

Dark Designs: The Transformation of Peasants into

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**Capitalism: Classical Political Economy and the
Secret History of Primitive,
Factory
Workers Invention
of (Accumulation Duke University Press)**

Michael Perelman, *The
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Capitalism:
Classical
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1. Michael Perelman's *The
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provides a necessary albeit insufficient counterweight to the existing hagiographies of the classical school of political economy. The belief that Adam Smith, David Ricardo, and other classical political economists were uncompromising proponents of laissez-faire policies towards the regulation of markets has come to be

accepted even by many Marxist scholars (p. 1-2). Perelman sets out to discredit the dominant interpretation by documenting that Smith, Ricardo, and others actively advocated policies to deprive small-scale producers of their traditional means of support. The aim of the economists' activism was to transform self-sufficient peasants into wage earning factory workers. According to Perelman these thinkers did not advocate a gradual or voluntary approach for the transition to a market economy. Rather, Perelman argues that the classical political economists supported "brutal acts associated with the process of stripping the majority of the people of the means of producing for themselves" (p. 2).

2. Perelman believes that the classical political economists only revealed their true preferences in their diaries, letters, and more practical writings. He appropriately fixes his gaze upon these marginal texts in order to reveal the "secret history of primitive accumulation." Perelman is not content to scrutinize the canonical authors of the classical school. He seeks to expand the scope of the classical school beyond the work of Adam Smith and David Ricardo to include the works of authors such as Sir James Steuart and Edward Gibbon Wakefield. He states that the new emphasis will highlight important lessons from classical political economy and reveal a deliberate attempt to ignore the heartless heritage of the classical school (p. 8). While the expanded and refocused scope is laudable, it does create difficulties for the lay reader. The reader is not provided with even a minimal set of criteria to judge whether a scholar was or was not a member of the classical school. The author seems to consider distinct groups such as the French Physiocrats as affiliated with the classical political economists. Even the appropriation of Sir James Steuart as a classical political economist could be contested given the importance of the statesman in Steuart's work. Additionally, Perelman cites such a wide array of authors from Thomas Hobbes to Alfred Marshall in order to support his arguments that a reader unfamiliar with the history of economic thought can easily become confused.

Primitive Accumulation

3. The author sets out to demonstrate that primitive accumulation was a critical force in the development of capitalism and that the classical political economists supported this process. The concept of primitive or previous accumulation connotes a brutal, pre-

capitalist form of accumulation that set the stage for the silent compulsion of capitalism. By separating common people from the means of providing for themselves, the process of primitive accumulation functioned to increase the supply of individuals dependent on wage labor for survival. A system of stern measures, such as restrictions upon hunting, reinforced the capitalist economy by keeping people from finding alternative survival strategies outside the system of wage labor (p. 14, 46). As the labor supply increased, the wage rate fell, further enhancing the development of a capitalist economy. For several decades Marxist historians have documented the process of primitive accumulation that preceded the industrial revolution in England. However, these scholars have not traced the complicity of classical political economists in accelerating the assimilation of peasants into factory workers.

4. The connivance of the classical political economists in the process of primitive accumulation is difficult to demonstrate. Clearly, the political economists showed a degree of contempt for the "idle peasantry". Of course, Smith showed a great deal of disapproval for the idle and unproductive gentry as well. However, it is less clear that the political economists actively and consciously supported the brutal aspects of the process of primitive accumulation. For example, Game Laws forbade peasants from hunting and gathering timber, thereby restricting the self-provisioning strategies of people not employed as wage laborers. Perelman documents the substantial hardships created by the Game Laws, including the destruction of valuable crops during foxhunts and the cruel punishments meted out to violators of the laws. However, there is no evidence that the classical political economists actively supported these laws. Perelman argues unconvincingly that the silence of the generally loquacious classical school in criticizing the hardships created by the Game Laws is tantamount to supporting the laws. Adam Smith did comment on the Game Laws, but he attributed these laws to feudalism. While Perelman acknowledges that the restriction of self-provisioning predated capitalism, Perelman is scornful of Smith for not doing or saying anything to lighten the imposition of the Game Laws on the poor (p. 51, 181).
5. Perelman goes on to state that Smith only became interested in the plight of the rural and urban poor because of the necessity of raising militias after Britain endured several military defeats during

the Seven Years War (p. 54-55, 186-189). Smith's advocacy of high wages for workers and high profits for capitalists is dismissed as merely a deceptive attempt to convert workers to petty bourgeois values. By painting a rosy picture of development prospects in the North American colonies while ignoring the role of slavery and evidence of failed development in Scotland, Smith sought to convince workers that the interests of capitalists and workers were identical and mutually beneficial (p. 247, 233). Perelman argues and sufficiently documents the fact that Smith's used inaccurate data and misread Benjamin Franklin's pamphlets on the North American colonies (p. 229, 260-279). Finally, Perelman is convinced that Smith was actually a mercantilist at heart who did not wish to see the colonies develop beyond the role of raw materials exporter (p. 238). Apparently, Smith's logic of comparative advantage led him to support particular mercantile policies that would have benefited Britain at the expense of its colonies (p. 233). Perelman states, "Smith's interest lay as much with the nations of wealth as *The Wealth of Nations*" (p. 238). Perelman's broader argument that Smith was a closet mercantilist and therefore a mendacious ideologue who misled the poor is not convincing. It is more likely that Smith was simply muddled, inconsistent, and short sighted in his own logic.

The Social Division of Labor

6. At the heart of the case against the classical school of political economy is a debate about the nature of the social division of labor. The social division of labor refers to the partitioning of the economy into independent firms and industries. The social division of labor results in an economy with entities that specialize in the production of particular items such as pins, iron, food, etc. For classical political economists the structure of the social division of labor was posed as a presupposition rather than the result of individual or collective choice. In other words, the classical school was generally oblivious to the theory of the social division of labor. A set of preexisting commodities formed a matrix around which the social division of labor emerges.
7. In contrast, Marx argued that the social division of labor formed the basis of commodity production. Marx noted that the social division of labor could vary considerably. Commodities and

services may be bundled in an infinite variety of configurations. For example, at this point in the history of technology it is unclear whether the telephone will become an extension of the personal computer, or if the personal computer will become an extension of the telephone. There are no preexisting commodities; a commodity is created when it is ready for sale on the market. The social division of labor may change in response to technology, prices, monopolistic practices, and other factors. Marxists argue that anarchy in the social division of labor and authoritarianism within the firm mutually condition each other. Anarchy in the social division of labor contributes to the pressures that force workers to submit to wage labor.

8. In pre-capitalist societies, tradition determined the social and intra-firm division of labor. Class based authoritarianism was absent from the early workshop; masters were bound by custom. Primitive accumulation represents an effort to rupture the traditional methods of organizing work. Perelman argues, "By manipulating the social division of labor, the owners of the means of production could coerce people to work for wages under the despotic authority of capitalists" (p. 71). Perelman wants to show that classical political economists actively manipulated the structure of the social division of labor to assist their allies, the owners of the means of production. In the absence of direct evidence, Perelman uses a pincer strategy that examines the efforts of the classical school to influence the international division of labor as well as the household division of labor.
9. Perelman's case concerning the international division of labor is based on the arguments of the classical political economists concerning the protectionist Corn Laws. He argues that Nassau Senior's opposition to the Corn Laws was due not simply to the theory of free trade but also to a concern for Britain's global strategy. Senior warned that if the English persisted in protecting their markets from food imports, countries such as the US and Germany would turn to industrial pursuits. Perelman also documents the willingness of the Britons to relocate "biological resources" (i.e., workers and plants) from different colonies to provide cheap, accessible, and abundant labor and materials. Clearly, Smith was aware of the complex and geographically extensive division of labor required to produce many commodities available in Britain's market. Once again, Perelman indicts Smith for his failure to consider the welfare of laborers involved in the

international and social division of labor.

10. An aspect of the social division of labor that is often overlooked by conventional economics is the household as a unit of production. Primitive accumulation did more than separate the home and the workplace. In effect, this process eliminated autarkic households. The home was to become dependent upon commodities that were produced with wage labor. To acquire those commodities, members of the household would have to supply the market with wage labor. Thus, the home became a factory for the reproduction of labor power. There is great evidence for this historical transformation; however there is very little evidence that implicates the classical political economists for aiding the historical process. Perelman states that the classical political economists never addressed the transformation of the household (p. 77). However, silence does not equal guilt.
11. Perelman also seeks to argue that the attitude of the classical political economists toward conditions that would support the working-class household's ability to provide for itself varied contingent upon the stage of capitalism (p. 81). At the dawn of capitalism political economists were hostile towards self-provisioning practices. As capitalist commodity production began to eclipse the traditional economy they exhorted households to become more efficient. Finally as capitalism became dominant the political economists treated the household as merely a locus of consumption. Once again however, the evidence that ties the classical political economists to this historic process is not very compelling. Even Perelman admits, "classical political economy was generally unwilling to openly recognize the antagonism between capital and the traditional economy" (p. 101). Nevertheless, there are quotations presented from lesser known and even rather obscure figures of the late seventeenth hundreds to support his argument.

Interrogating Liberalism

12. Despite its shortcomings, Perelman's study of the ideological support for primitive accumulation raises a set of significant issues at the conjunction of liberal political thought and classical political economy that deserve further investigation. It may seem surprising that the classical political economists might have intentionally ignored, actively distorted, or even covertly

supported the brutality of the process of primitive accumulation. The rhetoric of voluntarism and consent pervades contemporary economic thought to such a degree that coercion seems to be inimical to market based relations. However, Perelman has documented that coercion haunts the moment of consent whether or not the classical political economists actively supported that coercion. Liberal political thought often has veiled the physical coercion and exclusionary practices that are involved in the manufacturing of consent. The idea that individuals must be "forced to be free" is certainly consistent with the liberalism of Jean-Jacques Rousseau. Therefore, Perelman is warranted in his investigation of the forgotten history of coercion in economic development that led to a society divided between capitalists and workers. This investigation is also of contemporary importance. As the author points out, this process of primitive accumulation continues today in the less developed regions of the world.

13. Additionally, the assault on the self-sufficient practices of small producers illuminates the problem of individual sovereignty in liberal political thought and classical political economy. Classical political economists attacked policies rooted in self-sufficiency because these social thinkers sought to create bonds of mutual dependence or reciprocity between individuals as well as nations. It is likely that the attitude of the classical political economists were genuinely informed by a moral discourse more than a base desire to assist the owners of the means of production. By creating mutual dependencies, these political economists believed that they were helping to stamp out the source of vice, sloth, and disharmony. However, in John Locke's liberalism the ability to consent is predicated on the existence of self-sufficient and mentally self-controlled (or rational) individuals. The necessity for self-sufficiency was a justification for limiting the liberal polity to land owners. The process of primitive accumulation exposes the fact that the autarkic fantasy of Robinson Crusoe only applied to the owners of the means of production in a liberal political economy. However, the liberal tradition from Thomas Hobbes onward relies upon the myth that radical egalitarianism is functionally necessary for demanding equal obligation from all members of the polity. An overtly stratified society shatters the Hobbesian strategy. The dependency of a segment of the population created by primitive accumulation needed to be ideologically veiled in order to sustain universal obedience in a liberal polity. Perelman's attempt to discover the culpability of the

classical political economists overstates the case. Nevertheless, a strong functionalist argument exists to show that the silences and blind spots of the classical school would eventually function to mask the disparity between the formal equality of citizens and substantive inequality of laborers vis-à-vis capitalists.

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[letter to the editors](#)

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