merchant* and the *usurer* who piled up *wealth in monetary form.*<sup>12</sup>

Therefore, the money-owner, who was transformed into a capitalist *after his “confrontation and contact” with the proletariat,*<sup>13</sup> did *not* belong to the realm of pre-capitalist dominant class relations of power and exploitation, which were rooted in landed property.

Marx’s approach on the genesis of capitalism does not base itself therefore on any kind of circular argument in the form of “the genesis of capitalism is rendered possible by strategies aiming at the genesis of capitalism.”

#### 4. The Pre-capitalist Money-Owner Who Became Capitalist

In an effort to provide the concept of the historical figure which Marx describes as the pre-capitalist money-owner, I shall first of all refer to the notion of the mode of production, as the causal nucleus of a system of class exploitation and domination.

A mode of production can be compendiously described on the basis of three interconnected relations: use, possession and ownership of the means of production.

*Use* of the means of production is defined as the exclusive performance of actual labour, i.e. the participation of an individual or a social group in the labour process with a view to producing use-values. In all modes of production, the use relation is in the hands of the “direct labourer.”

*Possession* of the means of production refers to the management of the production process, namely the power to put the means of production into operation.

*Ownership* as an (real) *economic relationship* is the control over the means of production in the sense of having the power to dispose of the surplus obtained. In every mode of production, the ownership relation lies in the hands of the ruling class.

In the capitalist mode of production, both ownership as an economic relation, and possession of the means of production, coexist in the hands of the ruling class. In other words, there is *homology* of ownership and possession by the capitalist.

By contrast, *non-homology* of ownership and possession of the means of production is characteristic of all *fundamental* pre-capitalist modes of production that became historically dominant, such as classical slavery or feudalism. In this case, as possession of the means of production remains in the hands of direct labourers, extra-economic coercion is rendered necessary in order for the appropriation of the surplus product by the owner of the means of production to be safeguarded.<sup>14</sup>

However, in pre-capitalist societies existed also two other, initially non-dominant, modes of production.

- (a) A self-contained exploitative mode of production based on slave labour exists since the antiquity that is characterized by the concentration of both the ownership *and* the possession relation in the hands of the slave-owner. Characteristic of this mode of production is that the slave-owner is *present in the production process*, which is production for the market aiming at the appropriation of surplus in monetary form. As Marx (1991) writes: “*not patriarchal slavery, but rather that [which] exists as a means of enrichment, and where money is thus a means for appropriating other people’s labour.*”<sup>15</sup> I shall name this non-dominant pre-capitalist mode of production the *money-begetting slave mode of production*.
- (b) The *contractual money-begetting mode of production* which emerged in the city-states on the Italian peninsula and elsewhere, in the High Middle Ages, when slave labour attained an inferior role as compared to wage labour. However, wage was not the main remuneration source of the labourers.

The “contract” between the money-owner and the labourer, who in the latter case was free from all forms of personal servitude or bondage, entailed a complex form of exploitation. The labourer, due to being a wage-earner, also had (limited) access to the ownership of the means of production (of “capital”) through both “profit sharing” (in manufactures or commercial expeditions) and the right to trade merchandise on voyages. In other words, he/she was not a proletarian, even if part of his income came from wage payment.<sup>16</sup>

The taskmaster of each of these two pre-capitalist modes of production is thus a *pre-capitalist money-owner*; his later “confrontation and contact” with the labourer who has become a proletarian had not though taken place. Under certain historical contingencies (not “necessities”!) this happened in the late fourteenth century Venice.

The economic upswing of Venice never had as its “prime mover” the “private initiative” of certain ingenious merchants or any other “self-made” and “risk-taking” individuals. The “instigator” of Venice’s economic rise was the collectivity of a patrician class, having organized itself from the onset of the eleventh century as a militarized naval state which functioned as both coordinator and main undertaker of a multiplicity of money-begetting

“ventures”: trade, piracy, plunder, slave trade, war. Venice remained a pre-capitalist economy and society under the economic, political and social rule of a class of pre-capitalist merchants, shipowners and directors of state-owned manufactures until in the fourteenth century. The money-begetting activities of the Venetian ruling class constituted an *unsettled process of original accumulation*, in Marx’s context of the term. One pole of the process, the Venetian money-owners and their state, had already attained the clearly-defined characteristics of a spurious bourgeoisie. The other pole, however, the *propertyless* proletariat, had not yet emerged, and this is precisely why the bourgeoisie remained *spurious*. The wage-remunerated poor still participated in the ownership of the means of production through forms of “association” mediated by the very fact of their being wage-earners.

However, historical contingencies such as the Venetian-Genoese wars, the crises in the Venetian colonial system, and the plague, led to the prevalence of the capitalist mode of production in the second half of the fourteenth century in the Venetian social formation. These conditions led to the formation of huge, state-owned manufactures organized on the basis of the capital—wage-labour relation. The encounter of the propertyless proletariat with the collective money-owner of the Venetian Commune clearly took hold in these manufactures. In parallel, all non-salaried sources of income of the majority of seamen were drastically restricted, creating a proletariat of wage-earning mariners. In this case as well, money-owners auctioning off state-owned fleets, and shipowners commanding private ships, became capitalists, as “the confrontation of, and the contact between” them and the emerging proletariat took hold.

In all instances where a lack of “free labour” existed, forms of coerced labour, and above all the money-begetting slave mode of production, reappeared as a “necessary” manifestation of “entrepreneurship.”

Finally, in order to support the wars, a huge internal public debt was created, which on the one hand nurtured both advanced budgetary management and fiscal policies, and on the other created and greatly expanded capitalist finance. By the end of the fourteenth century, Venice emerged as a capitalist social formation, practically introducing capitalism in Europe.<sup>17</sup>

All approaches defending the thesis of the agrarian origin of capitalism (a) conspicuously ignore the financial character and existence of capitalism from its very beginning and (b) arbitrarily declare all forms of capital in the services and transportation sectors as non-existent or not productive. However, according to Marx (1991, 379; emphasis added), “. . . [t]he transport industry, storage and the dispersal of goods in a distributable form should be viewed as *production processes* that continue within the process of circulation.”<sup>18</sup>

Parallel to this, approaches claiming that Venice (and other city-states on the Italian peninsula) “failed” to become actual capitalist social formations because they could not develop a “national political entity” (and more specifically “Italy”!!!)<sup>19</sup> ignore the simple fact that the process of nation-building was initiated in Europe centuries after capitalism had established its rule in many social formations and parts of the continent: nationalism and national identity emerged in the late eighteenth and nineteenth centuries, roughly in the wake of the French Revolution (Hobsbawm 1992).

The Venetian capitalist state, without being a national state, successfully created forms of economic and social interaction, coercion, republican representation, and loyalty to

authorities which facilitated the expanded reproduction of capitalist relations of exploitation and domination, while simultaneously preserving a multicultural society.

## 5. Capital Accumulation Is by Definition a Process of Subjugation of Labour, Exploitation, and Financial Speculation

Capitalism was always, and will never cease to be exploitative, domineering, speculative. But it will not disintegrate or decay due to its exploitative, domineering, speculative character, certainly not due to the supposedly specifically “predatory” function of the financial sphere—as opposed to the “productive role of industry.”<sup>20</sup> This fictional dichotomy between a supposedly “good,” “developmental—industrial” capitalism, and a “bad,” “speculative, financial” one, a dichotomy introduced by Thorstein Veblen (1997) and John Maynard Keynes,<sup>21</sup> functions as an apologetic narrative praising the “good-industrial” element of capitalism (and, of course, of the capitalist state, in its good-old “welfare” version).<sup>22</sup>

When this Keynesian dichotomy is adopted by Marxists, it appears as contradistinction of “normal” capitalist exploitation of labour to “exploitation by dispossession,” or of capital accumulation to “primitive accumulation.” The work of David Harvey is characteristic in this respect: According to his analysis, Marx’s fundamental mistake is that he relegates “primitive” accumulation, that is accumulation based upon predation, fraud and violence, to an “original stage” that is considered no longer relevant (Harvey 2003, 144).<sup>23</sup>

In my view this is not Marx’s mistake but rather his strong point. What Marx really tells us in *Capital* is not that capitalism is lacking in fraud, violence and other predatory characteristics. It is that original accumulation does not convey *the essence of capitalist exploitation*, which is a situation whereby surplus value is produced as a “natural” economic relation supported by the ideological consensus of the exploited.<sup>24</sup> The focus of enquiry in *Capital* is on the “ideal average”<sup>25</sup> of capitalism that is the capitalist mode of production, as a theoretical object corresponding to the “kernel,” the inherent structural components of capitalism. The essence of capitalist exploitation is the production of surplus value, quite irrespective of income distribution, given that the latter is to a certain degree contingent on correlations of power between social classes.

Proponents of the “exploitation by dispossession” approach put forward the idea that some sort of “outside” is necessary for the stabilization of capitalism. But capitalism can either make use of some pre-existing outside or it can actively create it (Harvey 2003, 141). In the former case, the pre-existing outside is to be identified primarily with the public realm. The neoliberal logic of privatizations makes a pre-existing outside available for surplus capital: “assets held by the state or in common were released into the market where over-accumulated capital could invest in them, upgrade them, and speculate in them” (158). But the same goal can be achieved when the outside is created through crises, which result in devaluation of existing capital assets and labour power.<sup>26</sup> The capitalist state, which proves to be an indispensable tool at the disposal of capital, obviously contributes with all its might to this process. “One of the prime functions of state interventions and of international institutions is to orchestrate devaluations in ways that permit accumulation by dispossession to occur without sparking a general collapse” (151).

In consequence of all these approaches that stress the “parasitic” function of finance and the thereof rise of a “vulture capitalism,” the political goal arises to contain this

predatory version of capitalism (or to suppress “primitive accumulation”), in order to promote “good capitalism,” or the sane element in capitalism (growth of the “real economy,” a “just” distribution of the benefits from economic growth, social cohesion, etc.).

However, no version of capitalism is the realm of democracy, freedom, common social interests, or justice. Capitalism is a social system in which direct *coercion guaranteeing economic exploitation* of the ruled by the rulers is, in the general case, *incorporated into the economic relation itself*. “Freedom” is then nothing but the *form of appearance* of a historically specific (the capitalist!) system of *class domination and exploitation*.

Karl Marx had no doubt about this. That is why he conceptualized and described the dissemination of the proletarian condition among the poor in terms of coercion and expropriation (the violent expropriation of peasants from land possession, the bloody legislation against the expropriated peasants, the suppression of wages, etc.), and not as a process of liberation, as some post-World War II historians seem to think. The proletarian condition appears (and “functions”) as “freedom” only *after* the capital relation has been established and extra-economic coercion has been incorporated and concealed in the economic relation per se.

Original accumulation is the *transformation of pre-capitalist social relations* into capitalist social relations. It is not primitive, as opposed to a supposedly advanced, developed or humane capitalist accumulation. When a public enterprise is bought or “given” to a private entrepreneur, this is not “primitive” nor original accumulation. It is mainly a change of the *legal* ownership of the enterprise, which in anyway already existed as a site of surplus value production, i.e. exploitation of labour. The state is the par excellence mechanism of domination of the ruling capitalist class, it is neither public nor private. The distinction between private and public is internal to bourgeois law.<sup>27</sup>

In the end, we are not all Keynesians!

## Notes

1. To the same tradition belong, among others, Robert Brenner (1985) and Ellen Meiksins Wood (2002).
2. For a more detailed analysis see the Chapter 1 of Milios (2018).
3. Marx (1990, 1019) writes:

The labour process becomes the instrument of the valorisation process, the process of the self-valorisation of capital—the manufacture of surplus value. The labour process is subsumed under capital (it is its *own* process) and the capitalist intervenes in the process as its director, manager. For him it also represents the direct exploitation of the labour of others. It is this that I refer to as the *formal subsumption of labour under capital* . . . ; at the same time, however, it can be found as a *particular* form alongside the *specifically capitalist mode of production* in its developed form.

4. Isaac Ilyich Rubin describes it as “the *cottage, or domestic system of large-scale industry*, the spread of which signified the penetration of *commercial capital into industry*, and paved the way for the complete reorganization of industry on a capitalist basis” (Rubin 1979, 155).
5. “Die sogenannte ursprüngliche Akkumulation”: the term “ursprüngliche Akkumulation” has been literally translated into English as “primitive accumulation.” As Sweezy (2006, 52) correctly comments:

This [translation] is likely to be misleading, however, since the point is not that the process is primitive in the usual sense of the term . . . but that it is not preceded by

previous acts of accumulation. Hence “original” or “primary” is a better rendering of *ursprünglich* in this context. The term is translated as “original accumulation” by Martin Nicolaus in Marx’s (1993) *Grundrisse*.

6. Marx (1990, 874–875; emphasis added) writes:

In themselves, money and commodities are no more capital than the means of production and subsistence are. They need to be transformed into capital. But this transformation can itself only take place under particular circumstances, which meet together at this point: *the confrontation of, and the contact between, two very different kinds of commodity owners*; on the one hand, the owners of money, means of production, means of subsistence, who are eager to valorise the sum of values they have appropriated by buying the labour-power of others; on the other hand, free workers, the sellers of their own labour-power, and therefore the sellers of labour. Free workers, in the double sense that they neither form part of the means of production themselves, as would be the case with slaves, serfs, etc., nor do they own the means of production, as would be the case with self-employed peasant proprietors. . . . With the polarization of the commodity-market into these two classes, *the fundamental conditions of capitalist production* are present. The capital-relation presupposes a complete separation between the workers and the ownership of the conditions for the realization of their labour. As soon as capitalist production stands on its own feet, it not only maintains this separation, but reproduces it on a constantly extending scale.

7. Marx (1993, 245) writes:

Equality and freedom are thus not only respected in exchange based on exchange values but, also, the exchange of exchange values is the productive, real basis of all equality and freedom. As pure ideas they are merely the idealised expressions of this basis; as developed in juridical, political, social relations they are merely this basis to a higher power.

8. For example, the bloody legislation against the expropriated, the forcing down of wages by acts of parliament, the violent expropriation of pre-capitalist forms of ownership—enclosures etc., plunder and the colonial system (Marx 1990, chapters 27–33, 877–932).

9. Marx (1990, 383) writes:

The first “Statute of Labourers” found its immediate pretext (not its cause, for legislation of this kind outlives its pretext by centuries) in the great plague that decimated the population, so that, as a Tory writer says, “The difficulty of getting men to work on reasonable terms” (i.e. at a price that left their employers a reasonable quantity of surplus labour) “grew to such a height as to be quite intolerable.” Reasonable wages were therefore fixed by law as well as the limits of the working day.

10. Marx (1991, 450–451; emphasis added) writes:

The sudden expansion of the world market, the multiplication of commodities in circulation, the competition among the European nations for the seizure of Asiatic products and American treasures, the colonial system, all made a fundamental contribution towards shattering the feudal barriers to production. And yet the modern mode of production in its first period, that of manufacture, *developed only where the conditions for it had been created in the Middle Ages. . . .* And whereas in the sixteenth century, and partly still in the seventeenth, the sudden expansion of trade and the creation of a new world market had an overwhelming influence on the defeat of the old mode of production and the rise of the capitalist mode, *this happened in reverse on the basis of the capitalist mode of production, once it had been created.*

11. Marx (1990, 905) writes, “Where did the capitalists originally spring from? For the only class created directly by the expropriation of the agricultural population is that of the great landed proprietors.”

12. Marx (1993, 504–505; emphasis added) writes:

The monetary wealth which becomes transformed into capital in the proper sense, into industrial capital, is rather the *mobile wealth piled up through usury*—especially that practised *against landed property—and through mercantile profits*. . . . They appear *not as themselves forms of capital*, but as *earlier forms of wealth*, as presuppositions for capital. . . . *The formation of capital thus does not emerge from landed property*. . . . but rather from merchant’s and usurer’s wealth.

In Volume 1 of *Capital*, Marx stresses:

But the Middle Ages had handed down two distinct forms of capital, which ripened *in the most varied economic formations of society*, and which, *before the era of the capitalist mode of production*, nevertheless functioned as capital—usurer’s capital and merchant’s capital. (Marx 1990, 914; emphasis added) Historically speaking, capital invariably first confronts landed property in the form of merchant’s capital and usurer’s capital. . . . The antagonism between the power of landed property, based on personal relations of domination and servitude, and the power of money, which is impersonal, is clearly expressed by the two French proverbs, . . . “No land without its lord” and “Money has no master.” (Marx 1990, 247; emphasis added)

13. Marx (1993, 506–507; emphasis added) writes:

But the *mere presence of monetary wealth*, and even the achievement of a kind of supremacy on its part, is in no way sufficient for this *dissolution into capital* to happen. Or else ancient Rome, Byzantium etc. would have ended their history with free labour and capital, or rather begun a new history. There, too, *the dissolution of the old property relations was bound up with development of monetary wealth—of trade* etc. But instead of leading to industry, this dissolution led in fact to the supremacy of the countryside over the city. . . . Capital does not create the objective conditions of labour. Rather, its *original formation* is that, through the historic process of the dissolution of the old mode of production, value existing as money-wealth is enabled, on one side, *to buy* the objective conditions of labour; on the other side, to exchange money for the *living labour* of the workers who have been set free.

14. Marx has clearly pointed out that this is the case for classical slave mode of production. He cites Aristotle, who writes: “Whenever the masters are not compelled to plague themselves with supervision, the overseer assumes *this honour*, while the masters pursue public affairs or philosophy” (Aristotle, cited by Marx 1991, 509). Marx sees further that the concession of the possession relation to a specific social group belonging to the ruled classes takes its most characteristic form in ancient societies, thus shaping the *classic* (or “patriarchal”) *slave mode of production*:

[T]his work of supervision necessarily arises in all modes of production that are based on opposition between the worker as direct producer and the proprietor of the means of production. The greater this opposition, the greater the role that this work of supervision plays. *It reaches its high point in the slave system*. (Marx 1991, 507–508; emphasis added)

Contemporary historians have also stressed the dissociation of the slave-owning ruling class from the possession relation (the supervision and “management” of the production process), in other words, the non-homology of ownership and possession of the means of production. The prominent Marxist historian of antiquity, G. E. M. de Ste. Croix, emphasizes the fact that “the function of slave (and freedman) overseers was essential. . . . playing a very important role in the economy, perhaps far more so than has been generally realized” (de Ste. Croix 1981, 258). Perry Anderson also writes along these lines:

The very ubiquity of slave-labour at the height of the Roman Republic and Principate had the paradoxical effect of promoting certain categories of slaves to responsible administrative or professional positions. . . . This process was . . . another index of the radical abstention of the Roman ruling class from *any* form of productive labour whatever, even of an executive type. (Anderson 1974a, 23–24)

15. Marx (1991, 728–729; emphasis added) writes:

In all forms where the slave economy (*not patriarchal slavery, but rather that of the later phases of the Greco-Roman era*) exists as a means of enrichment, and where money is thus a means for appropriating other people's labour by the purchase of slaves, land, etc., *money can be valorised as capital and comes to bear interest* precisely because it can be invested in this way. . . . But the extent to which this process abolishes the old mode of production, as was the *case in modern Europe*, and whether it establishes the capitalist mode of production in its place, depends entirely on the historical level of development and the conditions that this provides.

16. As Frederic C. Lane's detailed analysis shows, referring to pre-fourteenth-century Venice,

[t]he daily wage was only a part of what a seaman expected to gain from a voyage. . . . At sea, they were traders as well as sailors or oarsmen, so that it must have been difficult in the twelfth and even in the thirteenth century to draw the line between travelling merchant and merchant-seaman. . . . A gap between seamen and merchants opened when travelling merchants were transformed into resident merchants. (Lane 1973, 168)

17. Marx (1990, 875–876) writes, “[w]e come across the first sporadic traces of capitalist production as early as the fourteenth and fifteenth centuries in certain towns of the Mediterranean.”

18. Marx also writes, characteristically,

Let us now consider the total movement,  $M-C \dots P \dots C'-M'$ , . . . Here capital appears as a value which goes through a sequence of connected and mutually determined transformations. . . . Two of these phases belong in the circulation sphere, one to the sphere of production. . . . This total process is therefore a circuit. . . . The capital that assumes these forms in the course of its total circuit . . . is *industrial capital*—industrial here in the sense that it encompasses *every branch of production* that is pursued on a capitalist basis. . . . Money capital, commodity capital and productive capital thus *do not denote independent varieties of capital*, whose functions constitute the content of branches of business that are independent and separate from one another. They are simply particular functional forms of industrial capital, which *takes on all three forms in turn*. (Marx 1992, 132–133; emphasis added)

Capitalist production is not merely the production of commodities, it is, by its very essence, the production of surplus-value. The worker . . . who is productive is one who produces surplus-value for the capitalist. . . . If we may take an example from *outside the sphere of material production*, a schoolmaster is a productive worker when, in addition to belabouring the heads of his pupils, he works himself into the ground to enrich the owner of the school. That the latter has laid out his capital in a teaching factory, instead of a sausage factory, makes no difference to the relation. The concept of a productive worker therefore implies not merely a relation between the activity of work and its useful effect . . . but also a *specifically social relation of production*. (Marx 1990, 644; emphasis added)

19. Such theses are put forward, e.g., by Perry Anderson and Louis Althusser (see Anderson 1974b, 143; Althusser 2006, 198).

20. It will continue to exist until the labouring classes overthrow it. But for this we need a revolutionary political strategy.

21. Keynes (1933, 184–185, 183) writes:

There are still those who cling to the old ideas, but in no country of the world to-day can they be reckoned as a serious force. . . . The decadent international but individualistic capitalism, in the hands of which we found ourselves after the war, is not a success. It is not intelligent, it is not beautiful, it is not just, it is not virtuous; and it doesn't deliver the goods. In short, we dislike it and we are beginning to despise it. But when we wonder what to put in its place, we are extremely perplexed.

22. For an extended analysis on this issue see Sotiropoulos, Milios, and Lapatsioras (2013).

23. Harvey (2003, 136; emphasis added) writes:

Like war in relation to diplomacy, finance capital intervention backed by state power frequently amounts to *accumulation by other means*. An unholy alliance between state powers and the *predatory aspects of finance capital* forms the cutting edge of a “*vulture capitalism*” that is as much about cannibalistic practices and forced devaluations as it is about achieving harmonious global development.

24. Marx (1990, 899–900; emphasis added) explains:

It is not enough that the conditions of labour are concentrated at one pole of society in the shape of capital, while at the other pole are grouped masses of men who have nothing to sell but their labour-power. Nor is it enough that they are *compelled to sell themselves voluntarily*. The advance of capitalist production develops a working class which by education, tradition and habit looks upon the requirements of that mode of production as self-evident *natural laws*. The organization of the capitalist process of production, *once it is fully developed, breaks down all resistance*. . . . Direct extra-economic force is still of course used, but in exceptional cases. In the ordinary run of things, the worker can be left to the “natural laws of production,” i.e. it is possible to rely on his dependence on capital, which *springs from the conditions of production themselves*, and is guaranteed in perpetuity by them.

25. Marx (1991, 970) writes, “. . . we are only out to present the internal organization of the capitalist mode of production, its ideal average, as it were.”

26. Harvey (2003, 151) writes, “regional crises and highly localized place-based devaluations emerge as a primary means by which capitalism perpetually creates its own ‘other’ in order to feed upon it.”

27. Althusser (1984, 18) writes:

The distinction between the public and the private is a distinction internal to bourgeois law, and valid in the (subordinate) domains in which bourgeoisie law exercises its “authority” . . . the State, which is the State of the ruling class, is neither “public” nor “private”; on the contrary, it is the precondition for any distinction between public and private.

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## Notes on Contributor

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