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CAPITALISM AND GROUND RENT
THE DOMINATION OF CAPITALISM OVER AGRICULTURE
IN TROPICAL AFRICA

BY

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The theme of the conference, of which some of the best papers are published here, was "The development of agrarian capitalism in tropical Africa." The researches in preparation for this conference, like the discussions at the conference itself, pointedly showed the need to interpret the theme in its widest sense and to speak of the domination of the capitalist mode of production over agriculture as much as the development of agrarian capitalism in the strict sense.

Methodological approach.

First of all, it was necessary to agree on what capitalism is. It does not come within the purview of conventional economics and sociology. It is possible to get as far as a doctorate in social science in the United States without knowing that one lives in a capitalist society! Their main basic concepts are ahistorical: the three "factors" of production (nature or land, capital - synonymous with production goods - and labour) are combined in an infinite number of ways, always according to technical formulae known in the society under study. Social science is not based on history, and even when history is not reduced to a direct sequence of events, it does not go beyond a comparative description of the social, moral, political, aesthetic, etc., "institutions" and "ideas". Sociology is grafted on to this shapeless mass to examine, in terms of "functionality", whether parts of social life, taken at random, are satisfactory or not. It is a risky proposition to study the birth and development of capitalism within this framework: if capitalism is confused with the use of the so-called factor "capital", i.e. tools, it has always been in existence. It is also possible to confuse it with commodity exchange, as so often happens. The result has been that to some people, a study of

the development of capitalism in a sector (in this case, agriculture in Africa) boils down to a quantitative measurement of the increase in capital equipment and of the expansion of trade.^{1/}

To have a clear understanding of it we must, from the start, look at social science from a different approach, based on the concept of mode of production.

Unfortunately, here also, one is too often ready to adopt too commonplace an approach which, in addition, is highly empirical. For it is obvious, from everyday experience, what a capitalist enterprise is: an autonomous unit of production, privately owned and extensively equipped with production means operated by wage labour. Capitalism is then reduced to the sum total of these capitalist enterprises. Similarly, in agriculture, the unity of production is capitalistic if it utilizes a large amount of capital equipment and wage labour. The extent of agrarian capitalism will therefore be measured by the size of the wage-labour force and the degree of mechanization. This is already a better than confusing capitalism with commercial relations. But it is still very inadequate and can lead to serious misinterpretation.

We therefore consider it useful to give a brief summary of all the concepts and results noted in our works.^{2/} First of all, we shall examine the concept of mode of production, define the main types, analyse their patterns of development within the social formations, specify the working of the relations between the various levels which constitute their component parts, etc. At this juncture, we would like to recall what the capitalist mode of production is as opposed to the family of production modes which we qualified as "tributary".

^{1/} The writings of Polly Hill on the development of capitalism in West Africa reveal this simplistic approach.

^{2/} The details, of which we shall only give the main conclusions in the paragraphs which follow, are to be found in "Le Développement Inégal" (Minuit, 1973; Chap. I).

A production mode is defined as a binomial of two opposing classes: in this case, bourgeoisie and proletariat, i.e. owners of production means which are themselves the product of social labour (equipment which becomes capital) and sellers of their own labour-power. In the capitalist mode: 1) the entire social product (and not only possibly a fraction of the surplus as in the case of the tributary modes) assumes commodity form; 2) labour power itself is a commodity (labour is mobile) and 3) capital, which is a social relation, is embodied in capital goods which are also commodities (capital is mobile). From this, it can be deduced that: 1) the ideology characteristic of the capitalist mode is economism since the extracted surplus - fruit of the surplus labour of the proletariat - here, the surplus value, is masked ("made opaque") redistributed proportionately to fragmented capital the surplus-value takes the form of profit and capital appears to be "productive"; 2) hence the alienation characteristic of capitalism is commodity alienation (especially since nature's domination is overcome) and lastly 3) the economic level is not only determining in the last resort but also dominant.

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

It must also be remembered that these mode of production concepts, the most abstract in social science, form the basis of a second set of concepts relating to the social formations which are structured combinations of several modes of production dominated by one of them, and of yet a third set of concepts relating to the systems of social formations linked with one another through trade relations. The social formation concept implies that substance is given to the expression domination of a mode of production. This domination should not, under any circumstances, be treated lightly, for example, reduced to the statistical predominance of one form of economic activity, nor, obviously, left unexplained. We have claimed that this concept of domination was very precise and comprised: 1) the domination of the fundamental law of the dominant mode which determines the conditions of reproduction of the entire formation (thus for example, the law of capitalist accumulation determines the conditions of reproduction of the capitalist society, with all the complex relations between its various "parts": among others, a capitalist industrial economy and a peasant economy; 2) consequently, the transfer of a part of the surplus generated in the dominated modes towards the dominant mode (thus for example, the transformation of a part of the rent into profit); 3) the political supremacy of the dominant class in the dominant mode, the other dominant classes being, at least, reduced to the status of allies and 4) the supremacy of the ideology of the dominant mode.

We distinguished between capitalist and precapitalist formations, pointing out that the fundamental law of the capitalist mode had the inherent tendency to bring about the disintegration of the other modes, to cause them to disappear, while this was not the case in the precapitalist formations. We made that observation, pointing out that the capitalist formations tended to become homogeneous, that these formations tended to be reduced to the capitalist mode, while

the precapitalist formations remained heterogeneous. The implication is that in the capitalist formations, the dominated modes, in so far as they still exist, are profoundly impaired, transformed, distorted and sometimes deprived of their substance. It will be seen that this remark is fully substantiated in the analysis of the relations between industry and agriculture or dominant capitalist country and dominated African agriculture. As the debate between Lenin and Chayanov, recalled here, will show, there is a specific set of problems which results from the clash between this tendency towards homogeneity and the manifestation of domination by the capitalist mode over the other modes.

The social formations are, for their part, seldom isolated. There are systems of social formations. In the precapitalist world in particular, it often happens that a proportion of the surplus generated in the various formations circulates: this is the root of the important problem of "long-distance trade" which is sometimes of great import to some civilizations (Greece and in particular - what concerns us here - the Arab world and the Sahelian Savanna zones, as shown in Guy Nicolas' communication on Hausaland). We specified the nature and status of precapitalist commercial profits as a distinct category of profit from commercial capital.

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

Under these conditions, the question of international relations between the centre and the periphery (commodity trade, capital flows, technological flows, political organisation and stratification, ideological currents, etc.) must not under any circumstances be treated lightly and "in parts" or too hastily compared with the problem of relations within the systems of precapitalist formations: any parallel drawn between them would be quite misleading.^{3/}

It is necessary to make one last methodological observation. So far, we have considered only two class modes of production: capitalist and tributary. Of course, there are many others. Concerning them, we refer the reader to our studies on: 1) the slavery-based mode of production, regarded as an exceptional mode and even more within highly developed mercantile formations), 2) the simple commodity mode of production, a widespread mode but one which is only dominant in exceptional cases (for example, the case of colonial New England), 3) the interrelations between these modes and the dominant tributary modes of precapitalist times and 4) the range of tributary modes and types of modes referred to as "Asian", "African" and feudal which in our view belong to one and the same family comprising a mature central type (China and Egypt) and the peripheral types (in particular, the Western European and the Japanese feudal types). So far, we have not mentioned a peasant mode of production (singular or plural) for reasons given further on, since this very important question will appear when we deal with peasant societies.^{4/}

^{3/} S. Amin: "Le développement inégal" Minuit, 1973;
"L'échange inégal et la loi de la valeur", Anthropos, 1973.

^{4/} Concerning this subject, see the studies by Daniel and Alice Thorner: "Land and Labour in India", Bombay 1962;
The emergence of capital agriculture in India, Mimeo.
doc. IDEP., 1973.

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

We must first clear one possible misunderstanding. Any agronomist would disagree, and justifiably so, if agricultural land were to be described as a virgin portion of nature. Agricultural land is the product of human labour repeated through successive generations, finally giving it its present form. For the peasant, land is not different from the plough or the cow: it is an instrument of labour. Moreover, no productive process takes place in a vacuum; it always brings the forces of nature to participate in it: the windmill is driven by the wind, biological laws are instrumental in the growth of plants, the laws of chemistry operate to combine iron and carbon to form pig iron etc. And lastly, there is practically no economic activity which does not involve a geographical element, a necessary location: the factory takes up ground space, the doctor must have a surgery and even the hawker uses the streets.

But the problem does lie there. It is not a question of knowing whether "nature" exists or not; it certainly exists. There are no doubts as to the fact that the forces of nature intervene in the productive process. The question is to know what are the social conditions which govern the right to use these forces. This right is seldom really free: even the grazing land used by a tribe of nomad herders is forbidden to others, but the sea is open to any fisherman, the lands of the America West were for a long time "open" to all those who could slaughter the Indians occupying them. In precapitalist societies, land was essential for living: consequently access to agricultural land was strictly controlled by the society. Whether everyone had equal access to it or not or whether it was open only to some (the members of a clan for example), whether free or subject to payment, tithe or rent of some sort, it was always controlled. In contrast with this right of access, the tools were rudimentary and of secondary importance to the peasant. It is no longer the same with the modern capitalist farm, as we shall see. On the other hand, in the capitalist industrial enterprise, the capital equipment is essential, the ground is of secondary importance. Moreover, if the capitalist must purchase the land or pay a rent, it is because capitalism does not come about in a vacuum and when it came into being, land was already an object of appropriation and of with "capital" is essentially embodied in the production means, themselves products of social labour. In order to understand the capitalist mode, it is essential to distinguish between Department I (capital goods production) and Department II (consumer goods production), between bourgeoisie and proletariat, surplus value and the value of labour power, including their many deceptive forms: profits and wages or savings and consumption. How then does this abstract capitalist mode, without any historical background or territorial basis interrelate with the production mode from which and within which it has its real historical origin? That is the question and the correct way to bring landownership and rent into the analysis of the capitalist formation.

Rent and the ownership of the soil: going back to "Capital"

Marx's "Capital" has been the subject of a flood of written comments. How to reconcile Book I with Book III, how to transform correctly values into production prices and surplus value into profits; how does one reconcile the two antagonistic classes—bourgeoisie and proletariat and the "Trinity Formula" at the end of Book III? Discouraged, many writers gave up or resorted to eclecticism, reconsidered the marginalist "contribution", revised their conceptions concerning social classes. It was easy to argue that only Book I appeared during Marx's lifetime and that the other two, uncompleted drafts remained as they were because Marx had found no solutions to the questions raised above.

We do not share this opinion and we believe that the order of the three books as well as the way the questions are put, were carefully thought out and significant.

The first two Books deal with capital and labour alone and they consider capital in its broadest sense, that is in its social form and not in its component parts.

In Book I, we find only the most essential concepts, hence the most abstract and least empirical ones: the fetishism of commodities and the dialects of value, social capital as the relation between classes and labour power as a commodities. These concepts suffice for an understanding of the essence of the capitalist mode, the surplus characteristic of this mode and the way it is generated, precisely by contrasting it with the one which historically precedes it. This explains why the general law of the mode, i.e. the law of accumulation, is given in that Book. Also given there is the historical genesis, i.e. primitive accumulation. There are no additional concepts required to answer these three essential questions: what is capitalism, where **does** it **come** from and where is it heading?

Commodity is the basic key to the system: it is the medium of exchange value; it conceals use value; it is a fetish. Contrary to Althusser's interpretation that Marx, as a "mature" man, abandoned the theory of alienation, we believe that Marx, going beyond the critique of humanism formulated by the young Hegelians and Feuerbach, had discovered that alienation changes its form and its sphere along with capitalism. Until then based on religion, since society was still directly ruled by nature, it became commodity alienation as soon as the development of productive forces freed society from this dependence on nature by subjecting it to another form of dependence, that is, on its own "economic laws."^{5/}

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

Hence capital appears primarily as a relation between social classes: it exists only because the means of production are controlled by one class while the other class only has its labour power to sell. Capital is therefore an overall social relation involving the whole society. Empiricism views from the angle of immediate phenomena:

^{5/} L. Althusser, Pour Marx, et, Lire le Capital, Maspéro; Samir Amin, Le développement inégal, Chap. I, Eloge du socialisme, L'homme et la société, 1974.

the equipment in which it is embodied, the individualized production units where the equipment is installed. The "microeconomic" approach of conventional economics simply reflects its inability to understand that the whole is greater than the sum of the parts. Marx begins with the whole.

Book II is the logical continuation: one step further from the abstract towards the concrete. With these concepts established, Marx is able to formulate the model of reproduction of the system in terms of quantitative relations between the two sections, constant capital and variable capital (the organic composition of capital), and between the latter and surplus-value (the rate of surplus value). We have used this framework to reformulate the question of relation between the objective forces (the law of accumulation) and the subjective forces (class struggle) at the level of the world capitalist system, that is, within a system of capitalist formations characterised by a compartmentalisation of labour markets. This way of raising the question of international trade, in other words, unequal exchange, appears to us as the only correct way to bring the circulation process and the production process into the reproduction process which forms a comprehensive whole.^{6/} We shall not here refer to the results of this formulation which will be discussed later for it is crucial in order to understand the nature and extent of the integration of African agriculture into the world market

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

^{6/} Samir Amin: L'Echange inégal et la loi de la valeur, Anthropos 1973. C. Polloix also analyses in this way the interrelation between the circulation process and the production process (Les firmes multinationales et le procès d'internationalisation), Maspéro 1973.

Ladislaus von Bortkiewicz is no doubt the first author to be systematically engaged in studying these two questions raised in Book III. As Luca Meldolesi remarked in an excellent account of the book by Bortkiewicz^{7/}, the latter was not concerned with a "correct" and "complete" formulation of the "transformation" problem but rather with examining the consequences of this reformulation on the central themes of Capital. In doing this, Bortkiewicz demonstrated in detail what Sraffa was to rediscover fifty years later: that profit would not exist without surplus value and that the attempt to find a different basis for profit (Böhm-Bawerk and Walras on whose work Bortkiewicz wrote a fundamental critique)^{8/} was based on a tautology. Bortkiewicz also found out that the profit rate depended on real wage and on the productivity of labour in the production of wage-goods and of the intermediate goods which directly or indirectly enter into the production of the former, excluding "luxury goods" (and gold). On that basis, he reformulated the question of technical progress and its effects on the profit rate.

We have shown that the inequality between the profit rate and the surplus value rate was the necessary condition which explained the hidden nature of the "economic laws of the market", the basis of the economic alienation inherent in the capitalist mode and everything related to it (the dominance of the economic plane). We have shown that the conflict between capital as a global social reality (class relation) and capital as a fragmented social reality (the "competition" between capitalists and the domination of the circulation process over the production process) revealed the "irrational"

^{7/} Luca Meldolesi: *La teoria economica di Marx*, Einaudi 1971.

^{8/} Piero Sraffa: *The production of commodities by means of Commodities*. Cambridge University Press, 1960.

nature of capital and of the "profitability calculus". For "resource allocation" depends not only on the relations between the proletarian and bourgeois classes but also on the internal contradictions characteristic of the bourgeoisie. Conventional economics, starting with the production unit, i.e., the firm, never achieves such a clarity: it becomes confused with a host of superficial details, describes an infinite number of competition ("pure and perfect", "monopolistic", "oligopolistic", etc.) and finally reaches no conclusion. The failure of classical economics and of the marginalists' attempts to "refute" Marx was complete by 1914, at least on the continent of Europe. England alone, totally alienated owing to its empirical tradition, could ignore this debate and produce Alfred Marshall who, without even understanding either Ricardo, Marx, or the "refutation" attempts of Böhm Bawerk, Walras and Pareto was to appear as a "great man". Europe's sombre years between the two world wars and the transfer of wealth to the United States explain how a man of such poor and undeveloped intellect as Samuelson was able to become such an authority on "economics" by simply reformulating Alfred Marshall's eclectic idiocies, completely ignorant of the tautology on which this "science" rested. Then came the "crises of civilisation" of the sixties prior to that of the economic system itself in the seventies. At this point, the whole structure collapsed, the technocrats were bewildered, leaving an ideological vacuum reminiscent of that of the end of the Roman empire. At all events, the Barbarians are here and we shall come up with them further on.

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

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

As regards absolute rent, Marx sees it as the manifestation of this class alliance in question. It is interesting to look at Bortkiewicz's attempt to understand this problem of absolute rent. His analysis led him to draw two conclusions.

Firstly, in order to exist, absolute rent does not necessarily require that the organic composition in agriculture be less than that in industry. The upshot of this is that the rate of absolute rent is not necessarily fixed, as Marx said, as the difference between the production price of agricultural products as such (the surplus-value generated in agriculture being withdrawn from the general circulation of the latter) and what it would be if capital, in circulating, did not have to contend with the monopoly of landed property. The rate of rent is determined, it is the result of a class

relations, of a class struggle (between the bourgeoisie and the landowners). We had reached the same conclusion. We had even drawn a parallel between this and the monopoly in industry with the redistribution of the surplus-value which depended on the struggle between the various segments of the bourgeoisie. It is clearly seen from a comparison between urban ground rent in northern Europe and that in southern Europe. In the first case, the industrial element of the bourgeoisie was strong enough to have reduced the small urban property owners to a state of bare subsistence: this became possible with the alliance between the social-democrats and the working class, benefiting from better housing conditions. In the second case, the industrial bourgeoisie came up against a proletariat fighting against its integration; being less strong, it formed an alliance with a "parasitic" middle class made up of urban property owners. This alliance was not free and the price paid by the industrial bourgeoisie was to tolerate extortionate rents. Again, there is no economic "rationality" above the class struggle. However, Marx's apparent "mistake" has an origin: in his time, the organic composition in agriculture, then still backward, was inferior to that in industry. Moreover, capitalism was emerging from the state of simple commodity relations of the preceding mercantilist period which we shall be looking at later. These relations gave rise to a range of relative prices (agricultural products - cottage industry products which eventually faced competition from industrial products) which explains the genesis of absolute rent in those terms used by Marx himself to express it. Hence, it can be seen that rent necessarily bring history into play and prepares the transition from the capitalist mode as an abstract concept (which I qualified as ahistorical) to the capitalist formation, a concrete and historical concept (a product of class struggle and alliances). Karl Kautsky, had already

analysed absolute rent in historical and concrete terms. He noticed that the organic composition in agriculture was less than the average organic composition because capitalism developed primarily in industry. But he further noticed that as it penetrated agriculture, capitalism raised the latter's ratio of organic composition.^{2/}

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

Taking Bortkiewicz's reasoning a step further, Luca Meldolesi observed that the theory of (economic) rent rests on the assumption that only one agricultural product ("wheat") is grown. With the alternative possibility of producing several products (having different prices), the scale of fertilities or investments to be carried out cannot be established independently of prices. The only solution would be to determine at one and the same time rent, prices and profit rates as Sraffa has done. In our opinion, this is a return to

^{2/} K. Kautsky: La question agraire, 1st German edition, 1898; Giard et Bière, 1900, pp. 113-115.

empiricism of apparent facts since we argued elsewhere that the products were infinitely less "specific" than the market illusion suggests. The food products serving as input in the reproduction of the labour force form a "composite group of products" which, in Marx's time, was made up of a certain (large) proportion of cereals and a (small) proportion of meat etc. To-day, the proportions are different, varying with the evolution of the value of the labour power, itself related to the development of the productive forces, as we have shown.^{10/}

Therefore ground rent clearly invites us to switch our attention from the capitalist mode to the history of capitalist formations, which we shall now do.^{11/}

From the capitalist mode of production to capitalist formations:
class alliances and the creation of the world capitalist system

We know that the "industrial revolution" in Europe was preceded by an "agricultural revolution". We also know that between the "feudal" Middle Ages and the industrial revolution, there was a span of three centuries of transition, difficult to describe, with the social and economic relations being so complex. Another known fact is that capitalist industry progressed rapidly in Europe in the 19th century while

^{10/} Concerning this myth of the "specificity" of products, see Samir Amin: L'échange inégal et la loi de la valeur, op. cit. C. Palloix who introduced the notion of "composite group of products" approaches our point of view. (Les firmes multinationales et le procès d'internationalisation, op. cit.). Of course, if the products are not as specific as they appear to be, the whole conventional theory of supply and demand, the basis of marginalism, falls apart, appearing as a vulgar tautology.

^{11/} Our analysis of rent agrees with the conclusion reached by P.P Rey (les alliances de classes, op. cit.) and Kostas Vergopoulos (Capitalisme difforme, roneoéd, doc., Université de Paris, VIII, 1973).

agriculture stagnated, retaining some backward features. And lastly, we know that at the end of the century and sometimes still later, after the first or even the second world war, agriculture in Europe took a second leap forward with the widespread use of chemical fertilizer and machines; in other words, agriculture became "industrialized".

Three stages can therefore be distinguished: 1) the stage which we call mercantilism from the 15th to the 19th century, characterized by the first transformation of agriculture and its commercialization and by the disintegration of feudal production relations; 2) the 19th century stage characterized by the full development of the capitalist production mode in industry and 3) the 20th century phase characterized by the "industrialization" of agriculture. Corresponding to each stage, there were different relations between agriculture and other activities (manufacture and trade, later industry). The theory put forward here is as follows: capitalist production relations first appear in the countryside but to a limited degree owing to opposition from the feudal mode of production. Later, these relations transfer to areas of new activities, i.e. urban industry, where they achieve their mature form, abandoning agriculture. Finally, these relations take a hold over the entire social life, embracing agriculture in a more comprehensive and profound way. This switching back and forth is characteristic of the history of capitalism's relations with agriculture in the central capitalist formations. We shall see that this was not the case for the peripheral capitalist formations.

Let us first look at the first stage, that of mercantilism. We have defined it elsewhere, from the point of view of the nascent periphery to the emerging world capitalist system. In fact, that was the period of primitive accumulation. We said that during that period the two poles essential for capitalism to achieve its completed stage, i.e. capital and the proletariat, were formed. But they did not actually meet one another

until the industrial revolution. Capital was still in a prehistoric form, i.e. that of accumulation of money wealth by the commercial bourgeoisie of "Atlantic" Western Europe. That bourgeoisie was amassing wealth from its monopoly of the triangular trade and its control of the slave based export agriculture of the Americas. However, that type of accumulation was not yet different from that of the precapitalist distant trade: it was merely a monopolistic extortion of slave surplus labour at one end and feudal rent at the other. In the real sense, it was only potential capital. We have indeed shown that similar phenomena occurred elsewhere, in other precapitalist civilisations: in the Roman empire, the Arab world, the Italian and the Hanseatic towns, in the islamized savanna areas of Africa (as pointed out by Guy Nicolas), in the seaport areas of southern China, etc.

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

What does in fact happen to the feudal mode during that period? What sort of transformations does it undergo? In the feudal mode, the peasant is guaranteed access to land: a member of the village community cannot be driven away or proletarianized. Rent (that is, feudal rent, a special form of tribute) is paid in kind, in products and labour. But during those three centuries, first the feudal lords and sometimes some of the peasants become absolute owners of land. There is no longer any superimposition of the rights of the two classes under the feudal mode. This absolute right of ownership reintroduces the Roman law of jus utendi et abutendi, with a different interpretation, i.e., a mercantile law. The class struggle between the peasants and the feudal lords decides in whose favour this transformation will take place.

What do these new absolute owners (potential capitalist landowners, agrarian bourgeois and peasants) do with their land? They invest capital in improving the land and sell a part of their output. In the case of former feudal lords or of the new bourgeoisie - derived nobility who have purchased land (a new phenomenon: land becomes an object of commercial transactions), rent in kind is replaced by money rent. In addition, land investments leave a proportion of the rural population without employment: it is driven away, proletarianized. The people become vagrants, occasionally sell their labour power or are recruited in the King's armies. In England, it was also the period when people were hanged for theft. Another solution was to emigrate to America.

A market for agricultural products is established, based on the booming urbanisation. In the towns, we again find the Atlantic trade bourgeoisie, the royal courts and the increasingly large centralized administration, the craftsmen who earn their living from this expanding market, the first manufacturing industries created by the king to supply his army and his administration.

The appearance of a market for agricultural products means that from then on, rent circulates. It tends to lose its original characteristic of being unequal and begins to even out over the different portions of land. It becomes capitalist rent or at least, it tends to become so, and while this process does not become completed until after the industrial revolution, it has already gone a long way.

Capitalist production relations and wage labour begin to develop. True, this starts in the towns, with the development of manufacturing industries. But here, the process is slow since the craftsmen remain organised in guilds, the traders do not employ much wage-labour except servants, the administration pays its officials by granting them privileges, etc. In the country areas, there is a rapid development of wage-labour although money is scarce because of the small size of the

markets and tenant farming and share-cropping very often constitute steps leading to this incomplete proletarianization of the peasantry. For the development of capitalist relations in the rural areas is restricted by the smallness of the urban market which, still in the preindustrial stage, has only a limited range of products to offer.

The political economy of mercantilism was developed by Quesnay. Physiocracy is certainly neither the political economy of feudalism nor that of capitalism. In any event, there can be no political economy to explicate the precapitalist modes: the surplus being "transparent", there is no mystery to solve. Physiocracy is the political economy of the transition to capitalism, this special transition known as European mercantilism: there is already a capitalist surplus in existence (the surplus value in capitalist agriculture and manufacturing), it circulates, but most of it is still located in the rural areas where it is interrelated with the new form of rent. Another good example of the political economy of this transitional formation is given in the book by Witold Kula.^{12/} Despite its title, it does not deal with a true feudal mode since the Polish feudal domesne of the 17th century was highly "mercantilized", connected through the Hanseatic towns to "Atlantic" Europe.

Like long distance trade, mercantile agriculture was not an exclusively European phenomenon. In the Roman empire and the Arab world among others, there were private estates which marketed at least a part of their products. Money rent, agricultural wage-labour, tenant farming, share-cropping and the absolute ownership of land existed in the Arab world as reflected by the mercantile nature of islamic law.

^{12/} Witold Kula: Théorie économique du système féodal, Mouton 1970.

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

The industrial revolution opened a new era. After appearing in embryonic form in the rural world, capitalist relations spread to industry where they achieved their completed form. There was money available which could be transformed into capital; the proletariat was also in existence. The handicraft market was too small to cope with. The supply of agricultural products: a powerful motive appeared which would enable some craftsmen to invent the first machines. Of course, the new industrial capitalist class did not necessarily originate from the former commercial bourgeoisie. The latter generally allowed itself

to be absorbed within the system: it purchased lands or bought patents of nobility. The newly enriched peasant or the gentleman farmer, the financial adventurer or the court and army supplier grabbed the money accumulated elsewhere and set up new industries.

That industrial revolution took place through the alliance between the new bourgeoisie and the landowners. The motives involved were not simply political or ideological (the sacred nature of private property). The private ownership of land played an essential part in the development of capitalism as shown by P.P Rey.^{13/} It made it possible to expel the surplus population which consequently swelled the ranks of the proletariat. This alliance took different forms according to historical circumstances. We may roughly distinguish between the form it took in England, under which the bourgeoisie struck an alliance with the big capitalist landlords (the gentlemen farmers) until they merged into one single class, and the French pattern in which the bourgeoisie joined with the peasants to bring about a radical agrarian reform leading to the emergence of a new rural class of the "Kulak type.

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

^{13/} P.P. Rey: Les alliances de classe, Maspéro 1973.

Palloix has analyzed the nature of the relations between industry and agriculture along these lines^{14/} and we have referred to his conclusions elsewhere. The agricultural sector supplied the towns with their basic food requirements and raw materials for which, in return, they received manufactured consumer goods rather than production goods as during the mercantilist transition period. The relations were fairly evenly balanced.

This autonomy of the rural society - we emphasise autonomy and not autarky - hindered the development of capital. It is obvious that rent was not a category of the capitalist mode and that it slowed down the accumulation of capital. Ricardo had already perceived it as the source of a bottleneck which John Stuart Mill was later to express in very precise terms.

This was why capital attempted to reduce progressively this drain on the economy which rent represented. How? Land nationalisation was certainly the most radical way. This was why Lenin regarded it not as a socialist reform but as a revolutionary bourgeois reform. In any case, we have already noted that the measures taken towards local-government ownership of urban lands in the most advanced social democracies were a step in that direction.

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

^{14/} C. Palloix: Problèmes de la croissance en économie ouverte, Maspéro 1969. See also: Le Développement Inégal, Chap. III.

The development of capitalism in agriculture, the theories
put forward by Kautsky, Lenin and Chayanov.

In this field as in others, social democracy reduced Marxism to an economistic level. The end of the 19th century in Europe, in fact, saw the beginning of the third phase of the development of capitalism in agriculture. Social democracy stated, in very simple terms, the law governing this development: competition must gradually bring about the replacement of the peasants by big agrarian capitalists having the necessary finance to start the process of mechanization; concentration of land ownership, like that of capital ownership, is a characteristic tendency of this development.

However, let us look at the good points which emerged from the second International. While the popular version of social democracy saw the concentration of landownership as the only trend of evolution in agriculture, Karl Kautsky analysed the capitalist domination of agriculture in more subtle and surprisingly modern terms.^{15/} Kautsky first noted the fact of resistance to concentration. He expanded on this, showing the contrast between the small peasant farm and the big capitalist farm in terms of "the more hard work...on the part of the worker who produces on his own account, in contrast with the wage earner..." (op. cit. Page 160). He drew the logical conclusion that, as regards the small peasant, "when the price obtained for his products, after deducting his expenses, is sufficient to pay for his labour, he can manage to live; he can forgo profit and ground rent." (op. cit. P. 253). Kautsky explicitly analysed the problem of relations between capitalism and agriculture in terms of political class alliances (op. cit. P.212), in terms not of simple development of capitalist agriculture but of domination of industrial capitalism over non-capitalist or precapitalist rural forms and in terms of actual dispossession although in theory, landownership was retained. Kautsky went on to describe the small peasant as "a serf of industrial capital"

^{15/} Karl Kautsky: La Question Agraire, 1st German Edition 1898.

(op. cit. P. 424). He gave the specific example (an advanced one at the time) of the firm of Nestlé at Vevey whose "inhabitants are outwardly owners of their lands but no longer free peasants."

(op. cit. p. 423). Kautsky also analysed the competition from overseas products noting that "we can divide into two categories the countries whose agriculture produces at lower cost than European agriculture: the plantations of oriental depots and the free or former colonies" (op. cit. P. 363). We shall be looking into these questions later.

As we know, Lenin borrowed extensively from Kautsky.^{16/} Thus it is with the assumption of the law of increasing concentration that he examined the development of capitalism in agriculture in Russia. Concentration of ownership of land and of the means of production, (ox-drawn ploughs) the appearance and expansion of the number of agricultural workers in absolute and relative terms, increasing differentiation within the peasantry and the strengthening of the position of the rich peasants (Kulaks) at the expense of the medium peasants, these were the trends of the system. As a scrupulous observer of reality, Lenin nevertheless noted that these were only general trends. Forms of transition could, for a time, mask the fatal outcome: the outright proletarianization of the peasants. Numerous references could be quoted to substantiate Lenin's insight and sense of nuance in his observations.

However, it was Chayanov who made a shrewd and penetrating analysis of the interaction between capitalism and agriculture.^{17/} Chayanov began with an analysis of the peasant mode of production which is non-capitalist, based on family units of peasant workers, owners of their land whose product is intended mainly for the family

^{16/} Lenin; The Development of Capitalism in Russia.
1st Edition in Russian, 1899.

^{17/} See A.V. Chayanov. The Theory of Peasant Economy, Ed. by D. Thorner and others. Chicago 1966; Peasant and Peasant Societies, ed. by Teodor Shanin, Penguin 1971.

consumption. However, a small fraction of it is sold (to pay taxes and partly to satisfy an urban demand which in return offers manufactured goods in competition with cottage industry products). In this mode, he noted, it is not possible to differentiate between the "factors" of production (land, capital, labour) as is very artificially done in the marginalist theory. The basic unit is both the production and the consumption unit and commodity trading is of marginal importance: rural economists are fully aware that peasant life is not simply concerned with production as the industrial enterprise is, it is as much a way of living as a mode of production. With this in mind, Chayanov introduced the idea that the organisation of production (the quantities of the various products, how intensive the method should be, etc.) depends on how the family's needs are balanced against the hardship involved in the labour. This balance between the two factors is itself dependent on the size of the family (the ratio between non-productive and productive members) and the size of the family plot. And since the size of the family alters in the course of time and so does the plot of land which is altered with every succession, Chayanov concluded that the rural world has a particular differential rate of evolution which he termed "demographic differentiation" in contrast with the class differentiation emphasized by Kautsky and Lenin.

Chayanov's theory was generally not well received. The balance between the satisfaction of needs and the hardship involved in the labour was viewed as an unacceptable extension of Robinson Crusoe's hedonistic economics. Actually, the critics failed to see that Chayanov's analysis was, deep down, the logical result of a pertinent though commonplace observation: the peasant in question is not a capitalist entrepreneur, he does not seek to maximise the profits from his "capital" and to accumulate, but primarily to live off the land which is his own order a peasant social organisation.

In our view, the real problem lies elsewhere. It is to find out the nature of this peasant mode of production and its position among the various types of social formations. To that end, we make the following observations.

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

Mercantilist Europe, from the Renaissance to the end of the 18th century, was eminently suited to the development of a peasant economy of this type. Why? Because the feudal mode constituted an extreme, peripheral form within the family of tributary modes, an incomplete one characterized by the dispersion of the feudal surplus

(feudal rent), its non-centralization and non-redistribution among the state ruling class as in the mature tributary mode. Under these circumstances, the appearance and development of the absolute centralized monarchies of Europe was based on the curtailment of feudal power and its subordination. In this endeavour, the monarchies relied mostly on the traders and the towns but also on the peasants. It was therefore largely through the disintegration of feudal relations that the peasant economy in question developed.

That peasant economy which was largely characteristic of 17th century France, survived for the three centuries of transition from feudalism to capitalism, alongside the mercantilist commercial and manufacturing economy. Physiocracy is broadly the political economy of this, as we have already said.

However, this is not the only form of transition to capitalism. In Eastern Europe, the peasant economy was linked with the large-estate economy in which the production was mostly sold, in particular to Western Europe which was more urbanized. This is why we said that Witold Kula's "Economic theory of the Feudal system" does not correspond to its title, since the large estates in Poland from the 16th to the 18th century were largely producing for the western European market dominated by the mercantile capital of the Hanseatic towns.

It is certainly not nonsensical to speak of peasant economy belonging to the family of simple petty commodity modes. In the history of other peoples in other parts of the world, we find similar examples. New England was basically a peasant economy of that type. And under other circumstances, agriculture in the Arab world and some regions of precolonial Sahelian Africa also belonged to that type.

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

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

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

Thus dominant capital wiped out rent, i.e., abolished land-ownership. It proletarianized the peasant worker. The latter certainly remained the formal owner of the land but he did not have the effective ownership. On the surface, he remained a commodity producer who offered his products on the market, but in actual fact, he was a seller of labour power, this deal being masked under the cover of commodity production. Thus the peasant was actually reduced to the status of a person working at home under the domestic system.

Chayanov elucidated these points although he did not always establish all the links between the various elements of his theory. Comparing the results of agricultural production under a regional organisation with no private landownership (organisation based on the state's possibility to detail agricultural producers to work on individual plots of land) with the result under a system recognizing landownership (Von Thünen's assumption), Chayanov deduced that the first case gave rise to a greater intensification and a faster growth of production, which was hence capable of satisfying a larger urban demand. In this way, he demonstrated that landownership and rent were an obstacles to the development of capitalism.

He laid bare the mechanisms which strip the peasants of their effective ownership of the land, leaving them only with the nominal ownership. From an internal analysis of the various elements entering production costs, he noted that the optimum farm was not the largest farm: under the conditions existing in Russia, 2000 ha. for intensive cereal cultivation and 500 ha. for intensive cultivation of the same crop. Capital domination is therefore not explained by the unlimited concentration of land ownership. It occurred, Chayanov pointed out, through vertical concentration, i.e., the superimposition of food industries forward-linked with a group of medium-range peasant farms which, by controlling the sale of the produce, could effectively manipulate the level of remuneration of the peasant.

Here again, Chayanov may be said to have clearly analysed what happened more overtly in the West than in Russia during his time. This is clearly shown in the works of some French agricultural economists published after the war.^{18/}

Chayanov's analysis of the mechanisms of domination by the capitalist mode over the peasant economy brings in some new elements which were disregarded in the narrow economic analysis of social democracy. Chayanov, in fact noted that ground-rent was high when the land was of poor quality and rural population was of high density. This is easily explained

^{18/} Among others, See M. Gervais, E. Servolin, J. Weil (Une France sans paysans), H. Mendras (La fin des paysans). J. Klatzmann, etc.

in the logic of his system where the peasant - who was not a capitalist entrepreneur - accepted in that case even lower rewards for his labour. Hassan Riad^{19/} analysed the dialectics of "class differentiation" and "population differentiation" in Egypt along the same lines as Chayanov: the evolution conditioned by the combined forces of population pressure and the increasing commercialization agriculture in Egypt led to a continual increase in ground rent rates between 1880 and 1952.

Chayanov's analysis, whatever may be its limitations, brings fresh insight into the problem of domination of agriculture by the capitalist mode of production.

The domination of agriculture by the capitalist mode of production

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

The main consequence of agriculture's subordination was the abolition of ground rent. How was this achieved?

England provides the first historical example of this liquidation which occurred even prior to the beginning of the third phase in question. We know that English capital abolished ground rent simply by liquidating agriculture in England: this was the reason for the repeal of the Cow Laws and the recourse to American wheat which did not have to bear the cost of ground rent. This operation put an end to the class alliance between the industrial bourgeoisie and the big capitalist land owners which had shaped the essential aspects of economic and political life in the first half of the 19th century. In the case of England, large estate ownership was linked with industrial capital which largely made up for the former's loss of its economic importance, as did the maintenance of the political and social privileges of that classe, represented by the House of Lords.

In continental Europe, agriculture's subordination to capital did not occur in the same way. The new industrial bourgeoisie, weaker and sometimes threatened, as happened, early in France and

^{19/} H. Riad, L'Egypt Nassérienne, Minuit pp. 26-31 and 138-149.

much later in Germany, by the rising working class was compelled to form more permanent class alliances with the peasantry which benefited from the bourgeois revolution in France, with the middle strata of the former artisan and trading bourgeoisie of the mercantilist period as in southern Germany and Italy, with the big capitalist landlords as in Eastern Germany, Central and Eastern Europe and broadly speaking in Southern Italy and Spain. The process of subordination of agriculture there is therefore of recent origin, very often occurring after the second world war. The distortion of relative prices at the expense of agriculture, which accompanied the intensified industrialization of agriculture is a typical example of the way in which peasant landownership, while maintained in theory, was rendered ineffective since it no longer produced a rent and reduced the peasant's earnings to that of his labour power.

Conventional economic analysis does not understand this mechanism. It attributes this modification of price structure either to the structure of demand (the low elasticity of demand for food products) or to the market structure opposing the low and dispersed agricultural supply to the concentrated demand of wholesale and food industry oligopolies). These observations are not wrong but they remain superficial and at the level of observed phenomena. Delving deeper into the origin, two conditions are noted which enable this subordination of agriculture, which is manifested by the elasticities in question, to take place.

The first condition is the intervention of dominant capital into the actual process of production in agriculture. This is not the capital deployed in agriculture in the form of equipment utilized in agricultural production. It belongs to the food industries and trading concerns in forward linkage to the agricultural producers. Through the standardisation of products, the

expansion of industrial food processing, the concentration of the networks for collection and marketing, the agricultural producer's production plan is subjected to control by this capital. He is no longer really a free commercial producer producing, in the first place, what he likes and in his own way and later selling a part of it. He is reduced to the status of a proletarian working at home. This interference in the production process clearly indicates that capital is not the sum total of all individual capital. It is more than that; it is global prior to being fragmented. Again, the meaning of capitalism would not be understood if we confined ourselves to a survey of capitalist farms examined separately. The concentration of landed property and the direct proletarianization of the peasant are not the principal path followed by capitalism in developing its relations with agriculture but rather an exceptional path, and a more costly one since it maintains and often reinforces - the drain which rent represents. This path becomes the principal one only when a class alliance favourable to it demands it. For capital has every interest in subordinating the peasantry according to the pattern described by Chayanov with great insight when that pattern had hardly begun to evolve. From it, capital derives not only a better overall rate of profit but also a better political control over society. Remaining, in name only, the owners of their means of production, the peasants build an ideological picture of themselves which separates them from the proletariat. They believe that their interests diverge from those of the proletariat and on the face of it, they are right - since higher prices for their products improve their situation at the expense of the working class consumers: a contradiction develops among the people of which capital takes advantage.

Again, a distinction must be drawn between real ownership, i.e. the control, and formal ownership, i.e. the control, and formal ownership. It has been found necessary to make this distinction in other fields: for example, as regards the limited company which as we know, has given rise to the myth of "popularisation" of capital; and as regards socialism in which the confusion about public ownership enables socialisation - which requires effective control by the workers - to be reduced to state ownership, etc.

The second condition underlying the subordination of agriculture is of a political nature. Capital can only give up its class alliance with the landed aristocracy if it can replace it either by a social-democrat integration of the working class or some other class alliances. The first case no doubt applied to Northern Europe and the United States. The path for this development was smoothed by the old social-democrat tradition of England (sustained by the immense and long-standing size of her colonial empire), that of Scandinavia (encouraged by the limited extent of feudalism in that part of Europe, particularly in Sweden), and that of Germany, (encouraged by the destruction of communism by Nazism and the force with which nazism was rejected in the form communism took in East Germany). In North America, the integration of the working class took place even before that class had defined itself politically and ideologically. This did not occur in southern Europe (France, Italy, Spain, Greece) where the working class has never really had a share in political power, since this was a threat to capital as shown by the repeated short-lived experiments of the Popular Front movements. Thus the development of capitalism occurred under the authoritative régimes of the right wing (from the Second Empire to the rule of

de Gaulle Franco, Italian facism, etc.) which relied on the peasants, the petty traders, the notables and the big landlords, the urban speculators etc., depending on the case. During the last period of rapid development in this region of Europe (1948-67), the illusion was fostered that capital could free itself from these alliances by replacing them by alliances with the upper crusts of the new "proletariat" made up of cadres and technicians, through a policy of deliberately accentuating the inequality in income distribution. May 1968 in France, like the creeping "May" movement in Italy, demonstrated the ideological failure of this attempt, the narrow base of the social democrat working class, and forced capital to seek other alliances with the parasitic sectors of the new "petty capitalism" of the tertiary sector, the urban speculator group, etc.

But the subordination of agriculture is now increasingly taking place on a world scale. The discussions which took place during this seminar clearly showed this, not only with regard to Tropical Africa which was the focus of this gathering, but also with regard to other regions of the Third World to which reference was often made for comparative purposes.

It is only in the last few years that the integration into the world capitalist system of countries which have now become underdeveloped has begun to be the subject of a scientific, coherent and systematic analysis. The outlines of the theory of the centre and the periphery in the world system have now been developed starting with a systematic criticism of the conventional approach to "underdevelopment" (one of the fields in which social science studies have most clearly failed) and with a critique of the linear vision of development characteristic of the mechanistic philosophy underlying the dominant economic ideology, this theory has now formulated

in positive terms the nature and mechanisms of world accumulation and unequal development. The criticism, of Rostow and of "dualism", the debates on dependence, "extraversion" and unequal exchange, and those relating to the periodisation of the development of capitalism as a world system, are the steps in this formulation.^{20/}

Possibly because of its recent origin this formulation, in spite of its wealth of ideas, does not come readily enough to mind when dealing with any particular aspect of "under-development". But if there is one decisive result emerging from the theory of the world system, it is precisely that the unity of the system (in no way implying its homogeneity, on the contrary) is predominant, i.e. it ultimately determines the nature of the components of that system. In other words, we would be making a fundamental mistake if each time we studied a particular phenomenon of the Third World, we looked for its "cause" on the Third World itself instead of placing it within the dialectic of the world system. An almost unending list of such mistakes can be established. For example, there is the debate relating to "marginality" opposing the views of those who regard it as a phenomenon peculiar to the periphery and those who consider it as the effect, within the periphery, of the law of accumulation. There is also the debate on the relations between the State and social classes, opposing the views of those who define these relations in their immediate local context and of those who place them in a world context. There is the critique of the theory of spatial planning and regional development inappropriately transferred from the centre to the periphery. These are

^{20/} References are to W.W. Rostow (The stages of economic growth, 1960); for a bibliography concerning these debates, see S. Amin: Le Développement Inégal, op. cit.

all good examples of such blunders.^{21/} We feel that the analysis of the relations between the development of capitalism and agriculture at the periphery of the system may suffer the same fate.

Since capitalism at the periphery is the result of an external aggression, and not of an internal evolution, the first phase referred to above does not occur in it. We know that in the underdeveloped countries, there is no agricultural revolution prior to industrial revolution, as in Europe; on the contrary, the order is reversed: what we call "the green revolution" is a contemporary phenomenon. Daniel Thorner rightly noted that there was a nucleus of rich peasant - of the Kulak type - in India as early as the 19th century but that the Kulak class became significant in the Indian society only since the "green revolution" i.e., within the last ten years.^{22/} Broadly speaking, the agrarian reforms which gave rise to this type of rural capitalism became widespread only after the second world war.

Capitalism was first introduced into the periphery through comprador trade in the hands of foreigners (the colonial companies and the Asian minorities in Tropical Africa) or of nationals (in Latin America, the East and Asia) and later, through the export of capital in mining and plantation agriculture owned either by settlers (French Maghreb, Kenya, Rhodesia and South Africa) or by foreign companies established under colonial or semi-colonial concessions (United Fruit in Central America) Unileve in Belgian Congo, Firestone in Liberia, various types of European tea and

^{21/} For a bibliography relating to the debate on marginality, see Le développement inégal, chap IV. For a critique of spatial theory, see Barbara Stuckey: l'analyse spatiale et le développement économique, Espace et Société, 1er trim 1974.

^{22/} D. Thorner: The emergence of capitalist agriculture in India. Doc. Cit.

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

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

At this stage which has not yet been really superseded in the Third World and still less in sub-Saharan Africa, the main functions of the so-called "traditional" rural society, actually already subordinated by the capitalist mode of production established in other sectors than agriculture and dominating the entire society, are the following: 1) to supply cheap labour to the mining industry and to the plantations, 2) in addition, to supply food cheaply enabling the value of labour power to be reduced in the directly controlled capitalist sectors, 3) to enhance the real value of "luxury" consumption of the privileged groups (comprador and bureaucratic bourgeoisie, etc) particularly through the supply of cheap services (domestic, etc.)

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

In sub-Saharan Africa, the variety of economic and political measures employed bear important characteristics which we have studied in relation to the structures of dependency which they have developed. We distinguished between three types of policies for the transition to under-development which correspond roughly to three regions of the continent south of the Sahara:^{23/} the colonial trading system of West Africa, 2) the system of concession-owning companies of the Congo basin and 3) the system of reserves in Eastern and southern Africa. In that context, we also analysed the phenomena of unequal regional development (the genesis of countries and regions termed "least developed")^{24/} and those of migration in West Africa^{25/} arising from it and expressing the domination of capitalism over rural societies which, while retaining their

^{23/} S. Amin: Sous-développement et dépendance en Afrique noire, Tiers Monde, n° 52, 1972.

^{24/} S. Amin: UNCTAD III: A critical appraisal-Bulletin of Peace proposals, N° 3, 1 & 72 Oslo.

^{25/} S. Amin: Contemporary migrations in West Africa. O.U.P. 1974.

precapitalist appearance, are no longer really such, after being so distorted and transformed.

In the next stage, the pressures of urban capitalism leads to great changes in the rural world. In Latin America, in the Arab countries of the Middle East and in Asia, the era of agrarian reform begins. More or less radical, they became generalised after the second world war, with independence in India, with the wave of petty bourgeois nationalism in the Arab world in the fifties, with the populist movement and especially that of "desarrollismo" in Latin America, also in the fifties. It was these reforms which, in bringing to an end the former class alliances between foreign capital and the big landowners, replaced them with the new triple alliance between foreign capital, the local urban bourgeoisie (private and/or state) and the Kulaks. They formed the social basis of the green revolution which followed.

In sub-Saharan Africa, the pattern of evolution in Agriculture is different: there is no social disruption similar to that caused by agrarian reform elsewhere but only an extension and a more intensive application of the colonial trading system.

The reason for this peculiarity is to be sought in the nature of the class alliances under colonialism in Africa and the patterns of their neo-colonial renewal. The Colonial administration must not simply be seen as an apparatus for the domination of the regions conquered. It fulfilled crucial economic roles which led P.P. Rey to speak of "colonial mode of production"^{26/}. European imperialism

^{26/} P.P. Rey, colonialisme, neo-colonialisme et transition du capitalisme", Maspéro, 1971.

certainly met with a variety of societies ranging from the type which had almost no class structure to advanced tributary societies (termed ~~feudal~~). But it was always confronted with comparatively weak societies in terms of human population and the degree of their state organisation. This was largely due to the debility which sub-Saharan Africa suffered as a result of the slave trade: ethnic fragmentation and break-up of large states, reduction of the population, etc. Under these circumstances, the colonial power could directly assume control of the social life of the peoples conquered, giving less importance to its alliance with the ruling classes of these societies than it did in the colonial Asian or Arab world or in independent Latin America and Asia. Not that such alliances did not exist in sub-Saharan Africa. During the first period, i.e. the conquest and the occupation which followed, they played an important part in the strategies used to establish foreign domination. But they lost importance as the occupation became secure, becoming secondary to direct administrative rule.

The colonial administration thus fulfilled economic and social functions which elsewhere were fulfilled differently by the local propertied classes. Here, through administrative measures, it channelled the population into small reservations, as was the case in Kenya and southern Africa. Elsewhere, it took over from the concession-owning companies which were real private administrations. Though the imposition of money taxes, it also introduced forced labour and compulsory crops and the establishment of the "économie de traite". When it developed class alliances with the local ruling classes, these alliances served to reinforce its direct intervention.

It was these direct economic functions of the colonial administration which moulded the nature of the "économie de traite", a concept over-simplified and badly understood even if it is recognised. Anglo-Saxon economic terminology does not even have an expression for "économie de traite", badly translated as "trade economy", which is meaningless. In the French-speaking world, the expression as it was introduced after the war by Marxist geographers, in particular Jean Dresch, lost its true meaning as it became more widely used. Its meaning was reduced to describe an economy characterized by peasant producers' specialization in export crops (groundnut, cotton, coffee, cocoa, etc.) exchanged against mass consumption manufactured goods (textiles, hardware etc.), with the colonial trading firms having control of the trade in both directions. This description is correct but insufficient. To stop here would imply that the extension of the "économie de traite" is achieved through the "normal" economic laws of comparative advantage and that the persistent poverty of the producers is attributable to the obvious monopoly of the colonial firms in question.

But the "producteur de traite" (producer under that system) is not a petty commodity producer in spite of appearances. The administration and capital intervene in the productive process and actually control it. There is a host of administrative measures employed to force the peasant to produce what is wanted and in the manner desired: from pure and simple compulsion to the slightly more subtle approach of taxation in money form while the authorities were only prepared to buy one particular product from him. There was also the compulsion arising from the action termed promotion or modernisation of the "rural training" services - agricultural extension accompanied by the practically compulsory purchase of equipment (ploughs, seed-drills, hoeing equipment, insecticides,

fertiliser, etc.) - "provident societies", "cooperatives", etc. The constant interference of the administration in the productive process ensures and supplements that of capital: both the "visible" part of that capital - colonial trade and minor agents, transport and the "invisible" part, the submerged part of the iceberg, i.e., the capital of the processing industries located in Europe or on the coast of Africa. Again, capital is social prior to being fragmented.

Thus dominated, the "producteur de traite" is stripped of the real control of his means of production. In theory, he remains the traditional owner of the land and owner in the bourgeois, individual sense, of the equipment. However, he is not in control of his production nor can he decide what to produce on the basis of comparative prices. He is therefore not really a commodity producer. His remuneration does not include either compensation for his ownership of the land, i.e. ground rent, nor a "return" on his "capital" but is reduced, under capital domination, to the value of his labour power, and sometimes below this. Productivity gains induced by the much vaunted improvement brought about by the agricultural extension services are immediately taken back through price deterioration: this is the carrot dangled at the end of the stick. The consequences of this situation are known: the wastage of land through mining exploitation, the peasants' resistance to proposed "modernisation", etc. A peasant reduced to this status is a semi-proletarian. A proletarian, because he is subjected to capital exploitation, extracting his surplus-value. A semi-proletarian because he retains the appearance of a free commodity producer. Objectively proletarianized, the peasant remains a small producer, in terms of class consciousness.

Independence has brought no change whatsoever to this system. The new African government fulfils the same functions as the former expatriate administration. Hence we have the importance attached to education, its forms, the recourse to the foreign language and, arising from these, the characteristic alienations that occur in the course of reproduction of this class.

This class, like the administration it takes over from, is not only a bureaucracy: it intervenes in the process of production by the peasants whom it dominates. This is the neo-colonial content of the African variety of the renewal of the system.

This type of capital domination over agriculture is not particularly advanced though it is highly profitable since, in spite of the low levels of productivities it gives rise to, the remuneration to labour is so low that prices remain competitive. This explains the lateness of "green revolution" in tropical Africa. This profitability is obtained at the cost of exhaustion of the soil, deforestation, desert encroachment, laterisation which are suddenly revealed in a drought. It is also obtained at the cost of a reward to labour below the value of labour-power which can be wasted as seen in the exceptional level of mortality, malnutrition and famine resulting from the fall in food production, rural depopulation, etc.

As to the forms of this "economie de traite", there are many of them. Broadly speaking, there are two categories of "economies de traite": the plantation economies and the others. Pinpointing the plantation zones on the map, we showed the obvious correlations existing between the expansion of these plantations and several other factors, among others: 1) a certain hierarchic division

within the precapitalist society which permitted a local class alliance favourable and ready to accept this strategic objective, 2) an average population density of 30 inhabitants per sq. km., 3) the possibility of bringing in migrants foreign to the ethnic group of the plantation zone to initiate the process of proletarianization. We also distinguished between two sub-categories of plantation economies in relation to these factors: Kulak capitalist plantations as in Ghana and the Ivory Coast and the family micro-plantations as in the Cameroon, an assumption later confirmed by Weber's analysis. As for the second category of "economies de traite", i.e., the "poor" Savanna type, it also takes different forms which we have pointed out. In predominantly muslim areas, it frequently takes the forms of religious brotherhoods and sultanates (Mouride in Senegal, Ashiqqa and Khatmia in the Sudan and the Emirates in Nigeria) which presupposes a class alliance with the leaders of the religious brotherhoods prepared to serve it. Another form, common in the regions where such an alliance is not possible, is characterised by the presence of so-called "intervention" companies, CFDT (French company for the development of textile industries) and others of which we made special mention during a seminar in Upper Volta.^{27/}

Has the "economie de traite" entered a period of grave crisis which heralds its decadence and imminent collapse? By what type of economy will it be replaced?^{28/} Peasant cash-crop agriculture in the dry zones of the Sahel and the African Savanna regions has been competitive, in spite of its low productivity, only because the peasants have received incredibly low rewards for their labour. Following the general law of unequal international specialization

^{27/} S. Amin: Le développement du capitalisme en Afrique Noire, in *En partant du capital*, Anthropos 1968; Weber, mimeographed Article; IDEP, 1973.

^{28/} I must thank Rolf G. Atavsson who has assembled a considerable literature on the subject and drawn my attention to these changes in progress.

example, the gap between the earnings of African peasants producing groundnuts and those of soya beans producers (these being mutually substitutable oil-yielding crops) was even greater than the gap between the productivities of peasant groundnut production and capitalist soya bean production. A pauper economy of this type was only possible through a gradual exhaustion of the soil by mining without any concern to restore its productive capacity. It was also accompanied by an over-exploitation of the peasantry, reduced to a level of subsistence verging on starvation. The continually worsening conditions of the "economic de traite" were bound to lead some day to its disappearance. The poor rainfall cycle of the last few years has revealed the destructive nature of this system which has suddenly brought about the starvation of the peasants.

What type of agrarian economy will replace these primitive forms of colonial exploitation?

In agriculture, it would seem that irrigated farming will be more intensively practised with the use of more modern means (machinery, fertilizer, etc.). This intensification of farming will certainly cause land ownership to become a more important element of social differentiation than had been the case until now in extensive dry farming. This intensification is the precondition for bringing to tropical Africa the "green revolution" which, as we know, has accelerated class differentiation. Similarly in stock-farming, the trend is likely to be a gradual change-over from semi-nomad extensive harding to raising animals on ranches. In an article written with incredible cynicism, by an anonymous correspondent, in the English journal "The Economist",^{29/} we are told that the African Sahel is eminently suited to the production of meat for the developed world and that this "vocation" implies the disappearance of the semi-nomad herdsmen who form the present

^{29/} The Economist, Oct. 6, 1973: The golden calves could help us all - from a special correspondent.

population. The new ranches which are increasing in number throughout the world under the impact of "agro-businesses" and foreign "aid" and which have priority for the use of water resources in fact only require a very small amount of labour. When deprived of water, these superfluous herdsmen will disappear. Thus African agriculture and stockfarming, boosted by the "green revolution", will contribute towards feeding the Europeans while the local populations, becoming redundant, will be asked to emigrate or disappear.

One conclusion needs to be drawn: in its various forms, capital's domination over African agriculture is already a characteristic feature of rural life throughout the African continent.