

The Origin of Capitalism
by Ellen Meiksins Wood
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Over the last decade or so, with the collapse of the Soviet Union, and the current economic boom in the US, it has common place to assert that capitalism is the only viable economic system. Alongside is the assertion that the development of capitalism “is the natural outcome of human practices almost as old as the species itself, which required only the removal of external obstacles that hindered its realization.” It is such a view that Ellen Meiksins Wood’s *The Origin of Capitalism* seeks to challenge.

Wood, Professor of Political Science at York University, Toronto, has written a very timely addition to the debate about the transition from feudalism to capitalism. The distinction between these two economic and political systems that Wood, like others before her, seeks to explain is the growth of commodity production, i.e., production of objects for sale, under capitalism. Under feudalism and other earlier systems, production was geared towards consumption. Did this transition result from some natural, immutable laws that made the development of capitalism inevitable? Or was it the product of contingent, historical, events?

Starting with a survey of earlier theories, Wood points out that such histories of capitalism often start, or end, with concepts that “obscure the specificity of capitalism.” Instead, Wood argues that we need an explanation that “acknowledges the difference between commercial profit-taking and capitalist accumulation, between the market as an opportunity and the market as an imperative, and between transhistorical processes of technological development and the specific capitalist drive to improve labour productivity.”

Drawing on the important work of historian Robert Brenner on agrarian class structure and economic development in pre-industrial Europe (see *The Brenner Debate*, ed. T. H. Aston and C. H. E. Philpin, (Cambridge: Cambridge University Press, 1985)), Wood argues that capitalism was born not in the city, but in the countryside, specifically the English countryside, during the 16th century. The English ruling class had two distinctive aspects. On the one hand, the English State was increasingly centralised and the aristocracy did not possess autonomous ‘extra economic’ powers. On the other hand, land in England was highly concentrated, with big landlords owning an unusually large proportion. The latter characteristic meant that a large proportion of land was worked on not by peasant-proprietors, as in Continental Europe, but by tenants. The former characteristic meant that landlords depended less on their ability to squeeze more rents from their tenants by direct, coercive means than on their tenants’ productivity. Therefore, landlords had a strong incentive to encourage or, whenever possible, to compel, their tenants to find ways of increasing their output.

Another contributory factor was the form of land tenancy widely prevalent in England, which charged a rent based not on some legal or customary standard (as was common under feudalism), but a variable amount based on the going rate. Uncompetitive production, therefore, could lead to an inability to pay rent and thus outright loss of access to land. Apart from creating a more productive form of agriculture capable of sustaining a large population not engaged in agriculture, this dynamic also polarised the English countryside into larger land owners and a growing propertyless multitude, which would constitute both a large wage labour force, and, because they no longer could produce their daily necessities for themselves, a domestic market for cheap consumer goods.

The dynamics of the internal market also impacted international trade and financial instruments produced by domestic commercial activity became instruments of international trade. This growing capitalist system, by largely (though not wholly) replacing the pre-capitalist hunger for land and plunder with the imperatives of competitive production and expanding consumption, produced a new form of colonial imperialism. British imperialism, of course, contributed to the development of the world's first industrial capitalist nation, but it was not as important as the domestic market. Agrarian capitalism, argues Wood, was the root of British economic development; other factors like trade and empire, though essential, were not primary causes and their specific effects varied greatly according to their context.

Being relatively short, the book does not attempt to assess what role other historical causal factors played in the transition from feudalism to capitalism. For example, in what way did the tremendous growth of mercantile trade during that period contribute to the growth of capitalism? And, how did the population explosion in the late Middle Ages affect modes of production? Despite this weakness, Wood provides a compelling account of the development of a disjunction between feudalism and capitalism. It is also a polemic against understanding the present as inevitable and to convert history into teleology. Wood's book is worthy of praise for both its scholarly achievements and reminding us that things don't have to be the way they are. At a time when we are repeatedly told that "there is no alternative" this message is particularly important.

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