

a new type of harmonious labor relations.

[JP] HIROSHI UCHIDA

Contact Information:

Email Address: BQE03244@nifty.ne.jp

Hiroshi Uchida, Born in 1939, Gunma Prefecture, Japan, who obtained PhD Doctorate in Economics from Senshu University in 1991, is professor in Faculty of Economics at Senshu University, Tokyo, Japan.

His recent books include:

A Study of the Grundrisse, Shinhyoron, 1982; new edition Ochanomizushobo publishers, 2005 (Japanese).

MIKI, Kiyoshi: Imagination (Einbildungskraft) of Individuality, Ochanomizushobo publishers, 2004 (Japanese).

A Study of the Grundrisse, [New expanded version], Beijing Normal University Press, 2007 (Chinese in preparation)

(ed.) A New Marxology Lexicon, Kobundo publishers, 2000 (Japanese), 2006 (Korean).

(ed.) The Essence of MIKI, Kiyoshi (Anthology), Kobushishobo publishers, 2000 (Japanese).

(ed.) Marx for the 21st Century, Routledge 2005 (English).

(ed.) MIKI Kiyoshi on the East-Asia Cooperation (anthology), Kobushishobo publishers, 2007 (Japanese).

His recent articles include:

‘The editorial problems, primitive accumulation and reification problem in The German Ideology’, mimeo, 2004 (English).

‘The significance of Hiromatsu’s edition of The German Ideology in the light of Marx’s making process of Capital’, Jokyo (Situation), 2007, May Special issue (Japanese).

Marx's Theory of History Reappraised

[JP] Hiroshi Uchida

I. Introduction

Marx's theory of history, as set out in the chapters on 'primitive accumulation' in *Capital*, is still valid when expanded into a historico-theoretical conception of the capitalist mode of production worldwide. His account of primitive accumulation, especially in Chapter 24 'So-called primitive accumulation' in Volume One and in Chapter 47 'Genesis of capitalist ground-rent' in Volume Three (Marx 1965, 1966), should not be read simply as a history of English capitalism as a unique phenomenon. In *Capital* Marx (1965: 8) identified England as the 'classic case' for his study of *capitalism in general*. He argued that advanced English capitalism presaged the future for other developing nations; he maintained that vision from the time of his early works in the 1840s. His account of primitive accumulation thus has the potential to generate a theory of history that would enable us to understand the structure and trends of primitive accumulation in contemporary developing nations. His theory reveals that these nations are following basically the same path as past Western primitive accumulation. In the process of primitive accumulation, capitalism generally forms 'rentier-state capitalism', sometimes referred to as 'developmental dictatorship'. Early English capitalism offers a classic example of 'rentier-state capitalism'.

II. The Rise of Capitalism

Marx writes that industrial capital, having outgrown older modes of production, is derived from an articulation of *monetary funds*. These have been accumulated in the hands of merchants, so largely concentrating *labor power* and *technology* and thus causing guilds to reorganize. Industrial capital generates manufacture *par excellence*, especially the production of *luxuries*, such as glass, metal and ships, etc., for large-scale foreign trade. However, it was the peasants' ancillary work in spinning wool or weaving woollen clothes, articles of *necessity*, which enabled manufacture to rise on its first broad basis. This rural manufacture originated as a transitory form in the putting-out system between merchant managers and peasants who did the weaving. Later, merchants deprived peasants of *land* and organized them as wage-workers in manufacture (Marx 1973: 510-11; Marx and Engels 1974: 98ff). 'The old self-employed possessors of land themselves thus give rise to a

nursery [eine Pflanzschule] for capitalist tenant, whose development is conditioned by the general development of capitalist production beyond the bounds of the countryside' (Marx 1966:807; italics HU).

In generalizing Marx's view of the formation of the capitalist mode of production, I suggest that there are four elements:

(1) **Monetary funds**; (2) **labor power**; (3) **technology**; (4) **land**.

These are organized into commercialized forms for profit. Technology and monetary funds are determining factors that I will illustrate with several examples below. Technology is the *material* mediator for labor power in action and the means through which labor gains higher productivity. Monetary funds are the *formal* mediator for commercialized elements of labor power and the means of production, because they embody *technology* in order to raise profitability. Contemporary transnational capital is powerful enough to integrate developing nations into the world capitalism system, because it monopolizes technology and monetary funds. Commercialization of land, labor power and technology, the manifestation of money, and the establishment of the capitalist mode of production, are simultaneous. Capitalist commercialization begins with the commercialization of land.

Land is the most basic element in the formation of capitalism in which almost all existence tends to be commercialized. When serfs purchased a long-use right to land from a feudal landlord, they became independent and the land was commercialized. Thus agriculture became commerce, and its products, that is, the means of life and the materials for industry, began to be commercialized, moving from a surplus part of the whole product to a necessary part.

When the necessary part of the product started to be commercialized, **labor power** inevitably became a commodity, because it was reproduced through the consumption of the necessary and now commercialized means of life. After agriculture became commercialized, industry also changed in this way. Industrial **technology** had been prepared for this through a proto-industrial age that then advanced through the period of the industrial revolution. During this revolution, technology was developed not by 'workmen in manufacture, but by learned men, handicraftsmen and even peasants' (Marx 1965: 348). The industrial revolution drastically changed agriculture as commerce: 'Modern industry alone and finally supplies in *machinery* the lasting basis of capitalist agriculture, expropriates radically the enormous majority of the agricultural population, and completes the separation between agriculture and rural domestic industry' (Marx 1965: 748-9; italics HU).

Later, the development of technology brought higher profits, and technology itself became a commodity. Money was invested in research and development, and technology was socially utilized with a royalty on inventions. Military demand accelerated industrial development and established a 'military-industrial complex' (McNeill 1982: 223 ff.).

Monetary funds were accumulated in the hands of merchants during the Middle Ages. The European continent received an abundant supply of gold and silver from the new

world, revolutionizing prices in the seventeenth century. The gold rush of the nineteenth century met the needs of monetary funds in commercializing almost all wealth. Thus all four of the basic elements of the capitalist mode of production, i.e. land, labor power, technology, and monetary funds, were commercialized, producing rent, wages, royalties and interest, respectively. The ways in which the four elements are obtained depends on the historical stage of development of world capitalism. English capitalism developed *technology* by itself, and obtained other elements from within and without, whereas contemporary developing nations provide *land* and *labor power*, both of them available in abundance at cheap prices, for transnational capital, which in turn introduces the determining factors, *monetary funds* and *technology*, that are in its possession.

Workers' conditions were divided into four stages in English economic history. They were (1) **unfree as serfs** in the Middle Ages, (2) **free as independent peasants** for a short period about the beginning of the sixteenth century, (3) **unfree as wage workers** under the 'bloody' legislation introduced between the first half of the sixteenth century and the middle of the nineteenth century, and (4) **free as wage workers** from the middle of the nineteenth century when they obtained citizenship.

Amongst many other kinds of unfree workers, serfs became free peasants independent from feudal landlords by purchasing *land use right* for a long period. After enjoying 'a golden age' of short duration around the beginning of the sixteenth century, peasants were then organized as *unfree* wage workers in manufacture *par excellence*, the point at which Marx set the beginning of capitalist mode of production. Under the later 'bloody' legislation, they became subordinate. Despite bourgeois revolutions in the seventeenth century, most English wage workers were unfree and so without modern civil rights about for 300 years, until the middle of the nineteenth century, when wage workers emancipated themselves through civil conflict. This was the *second civil revolution* in England in solidarity with the Chartists under the influence of the French Revolution since 1789 to 1848. The 'bloody' legislation had been introduced in order to maintain absolute monarchy. However, it had an the unexpected effect of forcing proletarians, violently separated from land and community, to become *unfree* wage workers, and of making wages cheaper to accumulate monetary funds. In the age of manufacture *par excellence*, when the capitalist mode of production had become strong enough to render legal regulation of wages impractical and unnecessary, the ruling classes were unwilling to renounce the old weapons in critical situations. The history of labor legislation had already begun in 1349 with the Statue of Laborers of Edward III, and it ended in the 1813 with the repeal of wage regulation and in the 1825 laws against trades unions. Referring to the primitive accumulation chapters of *Capital*, Mochizuki divides the founding process of the capitalist mode of production into three stages, *starting* with its foundation, an *acceleration* of the process and then *adding* the basic elements of the capitalist mode of production, labor power and monetary funds etc. (Mochizuki, May 1982). Contemporary world capitalism is

still *adding* labor power from the peripheral countryside to developmental dictatorships in peripheral cities or to capitalist world cities in the centre in order to continue the expansion of capitalist mode of production. Developmental dictatorships force wage workers into unfreedom and enforce cheap wages through oppressions similar to the ‘bloody’ legislation.

The role of the early bourgeois state was indispensable for *accelerating* the establishment of the capitalist mode of production, in order to win commercial wars against foreign rivals. The state constructed modern tax systems, transportation-communication systems, the education system and sanitation, and introduced factory regulations, a protection policy for domestic industry, a colonial policy, as mentioned in the primitive accumulation chapters of *Capital*. The state was under the rule of the landed class who utilized land rent or merchants’ profit gained by investing land rent in commerce. Therefore, the early English state was a *state for primitive accumulation*, in other words, a *landowner-monarchy (squirearchy)*, after Jiro Iinuma’s categorisation of English capitalism from the early sixteenth century until the 1870s (Iinuma, March 1978: 125), or ‘landowner-system based capitalism’, after Kenji Kawano’s characterization of the agrarian capitalism of England or France (Kawano 1966: 39).

III. Developmental Dictatorship as Rentier-state Capitalism

The landed class distinguished themselves from other rentiers, because they took the initiative in supplying from the agricultural sector the four main elements of the capitalist mode of production, or introducing monetary funds and technology from transnational capital, utilizing land rent. The redefinition of ‘rent’ and ‘rentier’ opens up a new perspective and scope for locating on the same long transitory stage of primitive accumulation not only contemporary developing nations, but also Western agrarian capitalism of the past. So-called ‘developmental dictatorship’ that aims for capitalist industrialization under a *dictatorial party-state* armed with the military (Marx 1965: 750 ff) can generally be observed in the history of primitive accumulation, both in present-day developing nations and in Western nations of the past. The concept of ‘developmental dictatorship’ can be illustrated with examples not only from contemporary developing nations, but also from the history of Western nations. Even socialist nations like China in its ‘Socialist Market Economy’ or Vietnam in its ‘Doimoi developmental strategy’ may also be categorized under developmental dictatorship (as detailed below). This is a system where the *landed class* or bureaucrats in a *landed state* establish the capitalist mode of production. The state that supports or accelerates the formation of capitalism is termed a ‘rentier-state’ in order to analyze the elements and roles of the state.

The rentier-state is categorized into the following two types.

(A) States ruled by a *landed class* or *rentier (A-1)* who owns most national land as

private property, expropriates *rent* (land rent) from peasant tenants, grasps political power in the state by paying part of the *rent* as land tax to the state as *rentier (A-2)* for constructing infrastructure, and turns the rest of the *rent* into funds for obtaining and organizing the four elements of capitalism.

(B) *Landed states* or *rentier* that immediately own and rule the entire national land as *state property* and gain *rent* (land tax) by releasing a right of land use to the nation or transnational capital especially for *monetary funds* and *technology*.

Rentier in state (A) are categorized into a *landed class* or rentier (A-1) and *the state* or *rentier* (A-2). The state expends *rent* (land tax), supplied by the landed class for capitalist industrialization, having extracted it as a land tax from peasants. Rentier in state (B) is the state itself extracting *rent* as land tax immediately from peasants. When private ownership of land changes into state-ownership, the landed class (A-1) ceases to exist and the state (A-2) is replaced by state (B). The landed state (B) then separates itself into the landed class or rentier (A-1) and the state or rentier (A-2), when state ownership of land (B) changes into private ownership. When the state (A) or the state (B) colonizes other nations, the state (A) or (B) becomes the imperial state (A') or (B'); as the Victorian British state (A) occupied India, or the prewar Japanese state (A) dominated Korea, or the Soviet Union (B) ruled East European nations under the Warsaw Pact and COMECON.

In spite of the difference in land ownership, whether private property or state property, the *landed class* or *landed state* share the same mission to found the capitalist mode of production. They are forced to become the head of the rentier-state, utilizing agricultural surplus as basic funds for constructing the economic, political and social infrastructure, and investing in capitalist industrial sectors. Agriculture ruled by the landed class or the landed state supplies food, industrial materials (including mineral resources, such as *oil and gas*) and labor power to the capitalist industrial sector, and it simultaneously supplies manpower as bureaucrats and members of military forces of the *state for primitive accumulation*. Both states maintain ideological national integration in order to maintain political stability for the founding of the capitalist mode of production.

IV. Rentier-state Capitalism Illustrated

This section illustrates the concept of rentier-state capitalism by giving several examples of nations in the process of primitive accumulation.

England. From the civil revolutions of the seventeenth century until the 1870s English capitalism has been a *rentier-state*. Landowners, merchants and moneylenders exercised hegemony in the early English state in order to establish a capitalist industrial sector. The Petition of Right of 1628 originated the principle that a land tax should be imposed on landowners as law through Parliament, and so the king's household and the

treasury should be clearly separated from this. ‘The socio-economical significance of the bourgeois revolution exists in the *legal* establishment of private property’ (Iinuma, March, 1978: 120; italics HU). Marx paid attention to the Treasury (*Fiskus*) as early as *The German Ideology* (Marx and Engels 1974: 104) and the *Grundrisse* (Marx 1973: 509). He recognized the English state *de facto* as a *rentier-state*, both domestic and foreign; indeed, he detailed the facts in Chapter 35 of Volume Three of *Capital* and in his essays of the 1850s on current events. In his theoretical perspective, English capitalism needed to rid itself of the aspect of *rentier-state* and would become industrial capitalism; at the same time, he realised that English capitalism was in fact maintaining this aspect even in 1870s.

English capitalism began economic development and improvement under the English constitutional monarchy from the time of the Glorious Revolution of 1689. English large-scale landowners were not feudal, but rather belonged to a bourgeoisie that was progressive in agricultural commodity production and in the business of commerce and finance. They developed agriculture in order to provide an advanced industrial sector with labor power, food and materials; thus they enjoyed a *Golden Age* (1850s to 1870s) and so shared interests with the industrial bourgeoisie until the 1870s. Therefore, English capitalism in the nineteenth century, during Marx’s period, was built on a class alliance between industrial capitalists and the landed aristocracy. Industrial capitalists constructed a structure of coal, steel, machine and cotton industry that reproduced itself. However, even after the middle of the nineteenth century, capitalists were not entirely independent of commercial, landed and monied interests in the economic sphere, because industrial capital required monetary funds. Monetary funds were supplied to industry by landowners and commercial capitalists through the City of London. Capitalists were thus further dependent on loan-interest for export of their products and import of materials and foods for their industry. Revenue from rentiers holding national-bonds flowed as money funds to merchants and industrial capitalists. With networks of commerce, railway, marine trade, telecommunication, insurance, and material productive powers, England extracted huge *rent* in the form of dividends, share-allocations and interest from within and without England, India, Australia and the South and North America. English capitalism built world order as a *Pax Britannica* and grasped worldwide hegemony, as the London Exhibition of 1851 symbolically demonstrated. Marx noted this spectacle (Marx and Engels 1978: 500). ‘England is the demiurge of the bourgeois cosmos’ (Marx and Engels 1978: 509).

Japan. From the Meiji Restoration (1868) until defeat in World War II (1945) Japan was a *rentier-state capitalism*, founding itself on a revision of the land tax system (1873-1881). This was a springboard for funding capitalist industrialization. Japan was an articulation of three sub-systems: the Emperor state, the landowner system, and the capitalist mode of production in formation. Japan had to accelerate and compress the process of capitalist industrialization under pressure from the Euro-American powers. It was almost in the same situation as nations on the periphery of Europe (Berend and Ránki

1982) and non-Euro-American nations. This included severe regulation of the civil liberties of Japanese working people by a strong oppressive state power, like England during the period of manufacture *par excellence*. State bureaucrats took over leadership in establishing capitalist industrialization. They were social elites or intellectuals; some of whom were educated in advanced nations, as can be observed in many other developing nations. Bureaucrats protected the landed class in order to expropriate high-rate rent in kind from peasant tenants, and they established a finance system in order to transform this land tax into monetary funds for industrial sectors, or public funds for infrastructural development. This forced the agricultural sector to supply not only *monetary funds*, but also *labor power*, food, industrial materials, and so almost all resources necessary to build up capitalist industrial sectors. Japanese capitalism during the period 1868-1945 may be termed 'landowner-monarchy capitalism', or 'rentier-state capitalism'.

The Meiji state expropriated huge amounts of common land in villages dating from the Edo era of the seventeenth century into Meiji-era state property. State-owned land comprised 67.5% of all land in 1883, but decreased to 51.6% in 1924 (Inoma 1930: 118). During these 41 years (1883-1924), 16.9% of state-owned land was sold off to Japanese nationals, private companies and the Meiji Emperor (Ten'no). This decreasing trend in state-owned land indicated an expansion of the sphere of industrial capitalism. The government deeded the Meiji Emperor vast lands of 365,400 hectare *gratis*, that is, 3.7% of the gross area of Japan (Toda 1947: 77). The General Headquarter of the Japan Occupation Army reported just after World War II that the household of the Emperor accounted for about 1,590,615,500 yen at current prices. 'It gives an evident characteristic of the Emperor in the period of "landowner-monarchy" that he was both the biggest landowner *and* capitalist of prewar Japan' (Iinuma, March 1978: 129; italics HU).

[Note: The present report is rearrangement of my article in my edition *Marx for the 21st Century*, Routledge 2004. Full text will further illustrate concept of rentier-state capitalism in case of Iran, Taiwan and China, and add References.]