Chapter 3

Colonialism and Capitalism

The histories of when and how capitalism developed as a world system, and in the different regions of the modern world, are diverse and complex. In this chapter I can only sketch a central element in the formation of the modern world: the different types of colonialism imposed on Latin America, Asia and Africa at different times, and some of their effects.

Phases of Colonialism

Feudalism and Commercial Capitalism
(Sixteenth Century)

The motivations, forms and cumulative intensity of the “expansion of Europe” through colonialism were initially driven by its linked crises of feudalism and the development of commercial capitalism (Chapter 2). In the sixteenth century, colonial rule was first imposed in the Caribbean and parts of Latin America, where the aftermath of Spanish conquest had devastating demographic and ecological effects. The quest for treasure that first spurred exploration of a western route from Europe to the Indies led to the opening of the great silver mines of Peru and later Mexico, absorbing massive amounts of usually forced labour from indigenous populations. The domestic economies and overseas trade of Spain and Portugal, which colonized Brazil, were to face increasing competition from England and Holland in particular, small countries in northwest Europe that were moving more rapidly towards agrarian and subsequently industrial capitalism (Chapter 2).

Merchants, Slaves and Plantations
(Seventeenth and Eighteenth Centuries)

In the course of the seventeenth century, new forms of colonial settlement, production and trade were exemplified by British interests in North America and British and Dutch activity in the Caribbean. The
Virginia colony in British North America established a plantation economy based first on indentured labour from Europe and then on slave labour from Africa. Tobacco and cotton exports from its American colonies, and sugar from its Caribbean colonies, were to become more important to the British economy, especially to its emerging class of manufacturers, than the luxury spices and silks of the Asian trade. In short, British colonization of North America and the Caribbean initiated a new kind of international trade linking large-scale production of raw materials in the colonies for manufacturing in Europe, the procurement from Africa of slave labour for plantation production, and the development of markets for European goods in the colonies. The first major destination of the African slave trade was the sugar plantations of coastal Brazil. The Dutch played a leading role in the spread of slave production to the mainland coasts and islands of the Caribbean, to meet the demand by merchants and sugar refiners in Holland, while the British developed the slave plantation system of what is now the southern U.S.

For all these important moments in colonization and their connections with trajectories of accumulation in Europe, the second half of the seventeenth century was a period of relative decline in Europe’s international trade and the fortunes of its overseas merchant companies. This was connected with turbulent events in Europe, including a significant new type of merchantist trade war, conducted principally at sea by armed fleets.

The eighteenth century saw a revival and intensification of European expansion. There was a major growth in the Atlantic slave trade from West Africa, and European adventurers and merchants extended their exploration, pillage and pursuit of commercial advantage along the coasts of Africa and within Asia. These activities continued and developed the forms of expansion begun in the sixteenth century, marked by armed conflicts between Europeans as well as between them and the peoples of the areas on which they sought to impose their domination. The British defeated the French for control of India and Canada — instances that demonstrate how widespread were the regions of European colonial expansion, and contestation, by the mid-eighteenth century.

In sum, in the course of the seventeenth and eighteenth centuries, the “expansion of Europe” intensified and a recognizable international division of labour was established. Most colonization was undertaken by merchant companies rather than by European states themselves, with the notable exceptions of Spain and Portugal in Latin America. At the same time, of course, European states supported their merchants — like the British East India Company and the Dutch East India Company — through political, diplomatic and military, above all naval, means.

**Industrial Capitalism and Modern Imperialism (Nineteenth and Twentieth Centuries)**

During the nineteenth century, the capitalist world economy was increasingly shaped by industrialization, with a turning point in the 1870s and the beginning of the “second industrial revolution” (see Chapter 4). This generated demand for ever-increasing quantities of tropical agricultural commodities for processing and manufacturing, as well as for minerals from colonial mines. From the 1870s, the world experienced increasing overseas investment in colonial extractive sectors (plantation and peasant agriculture, mining) and their transport links to world markets (railways, shipping); the final great wave of colonial expansion (in sub-Saharan Africa, Southeast and Western Asia), now undertaken by European states rather than by merchant companies; increasing exposure of British industry, partly cushioned by Empire, in competition from the rapidly industrializing economies of Germany and the U.S.; and the emergence of Japan as the first non-western industrial power.

Africa exemplified the speed of the last wave of colonial expansion. In 1876, European powers ruled about 10 percent of Africa, primarily its northern regions bordering the Mediterranean and the colonies of what later became South Africa. By 1900, they had extended their domination to 90 percent of the continent. The “scramble for Africa,” formalized by the conference of Berlin in 1884–5, occurred during the first major manifestation of the cycles of boom followed by slump of the new world economy of industrial capitalism, namely the great depression of the late nineteenth-century Europe (1873–96), itself followed by the “golden age” of 1896–1914.

For Lenin (1964b), the great depression of the late nineteenth
century marked a critical turning point from an earlier "competitive" stage of capitalism to what he called monopoly capitalism or imperialism, characterized by the concentration of capital in the form of large industrial corporations closely linked with banks. "Monopoly" does not mean that competition ceased to exist but that it took more extreme and dangerous forms, leading to the First World War in 1914, which was the immediate stimulus to Lenin's theory of imperialism. Lenin suggested that European colonial expansion by the late nineteenth century, unlike earlier waves of colonization, was driven by the need to find new outlets for the export of capital, for two reasons. One was the dynamic of constantly accelerating accumulation, for which industrial capitalism needed increasing sources of raw materials and ever larger markets for its manufactured goods. The second was the search for overseas investment opportunities as intense competition in Europe depressed capital's rate of profit.

Lenin's theory of imperialism has been criticized on analytical, empirical and ideological grounds. One criticism is that two of the principal elements of imperialism he identified were typified by European countries with very different paths of capitalist development and with colonial possessions on vastly different scales. On one hand, Britain exemplified capital export and had by far the largest colonial empire, although much more of its overseas investment went to countries of European settlement in the Americas than to its colonies in Asia and Africa. On the other, Germany at that time best exemplified the combination and concentration of giant industrial corporations and banks, what Lenin (following Hilferding, 1981) called "finance capital," and had few colonial territories. Another criticism is that Lenin overstated the processes he identified, which can be seen more clearly in today's "globalization" than in the early twentieth century.

While Lenin sought to connect the economic downturn of late nineteenth-century Europe with the emergence of modern imperialism and the last great wave of capitalist colonization, part of the continuing interest in his theory is that imperialism, in his sense, does not depend on colonies. In the world of 1916, he illustrated this in relation to Argentina, a politically independent country (populated mostly by European immigration) that he described as a "semi-colony" of British capital, and in relation to Portugal, as a kind of client state of Britain at the same time as it was a minor league colonial power in Africa and Asia (having lost Brazil, the former jewel in its imperial crown).

Imperialism as the distinctive international form of modern capitalism thus has a different meaning than the usual sense of "empire" as a political entity, for which the British colonial empire was simply one of many examples, like the Roman Empire or the great historical empires of West, South and East Asia. Lenin was clear that modern imperialism would survive the end of colonialism. Moreover, it is possible to argue that imperialism as a fully capitalist world economy could only be completed with independence from colonialism in Asia and Africa, making way for the "dull compulsion of economic forces," both internationally and domestically, to replace the political and legal coercions of colonial rule (Wood 2003).

I have more to say about the period since the end of colonial empire in Chapters 4 and 5. Next, I want to elaborate briefly this overview of capitalism and colonialism, to sketch how colonialism affected the lives of people in agrarian societies subjected to it, with particular attention to their labour and land.

Colonialism and Agrarian Change

The colonial project depended on making the colonies "pay their way" and generate profits for colonial powers. This meant controlling the labour of the colonial subjects of agrarian societies, which required intervening in their institutions and practices of land allocation and use, sometimes destroying them, sometimes modifying them. The making of colonial economies involved the breaking of pre-colonial modes of peasant subsistence and of rent (in agrarian class societies). Here I can only illustrate some of the ways that colonial powers attempted to restructure the different kinds of agrarian relations they encountered in different places at different times, and some of the effects (unintended as well as intended) of how they did so.
Latin America and the Caribbean

The earliest colonial agrarian change occurred in the Caribbean, Latin America and North America: the principal regions of slave production in the emergent capitalist world economy, from the sugar plantations of Portuguese Brazil and subsequently of the British and French Caribbean, to the cotton and tobacco plantations of the southern colonies of British North America. At the moment of colonial conquest these New World plantation zones were relatively lightly populated by mostly “subsistence” societies. The forcible dispossession of indigenous peoples to secure land was accomplished relatively easily, and colonial planters resolved the problem of labour supply by importing slaves. Slavery was finally abolished in the British Empire in 1833, and continued until 1865, 1888 and 1889 in the U.S., Brazil and Cuba respectively.

In most of Spanish America, another form of landed property dominated the economic life of the countryside and much of its social, political and cultural life from the late seventeenth century, namely the hacienda, or landed estate. The hacienda system adapted the feudal institutions and practices familiar to Spanish colonists. It combined granting settlers rights to levy tribute on indigenous communities in the form of goods or labour services (encomienda) and rights to land (mercedes de tierras), originally given for military service to the Spanish Crown. Combining land and labour in the hacienda created a type of landed property structurally very similar to the manor of European feudalism, including its two basic forms of organizing farming, as shown in Table 3.1 (based on Kay 1974).

Securing control of rural labour depended on expropriating and enclosing land, in order to undermine the access of indigenous farmers to their means of subsistence. The extension of the different forms of the hacienda system reflected several factors. Its initial formation and extension involved protracted struggles, especially in areas with higher population densities and strong peasant communities, such as parts of Central America and the Andean highlands. In more sparsely populated areas like the plains of Argentina, Uruguay and Chile, hacienda formation came later and more swiftly, with labour supply met more through immigration.

Table 3.1 Two Types of Hacienda

<table>
<thead>
<tr>
<th>Land use</th>
<th>Labour regime</th>
<th>Form of surplus appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Multi-farm estate (principally peasant farms)</td>
<td>Peasant cultivation of land allocated to them, and control of the labour process</td>
<td>Rent in kind, rent in money, crop shares</td>
</tr>
<tr>
<td>B. Landlord estate (landlord’s farm plus peasant ‘subsistence’ plots or minifundia)</td>
<td>Peasants work increasingly on landlord’s (enlarged) farm while maintaining their subsistence plots</td>
<td>Labour rent (=unpaid labour on landlord’s farm)</td>
</tr>
</tbody>
</table>

Another key factor expressed time as well as place. Struggles between colonial landlords and indigenous peasants were also affected by historical patterns of the commercialization of agriculture in the developing and fluctuating world market. As the potential profitability of farming increased with rising market demand, landowners sought to enlarge their own farms and to force more labour from their hacienda tenants, thus converting rent in kind or money to labour rent. When landlords confronted a shortage of labour for their own commercial farming and lacked the ability to resolve this through coercive means, they might have to pay tenants for their work, at least in part, which suggests a transition from labour rent to wage labour (as happened along various paths of transition in Europe).

There is much debate among historians about where, how much and when practices of debt bondage were instrumental in recruiting labour for large commercial estates. Debt bondage is an arrangement in which those who are indebted, typically small farmers and landless rural labourers, have to work off their debt for the creditor — a landowner, richer farmer, merchant or, quite commonly in Asia, a third party who buys or “rents” the debt. Some scholars argue that transitions to wage labour in Latin America started relatively early (from the seventeenth century in some regions of commercial hacienda production), even if it was often and for long periods also marked by elements of debt bondage and other constraints on the “freedom” of wage labour. This touches on issues of characterizing
agricultural labour, noted in Chapter 2 and which I come back to at
the end of this chapter.

Most of Latin America became independent of colonial rule in
the first half of the nineteenth century (before most of Africa was
colonized) with a legacy of widespread dispossession of land and
its concentration in haciendas; the restriction of most indigenous
farming to subsistence holdings called minifundios; by contrast
with the extensive latifundios, in effect another name for haciendas;
and widespread rural wage labour, often combined with marginal
farming and elements of debt bondage and state coercion.

Latin America entered a new agricultural export boom from
the 1870s to 1920s, involving the extension and intensification of
hacienda production, from the tropical and sub-tropical areas of
Central America to extensive grain and cattle farming in the prai-
ries of Uruguay, Argentina and Chile. In the lowlands of southern
Mexico the

combination of strong markets for tropical exports (sisal,
rubber, sugar), a labour shortage, geographical isolation, and a
state willing to support the planters with force explains the
virtual enslavement of masses of Mayas and Yaquis... in
Mexico beginning in the 1870s, in Guatemala where the reduc-
tion of Indian lands was accompanied by anti-vagrancy laws,
in Bolivia where two-thirds of the rural population became
dependent on haciendas, and in fact throughout the Andean
spine, the resources and means of independent livelihood of
a great many rural people were reduced. (Bauer 1979: 37, 52)

Some labour shortages were resolved through immigration. Between
1847 and 1874, over a quarter of a million Chinese indentured work-
ers toiled in the plantations of Cuba and coastal Peru. In Brazil, with
the end of slavery, coffee planters got the government to subsidize
the costs of mass immigration from Europe. From 1884 to 1914, some
900,000 European immigrants arrived in Sao Paulo, mostly to work
in the coffee estates (Stolcke and Hall 1983).

Latin America today has perhaps the greatest range of forms of
agrarian social relations and farming anywhere in the world. On one
hand, there are relatively fewer people in agricultural employ-
ment than in other major regions of the South. Brazil has an ex-
traordinary concentration of modern agribusiness capital, and tech-
nical and financial expertise, with the potential to become the largest agricultural
export economy in the world, while the "southern cone" countries
of Argentina, Uruguay and Chile are also major agricultural export-
ers with highly capitalized and specialized branches of farming. On
the other hand, there are instances of resilient or resurgent "peas-
ant" (campesino) identity in areas of more concentrated indigenous
populations in Central America and the Andes, and further south in
zones of small-scale settler farming. Struggles over land and the con-
temporary conditions of farming have generated some of today's best-
known rural social movements, like La Vía Campesina ("the peasant
way") in Central America and the Movimiento dos Trabalhadores
Rurais Sem Terra ( MST, or Landless Workers Movement) in Brazil.

South Asia

British expansion in the eighteenth century into the interior of
South Asia, with its many populous areas of peasant farming, eventu-
ally created the largest colonial possession of all, the "jewel in the
crown" of Britain's colonial empire. Plunder gradually gave way in
the nineteenth century to considerations of more systematic sources
of revenue and profit: a transition from piracy to bureaucracy, as
Barrington Moore (1966: 342) characterized it in relation to the
two main land revenue systems of colonial India.

The first stemmed from the Permanent Settlement of Bengal and
adjacent areas in northern India from 1793, in which the zamindars
(whose descendants we encountered in the first vignette in the
Introduction) were transformed from the tax-farmers and revenue
collectors of the previous Mughal state into landlords with certain
property rights in land. The colonial authors of the Settlement hoped
that the zamindars would thereby become a solid class of bourgeois
property and replicate Britain's agrarian capitalism. For various rea-
sons, this ambition was not realized (like many imperial fantasies).
Zamindar power varied widely across the diverse countrysides of
the Raj (with its sub-continental scale), as a result of the struggles
of zamindars with castes of cultivators on one hand and with classes
of moneylending and merchant capital on the other.

The Bengal landlord settlement, as well as the eventual incorporation of 600 or so princely states in the British Raj (colonial state, literally “reign” in Hindi) was also a means of trying to secure indigenous political allies in administering these vast colonial domains. This was one example of a more general practice of colonial “complicity with older [pre-colonial] structures of power” (Bagchi 2009: 87), also applied earlier by the Spanish in Latin America in the office of cacique (native king, chief or headman) and later in Africa through “indirect rule,” which incorporated chiefs and headmen in the lower levels of the colonial administrative hierarchy to maintain order in the countryside, organize tax collection and mobilize labour.

The other major land “settlement” was the ryotwari system (after ryot or peasant), introduced further south in large parts of Bombay and Madras. This confirmed property rights in land, at least in principle, on those cultivating it, subject to annual payment of a money tax. Barrington Moore (1966: 344) concludes:

The [land] settlements were the starting point of a whole process of rural change whereby the imposition of law and order and associated rights of property greatly intensified the problem of parasitic landlordism. More significantly still, they formed the basis of a political and economic system in which the foreigner, the landlord, and the moneylender took the economic surplus away from the peasantry, failed to invest it in industrial growth and thus ruled out the possibility of repeating Japan’s way of entering the modern era.

Moore’s point was that the land systems generally made it more lucrative to extract rent from tenant peasants who worked it than to invest in raising agricultural production and productivity, thus “parasitic” rather than productive landlordism.

The British Raj, however, was not a settler colonialism as in British North America and Latin America. There was no expropriation of land on a significant scale to accommodate European settlers, although there were some plantations for export crops. The largest single area of land enclosed was under the control of the colonial government’s Forestry Department, much of it given over to commercial timber exploitation; the removal of forest from the commons available to peasant farmers, pastoralists and “tribal” people reduced the resources they could draw on for their subsistence activities. At the same time, peasants were increasingly integrated into the international capitalist economy by means of “forced commercialization,” in the term of Krishna Bharadvaj (1985). They had increasing money obligations to meet; they produced export commodities like cotton, jute and opium (traded with China to pay for tea destined for British consumption) as well as food for both domestic and export markets; and their rents and taxes supported not only indigenous landowners, merchants and moneylenders but also the profits of British trading houses and the revenues of the colonial administration and the British imperial state.

For most peasant farmers, “forced commercialization” and the commodification of subsistence more broadly did not generate major increases in agricultural output, let alone productivity. The exactions of the “fund of rent” poorer peasants had to bear, their indebtedness, and the resulting diversion of resources from food production for their own consumption, made their own contributions to the image of India, and China, as countries especially vulnerable to famine. While famine was associated with extreme weather conditions, it is notable that India continued to export food during major famines in the late nineteenth century and again in 1943–44 in Bengal (Sen 1981). The capacity of many Indian peasants to deal with the consequences of adverse weather and poor harvests had been undermined by the commodification of subsistence, the demands of colonial taxation and the economic ideology of the colonial administration (Davis 2001).

Note also that the import of factory-produced goods, like cotton textiles, from Britain, undermined indigenous manufacturing and handicrafts, which were important to diversified rural economies. Anjali Bagchi (2009) suggests that the impact of colonialism in the nineteenth century was to increase the “ruralization” and “peasantization” of India, as well as to increase poverty, and that imperialist penetration of China had a similar effect even without direct colonial rule.
However, the development of commodity production also stimulated class differentiation among farmers in India as elsewhere (in India often following existing lines of caste inequality). Banaji (2002: 114) concludes:

The rapid commercial expansion of the nineteenth century was bound up with a kind of capitalism rooted in the growing dominance of upper and middle castes of substantial cultivators. They accounted for the widespread employment of permanent farm servants (labourers), dominated the local credit markets and came increasingly to control the land market where this had evolved.

He also notes that the development of this ‘kind of capitalism’ varied across the diverse countryside of the Raj, as did the strength of ‘substantial cultivators’ relative to landlords and moneylenders and their claims on the agricultural surplus.

Sub-Saharan Africa

Systematic colonization of sub-Saharan Africa from the late nineteenth century produced three “macro-regions,” identified by Samir Amin (1976) as the économie de trade (roughly ‘trade economy’), labour reserves and concessionary companies. The first was characterized by export production by peasant farmers, and in some cases by large-scale indigenous producers, and typically organized by metropolitan trading houses. As in India, the économie de trade did not entail widespread land expropriation and peasant dispossession. Its commodification of rural economy proceeded without the institution of private property rights and markets in land and in many cases was realized through migration to and clearing of new areas to farm cocoa and oil palm (in the forest belts) and cotton and groundnuts (in the savannah) — the four classic export crops of West Africa.

The second “macro-region” of labour reserves stretched from East through parts of Central to Southern Africa, in which there was widespread alienation of land to colonial settlers. The rationale of dispossessing Africans and concentrating them in “native reserves” was twofold: to provide land for white settlement and farms, and to enforce regular supplies of labour to these large farms and plantations, as well as to the mining complexes of the Rhodesias, Northern and Southern (now Zambia and Zimbabwe) and of South Africa, which drew in massive numbers of migrant miners from southern Mozambique, Nyasaland (now Malawi) and Basutoland (now Lesotho). Land alienation restricted African farmers to increasingly overcrowded and agriculturally marginal “native reserves” and subjected them to both economic and political pressures to secure their subsistence through periodic labour migration.

“Africa of the concessionary companies” is typified by the region of the Congo River basin, emblematic of an extremely brutal history of resource extraction and plunder to this day. The concessionary companies were granted vast territories for exploitation, with serious consequences for both their inhabitants and natural resources. Generally, however, they were unable to establish the conditions of more systematic and sustained capitalist agriculture, both settler and plantation, that came to prevail to the east (Kenya) and south (Southern Rhodesia/Zimbabwe and South Africa).

In most of sub-Saharan Africa, with the exception of the territories of most extensive European settlement, farmers, including pastoralists, were not dispossessed but “encouraged” to enter the monetary economy as producers of agricultural commodities and/or labour power. The conditions of full proletarianization of the great majority of producers were not established, as Samir Amin and many others have emphasized. The means of “encouragement” — taxation and obligations to cultivate certain crops, provide labour service or enter migrant labour contracts — at first typically involved “forced commercialization,” as in India, although colonial taxation in Africa was not based on land but on people in the form of hut and poll taxes and sometimes taxes on cattle as well. It is important to note, however, the initiative of some African farmers in pioneering commodity production for export by mobilizing land and labour through customary means, and without, or despite, the actions of colonial states. A famous example is cocoa production in Ghana from the early twentieth century, presented in the seminal study by Polly Hill (1963). The establishment and expansion of cocoa farming involved migration to initially sparsely populated
forest areas and the recruitment of labour through particular forms of tenancy.

Substantial sections of African peasantries, then, prospered at particular times. This was especially the case when they were able to mobilize land and labour to integrate commodity production with their subsistence farming and to take advantage of buoyant international market conditions for their export crops, notably during the 1920s and in the two decades of the 1950s and 1960s, which spanned the end of the colonial period and the early days of independence. These success stories typically involved social differentiation in the countryside: some farmers benefitted more than others. At the same time, the vigour of peasant commodity production in different parts of Africa in the past contrasts painfully with the much more negative conditions of farming for most rural Africans today.

*Patterns of Agrarian Change*

The height of colonialism in Asia and Africa was reached during the consolidation of a capitalist world economy from the late nineteenth to the mid-twentieth century. In this period, the plantations of earlier periods of colonialism in the Caribbean, Latin America and Asia, were replaced by a new type of “industrial plantation.” The frontiers of plantation production also expanded, especially in Southeast Asia and also in Central America and tropical zones of South America, by clearing large areas of tropical forest or encroaching on land cultivated by peasant farmers, as in Indonesia, the remaining principal colony of the Netherlands. Plantations required massive numbers of workers recruited from among poorer peasants and landless workers driven by economic necessity, often reinforced or directed by coercion. In short, the industrial plantation greatly enlarged the scale of its highly specialized monoculture, providing the world market with industrial crops like rubber, oil palm, cotton and sisal, and beverages and foods — tea, coffee, sugar, cocoa and bananas — that became items of mass consumption for the growing urban populations of industrialized countries.

Another pattern of pervasive change was the increased incorporation of the colonial peasantries of Asia and Africa as producers of export crops (cotton, oil palm, rubber, groundnuts, tobacco, coffee and cocoa), of food staples for domestic markets and export and of labour power, through labour migration to build railways and roads and to work in plantations, mines and ports. Processes of incorporation generated different types of class formation among the farming populations of the colonies (sometimes drawing on pre-existing social differences, like those of caste in India), now subject to the commodification of subsistence and with possibilities of accumulation for some.

Patterns of agrarian change in the later colonial period and following political independence have to be related to other dynamics and developments in the global economy, which I come back to in Chapters 4 and 5. To conclude here, I review three issues in debates about capitalism and colonialism. They connect with the questions at the end of Chapter 2 and also carry forward to the role of agrarian change in economic development in the South, following independence from colonial rule in Asia and Africa.

*Labour Regimes in Colonialism*

I use the term “labour regime” to refer broadly to different methods of recruiting labour and their connections with how labour is organized in production (labour processes) and how it secures its subsistence. Four types of labour regimes have been indicated in this chapter: forced labour, semi-proletarianization, petty commodity production and proletarianization. We saw examples of forced labour regimes in the case of the Caribbean and Latin America, and forced labour also typified the earlier moments, at least, of subsequent colonialism in Asia and Africa. This is often tribute labour for construction of roads and railways, the arteries of colonial commerce, portage and working in plantations and mines. Another type of forced labour regime was the indentured labour system, which, after the end of slavery in the British Empire, contracted millions of Indian and Chinese workers as wage workers for fixed periods, typically in plantations — in sugar in the Caribbean, South Africa, Mauritius and Fiji, and in rubber in Malaya (now Malaysia).

Table 3.2 summarizes key features of labour regimes under colonialism and helps to highlight certain analytical ideas. However,
### Table 3.2 Labour Regimes in Colonialism

<table>
<thead>
<tr>
<th>Labour regimes</th>
<th>Separation of producers from means of production</th>
<th>Extra-economic coercion</th>
<th>‘Free’ wage labour</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Forced labour</td>
<td>Slavery</td>
<td>complete</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Tribute, tax in kind</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Labour service</td>
<td>Partial</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Indenture</td>
<td>Complete</td>
<td>Partial</td>
<td>“Transitional”</td>
</tr>
<tr>
<td>2. Semi-proletarian labour</td>
<td>Wage labour + debt bondage</td>
<td>Partial</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wage labour + own (“marginal”) farming or other self-employment</td>
<td>Partial</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>3. ‘Family’ labour (‘peasant’ petty commodity production)</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>4. Proletarianization</td>
<td>Complete</td>
<td>No</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

It refers to only three “determinations” — the separation of producers from means of production, extra-economic coercion and “free” wage labour — of the many that always shape any concrete historical process (Marx, as quoted in the Introduction). For example, the use of “transitional” in several cells in the fourth column indicates that some types of wage labour regime do not require complete dispossession or “freedom” of their workers. This does not mean that “semi-proletarianized” workers necessarily occupy that “transitional” location only on a temporary or transitory basis. Indeed, some argue that, in many parts of the South, semi-proletarianization is a more common outcome of the commodification of subsistence than “full” proletarianization — another argument that similarly needs “concrete” specification of where, when and why that might be so (see further Chapter 7).

A second qualification relevant to Table 3.2 was noted in Chapter 2: that categories of rural labour, including distinctions between “free” and “unfree” labour, are often fluid and ambiguous in social reality. This is also expressed in the notion of “hybrid” forms of agrarian capitalism with “hybrid” labour regimes (Banaji 2010).

Finally, the table does not identify “family” labour enterprises in farming as tied by extra-economic coercion, even if a period of “forced commercialization” was needed initially to integrate them into commodity relations. Here I assume that by the end of the colonial period, household farmers were “locked into” commodity production by the “dull compulsion of economic forces” — the commodification of subsistence — just as proletarians and semi-proletarians are compelled to sell their labour power. I come back to this later too.

Recalling the two approaches outlined in Chapter 2, those who argue for the long histories of commercial capitalism consider forms of agrarian production established by European colonialism in Latin America, Asia and Africa as capitalist, however hybrid and fully or partly “unfree” their labour regimes. By contrast, those who argue for a strict (English-type) path of agrarian transition designate forms of agrarian production as “pre-capitalist” or otherwise “non-capitalist” if their labour regimes are not based on the employment by capital of properly “free” wage labour. At the same time, those
forms of production might be regarded as contributing to primitive accumulation, which brings us to the second issue.

Was Colonialism Necessary for the Emergence of Capitalism?
For some scholars, capitalism began as a world system created through colonialism; hence they date its inception from the fateful moment of the arrival of Columbus in the New World in 1492. This provided the historical framework of André Gunder Frank's famous thesis of "the development of underdevelopment" in the Third World (Frank 1967) and, in a somewhat different version, informs the "modern world-system" of Immanuel Wallerstein (1979), in turn modified and developed by Arrighi and Moore (Chapter 2) among others.

This view might claim support from Marx, who wrote:

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginnings of the conquest and looting of India, and the conversion of Africa into a preserve for the commercial hunting of black-skins, are all things which characterize the dawn of the era of capitalist production. (1976: 915)

Marx was echoed by the Bolshevik economist E. Preobrazhensky in the 1920s when he considered how "primitive socialist accumulation" might be achieved in the Soviet Union in the absence of the external sources of primitive accumulation that facilitated the emergence of capitalism: "the colonial policy of the world-trading countries... plundering in the form of taxes on the natives, seizure of their property, their cattle and land, their stores of precious metals, the conversion of conquered people into slaves, the infinitely varied system of crude cheating, and so on." (1965: 85).

Note that most of the methods of plunder in these passages from Marx and Preobrazhensky are also found in the historical records of expansion and conquest by pre-capitalist agrarian states and empires. For some scholars, this means that while direct and indirect colonialism might have facilitated the transition to capitalism in Europe, it could not provide a sufficient condition for it. That required the formation of a new social relation and structure of production, pioneered in the agrarian transition of England (and other parts of northwest Europe), which then led to industrial capitalism. This point can be used to help identify and contrast different phases and forms of European colonialism, from that of sixteenth-century Spain and Portugal — whether deemed "feudal" or "commercial" — to the capitalist colonialism of the British and French in the mid-nineteenth to mid-twentieth centuries. For example, the wealth and power of Spain in the sixteenth century, funded to a large degree by colonial silver, later gave way to relative economic backwardness as Britain and other parts of Europe underwent their transitions to agrarian and then industrial capitalism; in short, wealth is not the same as capital invested in developing production and productivity. Is it also significant that a now backward Spain lost its American possessions in the first half of the nineteenth century, as industrial capitalism was fast developing elsewhere in Europe and a new type of colonialism was embarking on the most significant period of European rule in Asia and then Africa?

A debate continues to rage about whether primitive accumulation in the colonies made a significant contribution to economic growth in Europe, in particular from the late eighteenth century and especially as industrial capitalism moved into its "expansive" phase from the mid-nineteenth century. While much of the debate is about the causes of colonialism and its effects for capitalist development in Europe, there are distinct issues from its impact on colonial territories, including its sometimes massive, and often brutal, remakings of the organization of labour, land and farming. Perhaps the possibility that social and ecological upheaval, and even devastation, resulting from colonial conquest and exploitation, did not contribute significantly to accumulation in Europe, highlights even more the massive inequalities inscribed in the global development of capitalism.

The Economic Development of the Colonies?
Marx (1976: 91) suggested that countries in transition to capitalism can "suffer not only from the development of capitalist production, but also from the incompleteness of that development." Views of why capitalist development was "incomplete" in the colonies at the
time of their independence are often associated with the idea that the colonial incorporation of Latin America, Asia and Africa in an emergent capitalist world economy “underdeveloped” their societies. In terms of labour regimes, some argue that colonialism failed to transform the social relations of production, not least in farming, in a sufficiently capitalist manner. A provocative statement of this argument is that colonies were underdeveloped not because they were exploited but because they were “not exploited enough” (Kay 1975), that is, they were incompletely transformed in terms of capitalist production relations and their constant drive to increase the productivity of labour, hence the rate of exploitation (explained in Chapter 2). Incompleteness here refers to the persistence of pre- or non-capitalist relations in colonial economies, as an effect — intended or unintended — of colonial policies and the practices of colonial capital.

Another argument, which connects with the issue of primitive accumulation, is the “surplus drain” thesis: European powers organized colonial production and trade so as to extract its “surplus” (or profits) to their own benefit and that of their classes of capital — a kind of ongoing primitive accumulation that facilitated the development of industrial capitalism in Europe. Colonial economies were important sources of raw materials, both agricultural and mineral, produced by the “cheap labour” of peasants and semi-proletarianized workers. Industrialization was inhibited (as were more “advanced” forms of agrarian production in densely populated peasant areas) because the colonial powers wanted to prevent competition with their own industries and to keep colonies as “captive” markets for their exports of manufactured commodities. In this view, the incompleteness of capitalist development is registered in limited accumulation, hence formation of indigenous classes of capital, within colonial territories.

The colonial powers themselves — especially during the last phase of colonialism in the period of industrial capitalism — claimed that their mission was to bring civilization to the peoples of Asia and Africa, albeit in a suitably controlled and gradual fashion to avoid social and political disorder. This included economic development, understood as the extension of commodity relations, i.e., participation in markets and a monetary economy. The view that colonialism was “objectively necessary” to sow the seeds of capitalism in prerevolutionary societies of the South can also claim the support of Marx in the following way. Capitalism represents progress, however painful, because it is a more productive economic system than previous types of class society; it exploits labour more “efficiently” as the basis of a historically unprecedented, and continuous, development of the productive forces. Accordingly, with independence from colonial rule, the proper goal of strategies for economic growth, requiring active state intervention, was to extend and deepen the processes of capitalist development that colonialism had initiated. Failure to pursue that goal with adequate clarity and determination thus explains the relative lack of economic progress (Warren 1981; Sender and Smith 1986).

The issues highlighted in the last part of this chapter continue to resonate in debates about economic and social development in the South today. For example, do small-scale farmers in the South represent pre- or non-capitalist social relations and forms of production that hold back economic development? Do they represent an anti-capitalist type of farming and way of life that promise an alternative to the dominance of capitalist agriculture (“the peasant way” signalled in the Introduction)? If we discard notions of “persisting” and significant pre-capitalist elements in the economies of the South, does this simply shift the debate to ideas of more and less “advanced” forms of capitalism, which can be just as contentious (the third question at the end of Chapter 2)? And how are answers to all these other questions affected by the uneven development of capitalism on a global scale (the fourth question at the end of Chapter 2)? The following chapters delve further into these issues and questions raised about the class dynamics of agrarian change since the end of colonialism.

Notes
1. Note that historians today often refer to the decades before 1914 as the first “golden age” of globalization.
2. In this respect, there are some parallels with the early colonial hacienda in Latin America (in the period of encmnadismo) and with feudal landed property more generally, and a contrast with the role of “improving
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3. To make things more complicated, different positions on these issues often claim support, more or less plausibly, from Marx's writings; moreover, Marx changed some of his ideas over time.

4. A similar point concerns why the great pre-capitalist agrarian civilizations did not develop industrial capitalism despite their wealth and power and, indeed, despite the fact that some were technologically more advanced than Europe at the beginning of the early modern period of world history — a point often made about China — and had significant elements of "commercial capitalism" (Pomeranz 2000; Goody 2004). During the period sketched in this chapter, all the political empires of those civilizations were overturned or otherwise collapsed: from the Aztecs and Incas in sixteenth-century Latin America to the Mughals of India in the eighteenth century and the Qing Dynasty of China in the nineteenth, and the final demise, as a result of the First World War, of the remaining old empires of Eurasia: those of the Hapsburgs (Austro-Hungary), the Romanovs (Russia) and the Ottomans (Turkey and its possessions).

Chapter 4

Farming and Agriculture, Local and Global

Chapters 2 and 3 highlighted general themes — changes in the uses of land and labour, and in class dynamics — in the making of the modern world, from the origins and early development of capitalism to the end of the colonial period. In doing so, they indicated several expansions of scale, for example, in the size of farming enterprises in different places at different times, in the geographical reach of trade in agricultural commodities and in the volume and value of trade.

This chapter takes a different but complementary perspective. It considers issues of increasing scale with special reference to two connected processes. One is how farming, once the most localized of activities, becomes part of "agriculture" or the "agricultural sector." The other is how geographical expansions of agricultural markets in capitalism, and their sources of demand and supply, rest on an increase in social scale through the extension and "deepening" of commodity relations and their social divisions of labour.

The terms "farming" and "agriculture" are commonly used interchangeably, which I have avoided, apart from describing what is produced on farms — crops and animals — as "agricultural." Rather I rely on the term "agrarian" to describe the social relations and practices of farming, societies based on farming and processes of change in farming. It is useful to distinguish between farming and agriculture as we consider agrarian change, especially since the 1870s. The significance of this period was indicated in chapter 3 and is explored further here until the 1970s to illustrate the following key aspects of shifts from farming to agriculture:

- the industrial basis of technical change;
- the formation of global markets and divisions of labour in agric-
culture, and especially staple foods; and
- the constitution of the “agricultural sector” as an object of policy.

As in chapters 2 and 3, here I provide only broad historical outlines and selective examples that contextualize particular ideas and issues. Chapter 5 brings the story up to date.

From Farming to Agriculture

In his excellent book on the formation of a global economy, Herman Schwartz notes:

[Before industrial capitalism] hardly anyone ever transported grain overland for more than 20 miles [hence] virtually all economic, social and political life took place in microeconomies centered on market towns surrounded by an agricultural hinterland of about 20 miles .... From the fifteenth century to the end of the nineteenth century, agriculture lay at the heart of the global economy (and naturally most “local” economies as well) ... Food and agriculturally derived raw materials accounted for over half of international trade as late as 1929. (2000: 13)

While these two observations seem to be in tension with each other, they are useful for thinking about the shifts from farming to agriculture that I suggest here. Following from the first observation, farming is what farmers do and have done through millennia: cultivate the soil and raise livestock, or some combination of the two, typically within a system of established fields and demarcated pastures. Farmers have always had to manage the natural conditions of their activity, with all their uncertainties and risks, including the vagaries of climate (rainfall and temperature) and the biochemical tendency to soil degradation unless measures are taken to maintain or restore the fertility of land. Successful farming, then, requires high levels of knowledge of ecological conditions and a willingness to devise and adopt better methods of cultivation within acceptable boundaries of uncertainty and risk. Even (or especially) farmers using so-called simple technologies — hand tools like digging sticks, hoes, machetes and axes — demonstrate considerable capacities of small-scale experimentation and accumulation of knowledge, as anthropologist Paul Richards’ detailed study of rice farmers in Sierra Leone (1986) showed.

Recalling some of the elements described in chapter 1, the minimum social conditions of farming include access to land, labour, tools and seeds. Historically, the principal social unit through which the means of farming were secured and farming conducted is the rural household. Once more (as with the terms “property” and “income”, noted earlier) this observation needs a warning: farming households in different societies at different times vary greatly in their size, composition and social relations within the household (notably gender relations) and with other households in rural communities.

Before industrial capitalism, farming was limited in both its social and spatial scales. It was embedded in relatively simple social divisions of labour, and non-farming groups or classes generally had little impact on how farmers farmed. There are qualifications of this simple picture, of course. Sometimes outside institutions provided important conditions of production that individual farming households or villages could not provide for themselves. The best-known example is the construction and maintenance by the state of major irrigation works in East Asia (Bray 1986), as well as in Western Asia (Mesopotamia), North Africa (Egypt) and pre-colonial Central America (Mexico). Another important qualification relates to entrepreneurial landowners in the vanguard of commercial capitalism (chapter 2) who actively managed labour processes on their estates. A third is provided by the fascinating histories of the diffusion of food staples, other crops and livestock from their places of origin to other regions where they were adopted, sometimes with profound ecological and social consequences (Grieg 1974: Ch 3; Crosby 1986, on the “ecological imperialism” of settler colonialism in the Americas and elsewhere). A fourth example is where waterborne transport makes it relatively easy to carry and trade agricultural products in bulk. Agrarian civilizations, especially in arid regions, typically originated in great river basins, sources of irrigation that also facilitated the transport by barge and boat of grain to feed courts, armies and non-farming populations in towns and cities (typically established
on rivers). Maritime transport was key to the agricultural trade of the Mediterranean, for example, from ancient times.

However, for most of its history until relatively recently farming was an extremely localized activity and way of life. The localism of farming includes the following:

- maintaining soil fertility through the use of "green" and animal manures sourced on or near the farm, as well as through systems of fallow and crop rotation — termed "closed-loop agro-ecological systems";
- the pooling of labour between neighbouring households at critical moments of the farming calendar, for example, to ensure timely planting and harvesting, especially when weather conditions are uncertain; and
- the provision by local artisans of goods and services farmers might not produce themselves, including some of the tools they used.

The combination of farming with household handicraft production like spinning and weaving, to take a common example, was widespread and was destroyed over time by the development of capitalism and its drive towards specialization in the social division of labour. Marx observed this for England, and Bagchi suggested it for India (chapter 3 above), where the impact of colonialism was to increase "ruralization" and "peasantization," that is, an economically more narrow existence in the countryside.

In agrarian societies before the advent of capitalism — in both its European heartlands and colonial conditions — farming was what most people did. What we call "agriculture" was then simply an aggregation, the sum total, of farmers and their activities. Farmers connected with non-farmers to some degree through the exchanges of rents and taxes and through typically localized exchange but were not affected by the wider divisions of labour, processes of technological change and market dynamics that came to characterize the "agricultural sector" in industrial capitalism.

The notion of the "agricultural sector" was invented and applied in the emergence and development of "modern," that is, capitalist, economies. Marx noted that social divisions of labour between agriculture and industry, and between countryside and town, emerged as characteristic features of the development of capitalism. It only made sense to distinguish an agricultural sector when an industrial sector was rising to prominence in the North and, subsequently, when industrialization became the main economic objective of "national development" in the countries of the South following their independence from colonial rule.

By "agriculture" or the "agricultural sector" in modern capitalist economies, I mean farming together with all those economic interests and their specialized institutions and activities, "upstream" and "downstream" of farming, that affect the activities and reproduction of farmers. "Upstream" refers to the conditions of production necessary to undertake farming and how those conditions are secured. This includes the supply of instruments of labour, or "inputs" (tools, fertilizers, seeds), as well as markets for land, labour and credit — and crucially, of course, the mobilization of labour. "Downstream" refers to what happens to crops and animals when they leave the farm — their marketing, processing and distribution — and how those activities affect farmers' incomes, which are necessary to reproducing themselves. Powerful agents upstream and downstream of farming in capitalist agriculture today are exemplified by agri-input capital and agro-food capital respectively, terms used by Weis (2007).

In capitalism, agriculture becomes increasingly defined as a distinct sector in terms of its place in social divisions of labour and as an object of public policy. Both link to each other and to that central dynamic emphasized earlier: the commodification of subsistence, through which once largely self-sufficient farmers come to rely increasingly on markets (commodity exchange) for their reproduction. In effect, they come to depend on a money income: to pay taxes and/or rent in cash (rather than in kind or in labour service); to buy consumption goods they can no longer supply from their own labour or source from the local economy; and to buy their means of production — fertilizers, seeds, tools and other farm equipment.

The period from the 1870s to today is one of revolutionary change in the technical conditions of farming, in contrast to the evolutionary change that characterized its long history before then,
which involved cautious and gradual innovation in the breeding of improved plants and animals and in improved methods of cultivation and land husbandry. Even the earlier transitions to capitalist farming in England from the sixteenth-century onward did not generate a technical revolution comparable with what happened later.  

The historical dividing line of the 1870s marks the impact of the second industrial revolution, mentioned in chapter 3. While the material basis of the first industrial revolution was iron, coal and steam power, that of the second was steel, chemicals, electricity and petroleum. Over time — and accelerating from the 1940s — the second industrial revolution and its innovations transformed the following three aspects of productivity in farming (introduced in chapter 1):

- the impact of chemical fertilizers and other agricultural chemicals on the productivity of land (yields);
- similarly the impact of scientific plant and animal breeding (facilitated by new knowledge of genetics and its applications) on yields; and
- the internal combustion engine and its use in tractors and other farm machines transformed the productivity of labour.

"Nature's Metropolis" and the First International Food Regime (1870s–1914)  
Recalling Schwartz's observation (above), for most of the five centuries of the global economy he refers to, transport of agricultural commodities in bulk relied mainly on water: rivers, lakes, seas and oceans. The first agricultural commodity regularly transported in bulk across oceanic distances was sugar from the slave plantations of Brazil and the Caribbean. The revolution in overland transport that greatly extended the scale of international trade in agricultural commodities was the invention and spread of the railway: the equivalent of oceanic transport in its ability to cross great distances. Rail meant that the prairies of Argentina, Australia, Canada and above all the U.S. could become the world's major exporters of grain and meat. This was the basis of the first international food regime (IFR), from 1870 to 1914: the "first price-governed [international] market in an essential means of life" (Friedmann 2004: 125). It was a "settler-colonial" regime, in Friedmann's term, that "opened" vast frontiers of mostly virgin land, sparsely populated and little cultivated previously, to extensive wheat farming and cattle ranching for export to Europe, which was rapidly urbanizing and increasingly dependent on imports of staple foods.

The key site, then, in terms of the subsequent history of capitalist agriculture, was not northwestern Europe, where the first transitions to capitalist farming occurred. Rather it was exemplified by the vast prairies of the U.S. Midwest, which generated the growth of Chicago: Nature's Metropolis as William Cronon (1991) described it. In the second half of the nineteenth century, Chicago and its farming hinterland, increasingly enlarged by the development of the railway, pioneered the close interlinkages of the following aspects of agriculture:

- extensive grain monoculture (to feed both people and livestock);
- the slaughter of cattle and processing of meat by industrial means and on a truly industrial scale;
- the industrial manufacture of farm equipment (notably the steel plough and later tractors);
- infrastructure for handling and transporting grain and meat (which required refrigeration) in unprecedented quantities over long distances; and
- futures markets and other institutional innovations in financing the production and trade of agricultural commodities.

In effect, Chicago pioneered many aspects of modern agribusiness, which came to incorporate and shape farming. It also exemplified the "temperate grain-livestock complex," which was central to international agricultural trade and divisions of labour from the 1870s onwards.

European farmers, who were unable to compete with cheaper imported grain, responded by turning to more intensive production of higher value products, like dairy, fruit and vegetables, and by abandoning farming and leaving the countryside. Outside these two principal zones of temperate farming, and complementing
them, was the tropical agricultural production and exports of Asia and Africa, whose colonial incorporation was completed in the same period. The "industrial plantation" of this period (chapter 3) provides a tropical and colonial counterpart to the shift from farming to agriculture exemplified by the U.S. Midwest. What distinguished the industrial plantation from earlier forms of plantation were the connections between its organization and methods of production, its ownership structures and its close linkages with finance capital, shipping, industrial processing and manufacturing — aspects of a "worldwide shift towards agribusiness" in the late nineteenth century, remarked by Ann Stoler (1985: 17) in her study of plantations in Sumatra. Like the prairies of the temperate grain-livestock complex, many zones of industrial plantation production were also new agricultural frontiers, in this case established by clearing vast areas of tropical forest.

In short, a global division of labour in agricultural production and trade emerged from the 1870s, comprising the following:

- new zones of grain and meat production in the "neo-Europes" (Crosby 1986), established by settler colonialism in the temperate Americas, Southern Africa, Australia and New Zealand;
- more diversified patterns of farming in parts of Europe itself at the same time as accelerating rural out-migration; and
- specialization in tropical export crops in colonial Asia and Africa and the tropical zones of the former colonies of Central and South America, whether grown on peasant or capitalist farms, or on industrial plantations.

A central element of this global division of labour and its economic dynamic was a shift from farming to agriculture, which connected revolutionary changes in the technical conditions and organization of production (especially in the "neo-Europes" and Europe itself and in the industrial plantations of the tropics) with the vastly expanded scale of international trade in the staple foods of the temperate grain-livestock complex, in "tropical groceries" — foods and beverages like sugar, cocoa, bananas, tea, coffee — and in mostly tropical industrial crops like rubber, palm oil, cotton, sisal and jute.

With regard to agriculture as an object of policy, on the supply side of the first IFR,

Settler agriculture cheapened agricultural commodity production, via the political appropriation and colonization of new lands. Specialized commodity production [was] actively promoted by settler states via land and immigration policy, and the establishment of social infrastructure, mainly railways and credit facilities. (Friedmann and McMichael 1989: 101)

On the demand side, the way to a relatively free trade order was prepared by the 1846 repeal of the Corn Laws in Britain, which had protected British farmers and landowners, and their commercial rents, from cheaper imported grain. While repeal occurred before the historical watershed of the 1870s, it connects with it in several ways. In the 1840s, Britain had the first class of industrial capital confident in its international competitive strength and ability to take on the domestic "agricultural interest" in the interests of "free trade," including cheaper imported food to keep wages, hence labour costs, low. The repeal of the Corn Laws and the subsequent enforcement by Britain of similar measures on other European countries paved the way for the relatively free trade order of the "international food regime" that emerged several decades later, when British grain farming experienced serious competitive pressures as wheat imports started to arrive in rapidly growing quantities.

Chapter 3 sketched some of the characteristic policies of colonial states in Asia and Africa in this period that imposed the commodification of subsistence on peasant farmers and facilitated the creation of industrial plantations, settler farming and commercial forestry. The commodification of subsistence could take, and combine, different forms of activity in expanding and deepening social divisions of labour: including pressures on peasant farmers to cultivate specialized export crops, to produce food for a growing wage labour force in mining, construction, manufacturing and industrial plantations and to engage in seasonal wage labour. From the nineteenth-century too, colonial governments established Departments of Agriculture in their Asian and African territories,
with agricultural research in the colonial period concentrated on major export crops like rubber and sugar, largely neglecting the food staples of the tropics.

Finally, as noted in chapter 3, there were also agricultural frontiers created by indigenous farmers, who migrated and cleared land to cultivate new export crops. While they did so on their own initiative, during this period and subsequently, specialized export production increasingly integrated them with capitalist companies that traded, shipped and processed their crops. One aspect of integration was the development of quality standards and regulation in the international trade of such tropical products as coffee, cocoa and rubber (Daviron 2002).

From Free Trade to Protectionism (1914–1940s)

The capitalist world economy was profoundly affected by the world wars of 1914–1918 and 1939–1945 and the great depression of the 1930s, with its consequences for international trade. Subject to the usual unevenness of capitalist development in different parts of the world and despite the shrinking of the world economy, the processes described above continued with one crucial exception. The first WWII collapsed in 1914, and wartime policies, together with the depression, generated widespread protectionism of agriculture in the industrial capitalist countries. One example, which was key to what happened later, was the introduction of a comprehensive farm support policy in the U.S. in the 1930s as part of the "New Deal" of the Roosevelt governments. This policy guaranteed minimum, or "floor," prices to farmers, with surplus stocks — grain that could not be sold at prevailing market prices — held by the government.

At the same time, Britain, France and other European colonial powers tried to squeeze even more out of the subject farming populations of Asia and Africa. The marketing boards for key agricultural commodities that emerged to support farmers (and agricultural industries more broadly) in Europe were adapted in colonial Africa to extract larger revenues from its farmers. In India, the great depression intensified the existing pattern of displacing staple food cultivation for domestic consumption with export production of cotton, jute, sugar and fine grains, thereby contributing to the great Bengal famine of 1943–44 (chapter 3).

The Second International Food Regime (1940s–1970s)

Key features of the post-Second World War period were the emergence of the U.S. and U.S.S.R. as rival "super powers"; their competition for allies among the countries of Asia and Africa as they achieved independence (which both super powers supported, for different reasons); and the recovery and extraordinary expansion of the capitalist world economy from the 1950s to the early 1970s. These features helped shape the development of agriculture, and its effects for farming, in the three main regions of the global division of labour, outlined above.

In the U.S. and the industrialized North generally, from the late 1940s there was a marked acceleration in the rate of technical transformation of farming through "chemicalization" (fertilizers, pesticides, herbicides), mechanization and the development of high-yielding seeds and animals (bred for ever higher yields of milk and meat). The accelerated technical transformation of Northern farming, in significant part, expressed the growing size and concentration of agri-input corporations upstream of farming. Their role in shaping farming methods also contributed to tendencies to concentration in farming, with fewer, larger and more capitalized farms, hence increasing scale and growing labour productivity. From 1950 to 1972, those working in farming in the U.S. declined from 15 to 5 percent of the total labour force (Friedmann 1990: 24). Other effects included the rapid growth of the gap in labour and land productivity between large-scale capitalist farmers in both North and South and small-scale farmers concentrated in the South, as noted in chapter 1.

This soon generated the familiar problem of capitalism, analyzed by Marx, of overproduction: when capitalist competition and productivity growth generate quantities of commodities that cannot be sold because of lack of "effective demand" — an economists' term for whether there is enough purchasing power to buy the commodities on offer. In turn, this reflects a fundamental feature of capitalism: that "effective demand" expresses who gets what — the "Disposable
incomes" consumers are able to spend (including on credit) — and not who needs what. This is an especially pointed theme in debates about today's global food economy, in which there is no absolute shortage of food production, but many people, lacking enough income to buy adequate food, go hungry.

In the U.S., continuing government policies of "farm support" — in fact, agricultural industry support — contributed to this problem but also found a "solution," at least for a while, in the formation of a second international food regime. This centred on the disposal of U.S. food surpluses as food aid, first to assist the post-war reconstruction of Western Europe and then to the Third World, where food aid was a strategic part of foreign policy during the Cold War. Friedmann (2004) calls this the "mercantile-industrial food regime" because it subsidized production and managed trade to the benefit of U.S. and also European, agricultural interests, including giant grain trading companies, while also serving foreign policy interests in the Third World; and industrial because of the growing importance within it of agri-input corporations.

Unlike the largely price-governed first international food regime, with its competitive pressures on European grain farming, the second era combined "mercantile" trade policies with "the corporate organization of a transnational agro-food complex centred on the Atlantic economy" (Friedmann 1993: 18). In this complex, European countries replicated the "national" character of U.S. agricultural policy in supporting farm production and exports under the Common Agricultural Policy (CAP) of what is now the European Union.

Rising real incomes in the North during the post-war economic boom were reflected in increased consumption and indeed a new mass culture of consumerism. In particular, the everyday consumption of meat and processed and convenience foods increased greatly, which signalled the enhanced prominence of the agro-food industries downstream of farming in the "transnational agro-food complex."

Engel's Law, formulated by German statistician Ernst Engel (1821--1896), states that as income rises the proportion spent on food decreases. In the technical terms of economics, the "income elasticity of demand for food" is less than 1, which means that of each additional unit of disposable income, only part — and a diminishing part — is spent on food. However, this does not mean that less money is spent on food. To take a simple example, say a household with an annual income of $10,000 spends 10 percent of that, $1,000, on food. Over time its income doubles to $20,000 and the proportion it spends on food drops to 7 percent, or $1,400, an increase of 40 percent in the amount it spends on food. In short, the agro-food industries expanded and compete to supply — and to stimulate — the total amount spent on food. From the 1950s especially, and on an ever larger economic and geographical scale today (chapter 5), some of the biggest names in the agro-food industries took off, not least those in sourcing and slaughtering livestock and processing meat and those in the new globalized fast food chains.

For the South, wheat imports from the U.S. and later the E.U., initially under the concessional terms of food aid, could provide food more cheaply than domestic farming to boost industrialization in countries that had been largely self-sufficient in food production (echoing the case of Britain after the repeal of the Corn Laws a century or so earlier). This is emphasized in Friedmann's account of the "origins of Third World food dependence" (1990), exemplified by parts of Latin America, North Africa and Western Asia.

**Agricultural Modernization in the Moment of Developmentalism (1950s--1970s)**

The newly independent countries of Asia and Africa emerged from colonialism still largely agrarian societies but now committed to "national development," as were most Latin American countries, which were generally more industrialized. Modernizing agriculture was usually a central element of ideas about "national development," if often subordinated to the desire for industrialization. Giving priority to industrialization could mean substituting domestic grain production with cheap wheat imports or "postponing" agricultural modernization until the development of national industry could provide it with modern inputs. The latter was the dominant view of development planning in India for the first twenty years of independence, before the Green Revolution was launched.

During the peak period of "developmentalism" — the pursuit
of state-led development — from the 1950s to 1970s, a wide range of policy measures was adopted and applied by governments in the South to "modernize" their agriculture. Agricultural policy was also used to try to resolve some of the contradictions and social tensions inherited from their colonial histories, no less in Latin America than in Asia and Africa. Thus, for example, land reforms, of very different kinds, were widespread in this period (see chapter 6), as was government-sponsored or imposed resettlement of rural populations (a familiar colonial practice), for example, in parts of Africa and Southeast Asia. The "integrated rural development programs" (IRDPs) of the 1970s, a comprehensive "package" including delivery of education and health as well as economic services to the countryside, were promoted especially strongly by the World Bank and the U.S. Agency for International Development (USAID), which some interpreted as their response to the success of a peasant-based and communist-led war of national liberation in Vietnam.

In this period, agricultural and rural development policies exhibited a lot of institutional variety and frequent "paradigm shifts," or more simply, changing fashions, as they do today. Despite their variety, policies and programs of modernization shared a core logic: promoting a more productive agriculture based in deepening commodity relations, whether through "smallholder" development or larger-scale farming, public and private. This was often pursued by governments in the South in "partnership" with the World Bank, bilateral aid donors, notably the U.S., Britain and France, and private agribusiness capital (national and international), all of which supplied designs for modernization.

"More productive" addresses the technical conditions of farming: improved varieties and cultivation methods, greater fertilizer use and "soft" credit and technical advice to farmers (promoted through extension services). This was typically done on a crop basis, for both export and food crops, most famously during the Green Revolution from the 1960s with its high yielding variety (HYV) seeds of the "big three" grains of maize, wheat and rice. The "package" combined HYV seeds with fertilizers, requiring substantial irrigation to produce larger harvests, as illustrated in the vignette from northern India in the Introduction.

"Deepening commodity relations" involves greater integration of farmers in markets, in which they specialize in producing particular commodities for sale, as well as buying and using greater quantities of means of production ("modern" inputs) and means of consumption, which might include food. The means to this end commonly included the following:

- credit schemes for seasonal production expenses and fixed capital investments, through state agricultural banks or other public bodies;
- subsidies on fertilizers and, in irrigated areas of India, on electricity to power tube wells and pumps;
- facilitating marketing by upgrading transport infrastructure and specialized organizations like cooperatives and para-statal agricultural agencies (some adapted from the colonial period, like crop marketing boards);
- "administered" prices, especially minimum or "floor" prices, set by governments for key crops.

I was living in Tanzania in the 1970s, when the para-statal crop agencies expanded greatly to encompass research and development, input and credit supply, transport, storage and processing as well as marketing. This struck me as an attempt to emulate, in very different conditions, the ways in which corporations upstream and downstream of farming in the North integrated and controlled the "agricultural sector" (Bernstein 1981). Jonathan Barker (1989) described such programs of agricultural modernization in sub-Saharan Africa as an attempt to create "state peasantry."

It is difficult to generalize about the effects of agricultural modernization efforts during the moment of "developmentalism" because of the variety of policy measures, of their technical and institutional "packages" and of government capacities in delivering them and because of the even greater variety of ecological conditions and types of farming to which they were applied. In fact, assessing the impact of policies — a sizeable profession in itself — is always challenging because agricultural "performance" is affected by many other factors, from weather to the effects of macroeconomic policies.
(for example, and notably, concerning exchange rates of currencies and interest rates), to the vagaries of markets and prices, locally and internationally. There were some success stories on different scales, of which the largest was the Green Revolution in India, which enabled it to become self-sufficient in grain production in a short time. This is not to say that the “success” of the Green Revolution was unqualified; there are limits to the growth of wheat and rice yields derived from its biochemical “packages” and issues of its environmental costs, hence sustainability, in some areas. Not all farmers benefited equally from the implementation of the Green Revolution (see chapter 7), nor food consumers from its effects. For example, some of the land devoted to growing the higher quality and more expensive grains was diverted from “coarse” grains, like millet, and from pulses, a key source of protein in the diets of the poor.

Conclusion
Answering the question of which farmers benefit from different agricultural policies, and from processes of agrarian change in capitalism more broadly, involves examining their differentiation, a major theme in Chapters 7 and 8. Before considering the current period of neo-liberal globalization in the next chapter, I conclude here with an observation on the prospect of achieving economic development today, including industrialization, through agricultural export-led growth, compared with earlier periods of the formation of the global capitalist economy.

Earlier transitions to industrial capitalism, and the contributions to them of agriculture, occurred when prices for agricultural commodities were generally much higher in real terms than they are now. The international terms of trade “moved in favour of agriculture . . . through the nineteenth century and indeed up to the First World War,” whereas since the 1940s they mostly “turned sharply against agricultural commodities and in favour of manufactured goods for the first time since the industrial revolution” (Kitching 2001: 154–5). In part this reflects the massive growth in the productivity of farming in the North. For much of the South, the promotion of exports of tropical agricultural commodities, in the moment of developmentalism and beyond (chapter 5), tends to generate systematic overproduction, which depresses their prices in international markets (coffee being perhaps the best-known example).

Gavin Kitching (2001) also reminds us that today’s richest countries had smaller populations and rates of population growth at the time of their industrial take-off than the principal countries of the South today. Industrial technologies were generally more labour-intensive too than they are now; hence industry needed and was better able to absorb the labour of migrants from rural areas displaced by primitive accumulation and the development of capitalist farming. Even so, we can note that during the first “golden age” of globalization, the exodus of small farmers and agricultural workers from European countryside contributed, in very large numbers, to transatlantic migration to North and South America.

Notes
1. Local should not be confused with “static.” The long histories of farming involved movement to clear and settle new areas for cultivation — in effect, to create new localities.
2. Note, however, that some theorists argue that the formation of capitalist agriculture does not mean that the farming it incorporates is necessarily capitalist. I come back to this in chapters 6 and 7.
3. Some historians argue that the significant gains in yields from capitalist “high farming” in England from the sixteenth to eighteenth centuries rested on labour-intensive methods, without any marked increase in the productivity of labour.
4. Note that “corn” here was wheat, not “corn” in the American sense of maize.
5. Note too the continuing importance of this issue to agricultural policies and development policies today: the price of food relative to that of industrial goods, or the “terms of trade” between the agricultural and industrial sectors within countries and in international trade; see further below.
6. The collapse of the IPR and emergence of protectionism, is sometimes dated as 1929, the onset of the great depression.
7. The New Deal was a program of public investment, among other things, to combat massive unemployment in order to revive economic growth.
8. The CAP was initiated in 1962 and today accounts for nearly half of
E.U. budget expenditure.

9. In contrast, poor households in the South have to spend a very large proportion of their much smaller incomes on food, and even then can not afford adequate diets; there is a glimpse of this in the vignette of the Bangladeshi sharecropper in the Introduction.

10. In some cases, like Brazil and Chile, they had experienced significant industrial growth when world trade declined during the 1930s, through "import substitution": producing manufactured goods that they had previously imported.

11. This is a common syndrome. Conventional development models aim for "win-win" scenarios — to achieve both economic growth and an end to poverty — but their prescriptions are confounded by the inequalities and contradictions of capitalism; hence the need to invent apparently "new" ideas and approaches, or reinvent and re-label old ones, which then confront the same problems in practice.

12. In fact, the Green Revolution started with the development of HYVs in the U.S. in the 1930s, a story told in an important study by Jack Kloppenburg (2004).

Chapter 5

Neoliberal Globalization and World Agriculture

Beginning in the 1970s, the capitalist world economy has undergone a process of profound change, commonly termed globalization. The significance and meaning of contemporary globalization, the reasons for it and its effects remain highly controversial. At its broadest, it refers to new forms of the restructuring of capital on a world scale and includes the following features:

- deregulation of financial markets and "financialization" of all aspects of economic activity;
- increasing deregulation of international trade;
- shifts in the production, sourcing and sales strategies and technologies of transnational agribusiness and manufacturing corporations; and
- massive possibilities attendant on information technologies, not least for organizing economic activity (production and marketing) and for mass communications.

In retrospect, the 1970s seem to have been as definitive a marker of subsequent structural shifts in the world economy as was the 1870s, a century before. Today's globalization was similarly triggered by recession in the world capitalist economy and its "adjustments," which led to a massive expansion of international flows of commodities and above all of money. It is also marked by the declining competitiveness of U.S. industry (as previously of British industry). Beverly Silver and Giovanni Arrighi (2000: 56) put it like this: "The deep capitalist crisis of the 1970s was first and foremost a reflection of the inability of world capitalism as instituted under US hegemony to deliver on the promises of a Global New Deal" — which included support of "developmentalism" in the South, if selectively so. This
led to "a liquidation of the labour-friendly and development-friendly international regime of the preceding thirty years in favour of a capital-friendly regime." "Friendly" here is relative to what went before and what came next: "Under the new regime, the crisis of capitalism quickly turned into a crisis of organised labour and of the welfare state in rich countries, and of the crisis of Communism and of the developmental state in poorer countries."

The term "neoliberal globalization" suggests that the changes and dynamics of the current period are not simply the "automatic" effects of the cyclical nature and contradictions of capitalism (e.g., overproduction, over-accumulation and its pressures on the rate of profit) but represent a particular ideological and political program — neoliberalism — to resolve the problems of capital (Harvey 2005, especially chapter 2), a program that replaced the previous political attempts to construct a "Global New Deal," as Silver and Arrighi call it. The neoliberal program centres on promoting the freedom and mobility of capital and on "rolling back the state," albeit highly selectively in practice.

First, this means reducing or abolishing the gains of working classes, registered in state regulation and provision concerning employment contracts, working hours and conditions, minimum wages, rights of association, health care, education and social insurance and pensions. Second, global capital markets — unrestricted by regulation and in which vast amounts of money move with unprecedented speed, driven by the pursuit of short-term gains — undermine the capacities of states to pursue national macroeconomic policies with any effective autonomy. Thus, the neoliberal mantra of policy to achieve "competitiveness" in global markets and the agenda of privatizing public enterprises and services are aspects of a deepening commodification of all aspects of social existence. Third, in terms of economic development, neoliberalism includes the structural adjustment programs, economic liberalization, privatizations and "state reform" agenda imposed on the countries of the South (and former Soviet bloc) that spelled the end of the project of state-led development.

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Collapsing of the Second International Food Regime
The collapse of the second IFR parallels the timing and dynamics of globalization more broadly. The collapse began in the early 1970s, triggered by "a sudden, unprecedented shortage and sky-rocketing prices" in world grain markets, as the U.S. lifted its embargo on grain sales to the Soviet Union and supplied it with enormous quantities of wheat at preferential prices (Friedmann 1993: 40). This episode registered the contradiction of overproduction, hence surplus disposal and the escalating costs of maintaining price stability, with effects for the "mercantile" side of the second IF. Europe also contributed to overproduction as it had replicated U.S. policies of agricultural support and started to produce peacetime grain surpluses for the first time in a century (as well as large surpluses of other commodities like dairy products).

Intensified competition in international agricultural trade linked the strains of managing the "mercantile" side of the second IF with the changing geography of its "industrial" (production) side. For example, Argentina and Brazil became two of the world's four biggest producers of soy (the others being the U.S. and China). Soy, an oilseed, is mostly converted to an animal feed for intensive livestock production in feedlots. Its production has continued to expand massively, doubling from 1990 to 2005, and it has joined the "big three" grains of wheat, rice and maize to make up the "big four" of world field crops (Weiss 2007: 17). The story of soy illustrates the accelerated growth in power, influence and control of global food sourcing, processing and sales by transnational agribusiness, both agri-input and agro-food, which now pushed against the "mercantile" limits of the second IF, from which it had benefitted earlier. Corporations became "the major (global) agents attempting to organize stable conditions of production and consumption which allow them to plan investment, sourcing of agricultural materials, and marketing." (Friedmann 1993: 52). In effect, this marks a shift towards private (corporate) regulation of the global food economy, albeit with continuing high levels of agricultural subsidies in the U.S. and the E.U. In terms of the politics of agricultural interests, the end of the Cold War and demise of the U.S.S.R. undermined the strategic