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Preliminary notes on the Marxist debates on “historical forms of social production” in a surplus approach perspective

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Abstract

The search for the income distribution cores of pre-capitalist formations in the light of the classical surplus approach led to a re-examination the Marxist debates on the concept of mode of production. Unfortunately the Marxist debate is not only vast, but often wordy (this paper not being an exception), so we limit that ourselves to some episodes and scholars that sound particularly relevant for the relationship between forms of exploitation and economic modes. For a start, I shall consider some Marx’s insights on pre-capitalist formation which appear relevant also in the light of subsequent Marxist debates. I shall then outline some earlier Marxist debates which focused on the transition from feudalism to capitalism. Other debates focused on the concept of mode of production from Althusser and Perry Anderson to Jairus Banaji, John Haldon and others. Some conclusions try to make sense of these debates.

Keywords: Marx, modes of production, social formations, pre-capitalist economies, Surplus approach, institutions

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Introduction*

Previous papers by Cesaratto and Di Bucchianico (2021a, 2021b) examined the controversies on pre-capitalist economic formations in economic anthropology, archaeology and history in the light of the classical surplus approach recovered by Sraffa (1951) and Garegnani (1984, 2018). We suggested the inseparability of the analysis of social political institutions and the production, distribution and conflict over the social surplus. Those papers posed a research question, namely the possibility of identifying a “core” of economic relations concerning income distribution for pre-capitalist formations similar to that which Garegnani (1984) identified for capitalism. This must of course take into account that in capitalism economic-social relations are regulated by exchange and competition and therefore they can also be studied through mathematical-formal relations, whereas in earlier forms production and the distribution of the (eventual) social surplus are mediated by political-personal relations.

Although the classical surplus approach should not be identified with Marxism – many of its supporters are not Marxists (cf. Roncaglia 1991) – a Marxist ascendant is clearly discernible in many Sraffian authors. Garegnani’s concept of “core” can in this regard be loosely related to Marx’s wider concept of (capitalist) mode of production. This simple association actually opens a Pandora's box of questions over the definition of mode of production: e.g. if it coincides with one dominant form of exploitation or a plurality of them; over its relation with the overall institutional-cultural set up of societies; over its laws of change. A study of income distribution relations in pre-capitalist “historical forms of social production” (Marx 1974 [1867], p. 484) cannot therefore avoid opening the box.

Unfortunately the Marxist debate is not only vast, but often wordy (this paper not being an exception), so that we have to limit ourselves to some episodes and scholars that sound particularly relevant for the relationship between forms of exploitation and economic modes which will be our specific focus. Paradoxically the post-WWII debate focused first on the dynamics of change of modes of production, and later on the concept itself. In section 1 I shall refer to some selected Marx’s insights on pre-capitalist formation which appear relevant also in the light of subsequent Marxist debates. (I will however leave aside a discussion of the few pages where, in the *Grundrisse*, Marx directly tackles the question of economic formations in favour of the more

* Mostly written in 2021, this paper reflects a preliminary exploration of the issue. See Cesaratto (2023b) and the accompanying papers Cesaratto (2023c/d) for more advanced results.

systematic insights from *Capital*). In section 2 I shall outline the earlier Marxist debates which focused on the transition from feudalism to capitalism, and namely the Dobb-Sweezy debate of the 1950s, and the Brenner controversy in the late 1970s. Coming to more recent debates, section 3 particularly focuses on Jairus Banaji, an Indian Marxist historian vocally critical of what he believes is a vulgar Marxist view of modes of production. We shall also review the somehow opposite view held by the American Marxist historian John Haldon more faithful to some Marx's hints. Some conclusions try to make sense of these debates.

1. Marx and the “historical forms of social production”

1.1. Why to study the historical forms of social production

Famously, Marx argued that “Human anatomy contains a key to the anatomy of the ape” (Marx 1973 [1857-8], p. 105-6). As explained by the distinguished archaeologist Andrea Carandini (1979, p. 17):

The form of consciousness that springs from the capitalist form of production allows... the understanding of its own history... Therefore, it is not the categories of bourgeois economy that are valid for all other forms of society, but it is the critique of these categories – and therefore the ability to see the prebourgeois forms as being extraneous to the bourgeois one – that makes it possible to forge valid tools to anatomise the past (thus measuring how much Marx's theory is an anti-modernist par excellence, contrary to the criticism that the substantialist economic anthropology [...] has moved to it). (...) [In capitalism w]ith the purest expression of social antagonisms (...) and therefore also with the maximum development of the categories capable of understanding them, for the first time in history the possibility arises to understand the set of antagonistic social forms (our "prehistory") and to reflect on the future destinies of humanity, with an eye to the origins (...) (our translation).

Following Carandini, we may argue that the impersonal nature of market relations in capitalism on the one hand *hide* and on the other incite to *unmask* the relations of exploitation both in capitalism and in former societies. It hides because in capitalism exploitation is concealed behind the veil of free labour market relations. It uncovers since precisely the impersonal and more formalizable nature of economic relations allows a cool proof of the reality of exploitation. Although exploitation seems more evident in earlier society, slavery and feudal corvée being the most obvious examples, the proof of exploitation in the most “developed” economic formation helps to unveil also the ideology that covers and obfuscates exploitation in former societies, and

to explore their own economic mechanisms. As Engels explains again in the *Ludwig Feuerbach* (1946 [1886], part 4)¹

But while in all earlier periods the investigation of these driving causes of history was almost impossible — on account of the complicated and concealed interconnections between them and their effects — our present period has so far simplified these interconnections that the riddle could be solved. [...] Conditions had become so simplified that one would have had to close one's eyes deliberately not to see in the light of these three great classes [landed aristocracy, bourgeoisie and working class] and in the conflict of their interests the driving force of modern history — at least in the two most advanced countries. [...] And it was just as clear that in the struggle between landed property and the bourgeoisie, no less than in the struggle between the bourgeoisie and the proletariat, it was a question, first and foremost, of economic interests, to the furtherance of which political power was intended to serve merely as a means. Bourgeoisie and proletariat both arose in consequences of a transformation of the economic conditions, more precisely, of the mode of production. [...] In modern history at least it is, therefore, proved that all political struggles are class struggles, and all class struggles for emancipation, despite their necessarily political form — for every class struggle is a political struggle — turn ultimately on the question of *economic* emancipation. Therefore, here at least, the state — the political order — is the subordination, and civil society — the realm of economic relations — the decisive element [*italics in the original*].

Marx did not intend to apply economic categories valid only for capitalism to earlier social formation, at least as such, and was always very careful not to do that. Hence Carandini's criticism of the *substantivist* accusation to Marx of “modernism”.² On similar lines Ellen Meiksins Wood (2008, p. 90) argued that: “it is the very specificity of capitalism that allows it to shed light on the earlier forms it replaced, not because it is their natural and inevitable outcome but because it represents their historical other”. The idea of different “historical forms of social production” (Marx 1965, p. 484) is indeed intrinsic to Marxism, as the concrete manifestation of historical

¹ Quotation of *Ludwig Feuerbach* from <https://www.marxists.org/archive/marx/works/1886/ludwig-feuerbach/index.htm>

² On the debates between substantivists and formalists in economic anthropology, and the parallel debate between primitivists and modernists among historians, see Cesaratto and Di Bucchianico (2021a, 2021b) and Cesaratto (2023a). Formalists and modernists pretend to adapt the instruments of modern economic analysis (generally identified with the marginalist analysis of market economies) to ancient economies; on the opposite, substantivists and primitivists (mainly referring to Karl Polanyi) look at these as specific non-market formations with more relevance assigned to institutions than to economics. The just mentioned papers show that the classical surplus approach is a third way which, on the one hand, is a general economic theory proper to all economic formations and, on the other, it must be adapted to each formation in relations to the historically given social and political institutional that regulate the production and distribution of the social surplus. The study of the historical forms of social production also reflects the classical theory of “stages” (Meek 1976).

materialism (Wood 2008, p. 79). As Engels (1947 [1878], p. 90, p. 92) explains again in the *Anti-Dühring*:

Political economy is ... essentially a *historical* science. It deals with material which is historical, that is, constantly changing; it must first investigate the special laws of each individual stage in the evolution of production and exchange, and only when it has completed this investigation will it be able to establish the few quite general laws which hold good for production and exchange in general. [...] In order to complete this critique of bourgeois economics, an acquaintance with the capitalist form of production, exchange and distribution did not suffice. The forms which had preceded it or those which still exist alongside it in less developed countries, had also, at least in their main features, to be examined and compared.³

Historical relativity of economic formations is also part of the challenge of demonstrating the historicity of capitalism. While this scientific program may sound ideological, I believe that demonstrating that market relations are not the only mode of social and economic organization humanity is a challenging and somehow existential topic. To mainstream economists it may be retorted that they want to symmetrically show that commodification is the natural outcome of economic history. Market relations have ultimately prevailed, but this may just prove their greater social power, not their greater rationality and social legitimacy.⁴

Two famous but somewhat differing Marx's "methodological" works have puzzled scholars: the 1857 (unpublished) *Introduction* to *Grundrisse* notebooks (Marx 1973 [1857-8]), and the 1859 (published) *Preface* to the *Critique of Political Economy*.

The *Introduction* proposes, as is well known, a dynamic analytical procedure that goes from the confused complexity of the concrete towards abstraction, and then back to the concrete, a parable that results in the so-called "determinate abstractions": a synthesis of abstract concepts and historical contextualisation (Ginzburg 2000). The *Preface* famously proposes a very schematic version of historical materialism in which it is the material basis of society, i.e. the economic relations in which individuals enter in the "social production of their existence", that acts as the core for the "the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness".⁵ The transition to different economic forms is rooted in the evolution of the material basis (the forces

³ Quotation of *Anti-Dühring* from the PDF version downloaded at Marxist.org.

⁴ Karl Polanyi tackles the same question from a slightly different perspective, much influenced by Marx though.

⁵ Quotations of the *Preface* from <https://www.marxists.org/archive/marx/works/1859/critique-pol-economy/preface.htm>

of production) and on the conflict “with the existing relations of production or – this merely expresses the same thing in legal terms – with the property relations within the framework of which they have operated hitherto”.

The *Preface* names the *Introduction* in somehow dismissive terms arguing that a long methodological preface anticipating the “results” could only confuse the reader, but also intending to simplify the methodology by moving from the particular to the general.⁶ We are not in a position here to illuminate Marx's reasoning between the two writings (see Marsden [1998] who, however, I do not find particularly illuminating).

Be it as it may, the structure/superstructure hierarchy characteristic of the *Preface* was "destined to nourish a strand of rigidly orthodox Marxism" (Ginzburg 2000, p. 111 fn), or supposedly so. In the one of the Marxists controversies we shall examine (section 3), one side precisely accuses the other of being influenced by this rigid view.

Another famous paragraph from vol. III of *Capital* proposes a convergence of the two *Marx*, the supposed hard line historical materialism of the *Preface*, and the more articulated approach of the *Introduction*: on the one hand, forms of exploitation are the “innermost secret” of any society, nonetheless this “does not prevent the same economic basis (...) from showing infinite variations and gradations in appearance, which can be ascertained only by analysis of the empirically given circumstances”:

The specific economic form, in which unpaid surplus-labour is pumped out of direct producers, determines the relationship of rulers and ruled, as it grows directly out of production itself and, in turn, reacts upon it as a determining element. Upon this, however, is founded the entire formation of the economic community which grows up out of the production relations themselves, thereby simultaneously its specific political form. It is always the direct relationship of the owners of the conditions of production to the direct producers — a relation always naturally corresponding to a definite stage in the development of the methods of labour and thereby its social productivity — which reveals the innermost secret, the hidden basis of the entire social structure and with it the political form of the relation of sovereignty and dependence, in short, the corresponding specific form of the state. This does not prevent the same economic basis — the same from the standpoint of its main conditions — due to innumerable different empirical circumstances, natural environment, racial relations, external historical influences, etc. from showing infinite variations and gradations in appearance, which

⁶ “A general introduction, which I had drafted, is omitted, since on further consideration it seems to me confusing to anticipate results which still have to be substantiated, and the reader who really wishes to follow me will have to decide to advance from the particular to the general” (source, see footnote 5).

can be ascertained only by analysis of the empirically given circumstances. (Capital III, CH. 47 (II)).⁷

Quoting the *Grundrisse*, Wood (2008, p. 86) explains how the dynamics of Marx's "innermost secret", the forms of exploitation and the related evolving "separation of labour from its material presuppositions" marks the distance of Marx from the Classical economists "stage theory" where the stages were seen as a march towards a market economy:⁸

Marx introduces a radical innovation into this historical sequence, which will in the end prove decisive: not only the emphasis on class divisions but, more particularly, the idea that historical progress has been a progressive 'separation of free labour from the objective conditions of its realization – from the means of labour and the material for labour' (Marx 1973 [1857-8], p. 471), which culminates in the complete separation of the wage labourer in capitalism. Before capitalism, workers related to the basic condition of labour – the land – as their property, whether the communal property of one or another form of primitive communalism or the free landed property of the independent small producing household. Capitalism completely disrupts the 'natural unity of labour with its material presuppositions', and the worker no longer has 'an objective existence independent of labour'. Marx cannot, then, be satisfied with the sequences of classical political economy – such as Adam Smith's progression from hunting, to pasturage, to farming to commercial society, propelled by the division of labour and ever-expanding exchange. Nor can he remain uncritically wedded to conceptions of progress as the forward march of the bourgeoisie. While there are certainly parallels between his sequence and those older conventions, the essential criteria of differentiation among the stages of progress are significantly different. His focus on property relations and the separation of labour from its material presuppositions invites us to look elsewhere for the driving force of history.

Marx clearly marked his distance from Adam Smith, as we shall see below.

1.2. *The regulation of distribution in capitalism and pre-capitalism*

Marx's "determinate abstractions" of the *Introduction* arouse the sympathy of some Sraffian economists (Ginzburg 2000, 2016; Maffeo 2000; Cesaratto and Di Bucchianico 2021a) who interpreted in their light the method of classical economists as presented by Garegnani (1984), and based on the idea of the "core" of the classical and Marxian "surplus approach". Within the framework of the classical theory of surplus, Garegnani (1984) identifies a *core* of "necessary relations" in the capitalist economy, i.e. expressible through formal relations, which link prices and distribution, on the basis of some "data" studied outside the core in relation to the relevant historical-institutional context. In this light Sraffa (1960) price equations would represent the

⁷ Quotations from the PDF available at Marxists.org.

⁸ I leave aside a direct consideration of the famous section of the *Grundrisse* on the pre-capitalist formation, a complex text for non-historians and on which the Marxist debate has often been very convoluted (the classical introduction is Hobsbawm, 1965).

abstraction, while the data they presuppose – the state of technology, the level and composition of the social product, or the real wage rate (or alternatively the interest rate) – are studied outside the abstract core in the determined historical context under investigation, thus contextualizing price equations as “determinate abstractions”.

Garegnani explicitly restrained the concept of “core” to the capitalist economy where competition allows some definite relations to be studied in price and distribution theory.⁹ Following Marx, Garegnani (2018, p. 17) points out that this would also mark a difference with preceding economic formations in which the allocation of labour in the various activities was not regulated by the impersonal forces of competition, but by the more visible hand of institutions, by the given “social order”. Garegnani’s position echoes that of Perry Anderson (1974, p. 403) who argued that “All modes of production in class societies prior to capitalism extract surplus labour from the immediate producers by means of extra-economic coercion. Capitalism is the first mode of production in history in which the means whereby the surplus is pumped out of the direct producer is ‘purely’ economic (...)”. Task of critical political economy of capitalism would then be “to explain these impersonal and objective phenomena in terms of the underlying personal and social relations” (Garegnani 2018, p. 18).

Both Anderson and Garegnani views are well grounded in Marx who at the beginning of vol. I of *Das Capital* writes:

Let us now transport ourselves (...) to the European middle ages shrouded in darkness. Here, instead of the independent man, we find everyone dependent, serfs and lords, vassals and suzerains, laymen and clergy. Personal dependence here characterises the social relations of production just as much as it does the other spheres of life organised on the basis of that production. But for the very reason that personal dependence forms the ground-work of society, there is no necessity for labour and its products to assume a fantastic form different from their reality. They take the shape, in the transactions of society, of services in kind and

⁹ J. S. Mill (a post-classical author) argued that: “only through the principle of competition has political economy any pretension to the character of a science. So far as rents, profits, wages, prices, are determined by competition, laws may be assigned for them. Assume competition to be their exclusive regulator, and principles of broad generality and scientific precision may be laid down, according to which they will be regulated (...)”. He however added: “But it would be a great misconception of the actual course of human affairs, to suppose that competition exercises in fact this unlimited sway. (...) Competition, in fact, has only become in any considerable degree the governing principle of contracts, at a comparatively modern period. The farther we look back into history, the more we see all transactions and engagements under the influence of fixed customs. The reason is evident. Custom is the most powerful protector of the weak against the strong; their sole protector where there are no laws or government adequate to the purpose. Custom is a barrier which, even in the most oppressed condition of mankind, tyranny is forced in some degree to respect” (Mill 1870, book 2, Chapt. 4, § 1). According to the classical surplus approach customs and rules of fairness regulate, along competition, real wages even in capitalism (Stirati 1994).

payments in kind. Here the particular and natural form of labour, and not, as in a society based on production of commodities, its general abstract form is the immediate social form of labour. Compulsory labour is just as properly measured by time, as commodity-producing labour; but every serf knows that what he expends in the service of his lord, is a definite quantity of his own personal labour power. The tithe to be rendered to the priest is more matter of fact than his blessing. No matter, then, what we may think of the parts played by the different classes of people themselves in this society, the social relations between individuals in the performance of their labour, appear at all events as their own mutual personal relations, and are not disguised under the shape of social relations between the products of labour (Marx (1974 [1967]), pp. 81-82).¹⁰

Garegnani's necessary relations of the core may be seen as manifestation, relatively to capitalism, of Marx's "innermost secret", that is of the "specific economic form, in which unpaid surplus-labour is pumped out of direct producers" (quotation in the preceding section). In this regard, Garegnani refers in his writings to the role that the labour theory of value played in Ricardo and Marx in giving (albeit imperfectly) some definitiveness to the "*inner connection* of the bourgeois system' (...), the connection, that is, between the parts into which the social product is divided among the classes constituting the capitalist system" (Garegnani 2018, p. 2, my emphasis; cf. also 1984, p. 304). "Inner" versus "apparent" *connections* are the expressions Marx uses in *Theories of Surplus Value* when appraising Adam Smith's oscillations between tracing "the intrinsic connection existing between economic categories or the obscure structure of the bourgeois economic system" and expressing the "*apparent* connections without any internal order" (Marx 1863, Chapter X, A, 2, emphasis in the original).¹¹ Merit of Ricardo was to expose and describe "the economic contradiction between the classes—as shown by the intrinsic relations—and that consequently political economy perceives" discovering "the root of the historical struggle and development" (ibidem). We may therefore regard Marx/Garegnani's "inner connection" as the specific manifestation of Marx's "innermost secret", how "unpaid surplus-labour is pumped out of direct producers".¹²

As a premise to the subsequent Marxist debates, we shall now comment upon three topics from Marx's *Capital* concerning in particular the role of "primitive accumulation", of "commercial

¹⁰ Textual quotations of *Capital* vol. I from Marxists.org; pages from the printed edition Marx (1974 [1867]).

¹¹ Quotation from <https://www.marxists.org/archive/marx/works/1863/theories-surplus-value/ch10.htm>.

¹² Critics might blame me that I refer the "innermost relation" to the economic manifestation (income distribution) of exploitation and not to the "production relations" (a term used by Marx in the passages quoted end of the last section). I believe that the two aspects cannot be separated (in the *Introduction* Marx defended Ricardo from the accusation of having separated them (Marx 1973 [1857-8] pp. 95-96).

capital” in the transition from feudalism to capitalism, and of “pre-capitalist rent” as the distributive category most characterizing pre-capitalist social formations.

Since Marxist controversies on precapitalist modes of production begun on the so-called transition from feudalism to capitalism, let us recall what Marx wrote in chapter 26 of vol. I of *Das Capital* on “primitive accumulation”.

1.3. *Marx on primitive accumulation*

Marx was critical of the idea of *primitive accumulation*. More specifically, he was critical of the Smithian thesis of a primitive capital accumulation as the premise to capitalist development. In this view “accumulation [is] not the result of the capitalistic mode of production” but virtue of a “frugal elite” which accumulated capital before capitalism, so to speak:

We have seen how money is changed into capital; how through capital surplus-value is made, and from surplus-value more capital. But the accumulation of capital presupposes surplus-value; surplus-value presupposes capitalistic production; capitalistic production presupposes the pre-existence of considerable masses of capital and of labour power in the hands of producers of commodities. The whole movement, therefore, seems to turn in a vicious circle, out of which we can only get by supposing a primitive accumulation (previous accumulation of Adam Smith) preceding capitalistic accumulation; an accumulation not the result of the capitalistic mode of production, but its starting point.

This primitive accumulation plays in Political Economy about the same part as original sin in theology. Adam bit the apple, and thereupon sin fell on the human race. Its origin is supposed to be explained when it is told as an anecdote of the past. In times long gone by there were two sorts of people; one, the diligent, intelligent, and, above all, frugal elite; the other, lazy rascals, spending their substance, and more, in riotous living (Marx 1974 [1867], p. 667).

For Marx capitalism is born when the capitalist relations of production, i.e. the separation between labour and the means of production, prevail: “In themselves money and commodities are no more capital than are the means of production and of subsistence” (ibid, p. 668). What instead denotes “so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production”:

The capitalist system presupposes the complete separation of the labourers from all property in the means by which they can realize their labour. As soon as capitalist production is once on its own legs, it not only maintains this separation, but reproduces it on a continually extending scale. The process, therefore, that clears the way for the capitalist system, can be none other than the process which takes away from the labourer the possession of his means of production; a process that transforms, on the one hand, the social means of subsistence and of production into capital, on the other, the immediate producers into wage labourers. The so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing

the producer from the means of production. It appears as primitive, because it forms the prehistoric stage of capital and of the mode of production corresponding with it (ibid, p. 668).¹³

Thus for Marx the dissolution of the feudal mode of production, and in particular the creation of a 'free' proletariat, no longer tied to the land, would be the precondition for capitalism, i.e. the transformation of pre-existing wealth into capital:

The economic structure of capitalist society has grown out of the economic structure of feudal society. The dissolution of the latter set free the elements of the former (...). The starting point of the development that gave rise to the wage labourer as well as to the capitalist, was the servitude of the labourer. The advance consisted in a change of form of this servitude, in the transformation of feudal exploitation into capitalist exploitation. The expropriation of the agricultural producer, of the peasant, from the soil, is the basis of the whole process. The history of this expropriation, in different countries, assumes different aspects, and runs through its various phases in different orders of succession, and at different periods. In England alone, which we take as our example, has it the classic form (ibid, pp. 668-670).

A well-known Marxist historian, Chris Wickham, singles out an inconsistency in Marx who in the mentioned *Preface* gave primacy to the *forces of production* as the agent of change, whereas dealing with primitive accumulation in volume I of *Capital* the emphasis was on the *relation of production* “in which transformations in the property rights and in the exploitation of peasants and artisans in fourteenth- to eighteenth-century England, their separation from the means of production, clearly predate changes in the labour process and in technical advance characteristic of the capitalist mode, and so were not caused by these changes” (Wickham 2008, p. 6). Marxist research inspired for instance by Maurice Dobb and Robert Brenner has subsequently explored the ways in which this “liberation” of labour from feudal ties took place *within* feudalism, while other Marxists have contested this endogenous interpretation of transition, favouring external factors such as the development of international trade (and challenging the Anglo centric location of the transition). With this in mind, let us therefore review what Marx wrote on the role of commercial capital and trade in the transition from feudalism to capitalism.

¹³ In *Capital* vol. II Marx observes: “Money can be expended in this form [as the form of existence of capital] only because labour-power finds itself in a state of separation from its means of production (including the means of subsistence as means of production of the labour-power itself) (...) It is not money which by its nature creates this relation [class relation]; it is rather the existence of this relation which permits of the transformation of a mere money-function into a capital-function. (...) The purchase and sale of slaves is formally also a purchase and sale of commodities. But money cannot perform this function without the existence of slavery. If slavery exists, then money can be invested in the purchase of slaves. On the other hand the mere possession of money cannot make slavery possible”(Marx (1956 [1885/1893]), part I, ch. 1, stage I; quotations of *Capital*, vol. II, from www.marxists.org/archive/marx/works/1885-c2/ch01.htm#1).

1.4. *Marx on commercial capital*

With regard to a developed capitalist economy, in *Capital* vol. III Marx seems to distinguish between industrial capital considered productive (i.e. generating a surplus) and commercial capital considered at least partly unproductive. For Marx, commercial capital had in fact, so to speak, a double soul: the first related to the logistical activities necessary to market industrial production, such as the transport industry; the second a 'pure' commercial, mercantile soul:

We have explained (Book II, Chapter VI, "The Costs of Circulation,") to what extent the transport industry, storage and distribution of commodities in a distributable form, may be regarded as production processes continuing within the process of circulation. These episodes incidental to the circulation of commodity-capital are sometimes confused with the distinct functions of merchant's or commercial capital. Sometimes they are, indeed, practically bound up with these distinct, specific functions, although with the development of the social division of labour the function of merchant's capital evolves in a pure form, i.e., divorced from those real functions, and independent of them. Those functions are therefore irrelevant to our purpose, which is to define the specific difference of this special form of capital. In so far as capital solely employed in the circulation process, special commercial capital, partly combines those functions with its specific ones, it does not appear in its pure form. *We obtain its pure form after stripping it of all these incidental functions.* (Marx 1894, IV/16, p. 187), my italics).¹⁴

Logistical activities are assimilated to industrial activities, constituting a projection of them into the service sector (e.g. the transport industry). The surplus is thus generated in this sector, as in manufacturing, through the exploitation of the workers employed there, as Marx says in *Capital* vol. II:

what the transportation industry sells is change of location. (...) the exchange-value of this useful effect is determined, like that of any other commodity, by the value of the elements of production (labour-power and means of production) consumed in it plus the surplus-value created by the surplus-labour of the labourers employed in transportation. [Marx (1956 [1885/1893]), part I, chapter 1 (4)].¹⁵

What Marx means by 'pure' commercial capital is less clear, possibly the mere employment of capital to buy goods from the producer and resell them to the final user in a way akin to a speculative activity, or he might refer to redundant trade activities such as the multiplication of intermediaries. Although "no value is produced in the process of circulation, and, therefore, no surplus-value" [Marx 1894, IV/16, p. 194], like any capital anticipated, 'pure' commercial capital must however be remunerated at the uniform (normal) rate of profit (which Marx misleadingly

¹⁴ Quotations of *Capital*, vol. III, from <https://www.marxists.org/archive/marx/works/download/pdf/Capital-Volume-III.pdf>

¹⁵ Quotations of *Capital*, vol. II, from <https://www.marxists.org/archive/marx/works/1885-c2/ch01.htm#1>

calls 'average').¹⁶ Accordingly, the normal rate of profits is calculated on a capital stock that includes “pure commercial” capital.

“Pure” commercial capital might be assisted by wage-labour (say, by accountants) but, Marx says, this is “unproductive labour”, that is it does not produce a surplus-value. Nonetheless, the “unpaid labour of these clerks, while it does not create surplus-value, enables commercial capital to appropriate surplus-value” securing a “share” of the surplus-value created by productive (industrial) labour, otherwise, Marx writes, “commerce could never be conducted on a large scale, capitalistically” [Marx 1894, 17]. Correspondingly the normal profit rate of the industrial sector will be diminished.¹⁷

It is not our interest here to enter into Marx's reasoning, but rather to note that, according to Marx (who liked paradoxes), while in capitalism merchant capital has an ancillary (almost a parasitical) role with respect to productive capital, the roles are in as sense inverted in pre-capitalistic formations given that: “not commerce alone, but also merchant's capital, is older than the capitalist mode of production, is, in fact, historically the oldest free state of existence of capital” [Marx 1894, 20, p. 222]. Noticeable is the different origin of the commercial capitalist's profits in pre-capitalist societies. Here Marx seems to validate the mercantilist theory of profits upon alienation, of net gain as a result of buying cheaply and selling dearly:

the merchant's profit is made, first, in acts which occur only within the circulation process, hence in the two acts of buying and selling; and, secondly, it is realised in the last act, the sale. It is therefore profit upon alienation. Prima facie, a pure and independent commercial profit seems impossible so long as products are sold at their value. To buy cheap in order to sell dear is the rule of trade [Marx 1894, 20, p. 224].

In this regard Marx argues that “Merchant's capital, when it holds a position of dominance, stands everywhere for a system of robbery” on “undeveloped societies” that “which still substantially produce for use-value, and for whose economic organisation the sale of the portion of their product entering circulation, or for that matter any sale of products at their value, is of secondary importance”, and more specifically on “the principal owners of the surplus-product with whom the

¹⁶ The normal rate of profit is yield on the capital goods that embody the “dominant” technique (available under competitive conditions), while a “quasi-rent” is yield on capital goods that embody obsolete techniques until the output price is over prime costs at least.

¹⁷ E.g.: “Merchant's capital, therefore, participates in levelling surplus-value to average profit, although it does not take part in its production. Thus, the general rate of profit contains a deduction from surplus-value due to merchant's capital, hence a deduction from the profit of industrial capital” [Marx 1894, IV, 17, p. 198].

merchant dealt, namely, the slave-owner, the feudal lord, and the state (for instance, the oriental despot) represent the consuming wealth and luxury which the merchant seeks to trap, as Adam Smith correctly scented" [Marx 1894, IV (20), p. 225].

Thus in both capitalism and earlier economic formations Marx does not regard merchant capital as a true capitalist form (except in a very broad sense as sharing in the industrial surplus in capitalism or the pre-capitalist rent in older economies). But even though it was not itself a form of capitalism, could mercantile capital act as an external trigger to the crisis of feudalism and the start of industrial capitalism?

Marx is very balanced in his answer arguing that, while essential, the development of commerce cannot be an autonomous propulsive force for transition, since it does so only once an endogenous, potential capitalist development is already in place (specifically an exploitable "free" labour force). Trade is essential since "commerce imparts to production a character directed more and more towards exchange-value" Marx 1894, IV (20), p. 222). In this way the "existence and development [of commercial capital] to a certain level are in themselves historical premises for the development of capitalist production" (ibid, p. 223), however, "its development (...) is incapable by itself of promoting and explaining the transition from one mode of production to another" (ibidem). This incapability is underlined by Marx notwithstanding the active dislocation action of trade on the production side over which commerce extends its hands:

In the pre-capitalist stages of society commerce ruled industry. In modern society the reverse is true. Of course, commerce will have more or less of a counter-effect on the communities between which it is carried on. It will subordinate production more and more to exchange-value by making luxuries and subsistence more dependent on sale than on the immediate use of the products. Thereby it dissolves the old relationships. It multiplies money circulation. It encompasses no longer merely the surplus of production, but bites deeper and deeper into the latter, and makes entire branches of production dependent upon it. Nevertheless this disintegrating effect depends very much on the nature of the producing community (ibid, pp. 224-5).

In other words, Marx writes, "whither this process of dissolution will lead (...) does not depend on commerce, but on the character of the old mode of production itself". For instance in "the ancient world the effect of commerce and the development of merchant's capital always resulted in a slave economy (...). However, in the modern world, it results in the capitalist mode of production. It follows therefrom that these results spring in themselves from circumstances other than the development of merchant's capital" (ibid, p. 225). Once this is acknowledged one can then conclude that:

There is no doubt – and it is precisely this fact which has led to wholly erroneous conceptions – that in the 16th and 17th centuries the great revolutions, which took place in commerce with the geographical discoveries and speeded the development of merchant's capital, constitute one of the principal elements in furthering the transition from feudal to capitalist mode of production. The sudden expansion of the world-market, the multiplication of circulating commodities, the competitive zeal of the European nations to possess themselves of the products of Asia and the treasures of America, and the colonial system – all contributed materially toward destroying the feudal fetters on production. (ibid, pp. 225-6).

Marx finally notes that, paradoxically, an extension of commercial capital's control over traditional production, as long as it occurs without revolutionising its methods, could even delay an effective transition:

The transition from the feudal mode of production is two-fold. The producer becomes merchant and capitalist, in contrast to the natural agricultural economy and the guild-bound handicrafts of the medieval urban industries. This is the really revolutionising path. Or else, the merchant establishes direct sway over production. However much this serves historically as a stepping-stone – witness the English 17th-century clothier, who brings the weavers, independent as they are, under his control by selling their wool to them and buying their cloth – it cannot by itself contribute to the overthrow of the old mode of production, but tends rather to preserve and retain it as its precondition. The manufacturer in the French silk industry and in the English hosiery and lace industries, for example, was thus mostly but nominally a manufacturer until the middle of the 19th century. In point of fact, he was merely a merchant, who let the weavers carry on in their old unorganised way and exerted only a merchant's control, for that was for whom they really worked. This system presents everywhere an obstacle to the real capitalist mode of production and goes under with its development. Without revolutionising the mode of production, it only worsens the condition of the direct producers, turns them into mere wage-workers and proletarians under conditions worse than those under the immediate control of capital, and appropriates their surplus-labour on the basis of the old mode of production (ibid, p. 226).

The role of trade in the transition from feudalism has been the focus of much controversy among modern Marxists (see section 2). The latter have also focused on the concept of mode of production and discussed, in particular, if a mode of production should be identified with a specific form of exploitation - typically slavery, serfdom, or wage-labour, forms (see section 3). Marx subsumed the most typical extraction of the surplus in pre-capitalist formations under the category of pre-capitalist rent.

1.5. *Marx on pre-capitalist rent*

For Marx, between capitalism in which wage-labour is deceptively free and heterodirected, and slavery which it is openly unfree and heterodirected, there are intermediate forms of labour exploitation – typically serfdom – which although coercively controlled by an élite, leaves workers

carry out productive activity relatively autonomously. With free labour the surplus takes the form of profits and, subordinately, of rent; in the intermediate forms it is seized as rent (which can also take the form of taxation)¹⁸ Marx dedicates some pages to *pre-capitalist* rent in vol. III of *Capital* where he writes:¹⁹

It is furthermore evident that in all forms in which the direct labourer remains the “possessor” of the means of production and labour conditions necessary for the production of his own means of subsistence, the property relationship must simultaneously appear as a direct relation of lordship and servitude, so that the direct producer is not free; a lack of freedom which may be reduced from serfdom with enforced labour to a mere tributary relationship. The direct producer, according to our assumption, is to be found here in possession of his own means of production, the necessary material labour conditions required for the realisation of his labour and the production of his means of subsistence. He conducts his agricultural activity and the rural home industries connected with it independently. (...) Under such conditions the surplus-labour for the nominal owner of the land can only be extorted from them by other than economic pressure, whatever the form assumed may be. This differs from slave or plantation economy in that the slave works under alien conditions of production and not independently. Thus, conditions of personal dependence are requisite, a lack of personal freedom, no matter to what extent, and being tied to the soil as its accessory, bondage in the true sense of the word. Should the direct producers not be confronted by a private landowner, but rather, as in Asia, under direct subordination to a state which stands over them as their landlord and simultaneously as sovereign, then rent and taxes coincide, or rather, there exists no tax which differs from this form of ground-rent. Under such circumstances, there need exist no stronger political or economic pressure than that common to all subjection to that state. The state is then the supreme lord. Sovereignty here consists in the ownership of land concentrated on a national scale. But, on the other hand, no private ownership of land exists, although there is both private and common possession and use of land. (Marx 1894, pp. 575-576).²⁰

It can be deduced from these passages that the relative labour independence in intermediate forms, which can be considered relative to pre-capitalist economic formations (alongside an ever

¹⁸ For memory: taxation in capitalism is also a levy on the surplus; however, while capitalistic rent can be precisely measured in Ricardian terms, taxation from the capitalistic state share with pre-capitalistic rent/tax an aura of arbitrariness. Feudalism is a sort of decentralised state, so the difference between lord rent and taxation is blurred. In capitalism taxation may return to the working lot in terms of state services (see the concept of social wage in Cesaratto 2007). It is often heard, especially from neoclassical economists, that in pre-capitalism rent-taxation is the price paid by peasants for state or feudal protection.

¹⁹ Marx’s analysis of the *capitalist* rent is rather complicated (see e.g. Ramirez 2009); since, however, it is still based on Ricardo’s analysis, we may rely on the latter as the reference theory. According to this theory, the normal price of, say, corn is determined in the marginal, less quality and abundant land where rent is not paid. In infra-marginal lands a rent is paid as the residual from the surplus one detracted profits paid at the normal profit rate.

²⁰ Quotations from <https://www.marxists.org/archive/marx/works/download/pdf/Capital-Volume-III.pdf>

present but not often dominant slavery),²¹ may or may not involve the more or less complete possession of land and the means of production. In this sense exploitation takes on a character of political rather than of economic coercion. This distinction has a nuanced nature, in the sense that, for example, the more land is leased to workers and rent paid in money, the more the rent approaches an economic nature. Whereas if workers own the land, the surplus is appropriated by mere coercion in the forms of corvée in the lord's land (demesne) or crop-sharing (tithes).

In all circumstances, in pre-capitalist formations rent would be “the general form of surplus labour”. As Marx put it in the *Theories of surplus value* (vol. III, ch. VI):

In all previous forms the land-owner, not the capitalist, appears as the immediate appropriator of others' surplus labour. ... Rent appears as the general form of surplus labour, unpaid labor. Here the appropriation of this surplus labor is not mediated by exchange, as with the capitalist, but its basis is the coercive rule of one part of society over the other part, hence direct slavery, serfdom, or a relation of political dependence (quoted by Takahashi 1963, p. 31).

As just alluded, Marx distinguishes between three types of pre-capitalist rent: labour rent; rent in kind; and money-rent. With labour-rent workers spend part of the week (surplus labour) on the master's land producing a surplus for the landlord, and part on land cultivated for their own subsistence. This is, Marx writes, “the simplest and most primitive form of rent: Rent is here the primeval form of surplus-labour and coincides with it”. (Marx 1894, p. 576). “The transformation of labour rent into rent in kind – he adds – changes nothing from the economic standpoint in the nature of ground-rent. The latter consists, in the forms considered here, in that rent is the sole prevailing and normal form of surplus-value, or surplus-labour” (ibid, p. 577). The rent paid in money implies that the workers-producers first market the surplus in order to convert it into money. This implies for Marx a move towards market rather than personal-institutional relations:

By money-rent – as distinct from industrial and commercial ground-rent based upon the capitalist mode of production, which is but an excess over average profit – we here mean the

²¹ Finley introduced the distinction between slave societies and societies with slaves (Lenski 2018, p. 123). Slaves can be employed both as productive (producing a surplus) and unproductive labour. As productive labour, slavery is profitable as long as slaves produce above their subsistence. As unproductive labour (say personal services) slaves must live out of the surplus generated by productive labour. We are almost silent here about slavery over which there is a conspicuous Marxist debate, particularly if, when employed in private enterprises, it can be taken as a form of proto-capitalism. See for a start Foster et al. (2020). Clegg and Foley (2019) study the analytics of distribution in the case of slave production in a capitalist economy (slave plantations in the U.S. nineteenth century is the most discussed case of course), but not in pre-capitalist economies. According to Meillassoux (1979) slaves' subsistence does not usually include reproduction costs which are instead included in serfdom and wage-labour. Slavery thus passes on to the subjugated societies the costs of supporting the future slaves until working age. On the other hand, procuring new vintages of slaves is a costly business (wars or payments to merchants).

ground-rent which arises from a mere change in form of rent in kind, just as the latter in turn is but a modification of labour rent. The direct producer here turns over instead of the product, its price to the landlord (who may be either the state or a private individual). An excess of products in their natural form no longer suffices; it must be converted from its natural form into money-form. Although the direct producer still continues to produce at least the greater part of his means of subsistence himself, a certain portion of this product must now be converted into commodities, must be produced as commodities. *The character of the entire mode of production is thus more or less changed. It loses its independence, its detachment from social connection.* The ratio of cost of production, which now comprises greater or lesser expenditures of money, becomes decisive; at any rate, the excess of that portion of gross product to be converted into money over that portion which must serve, on the one hand, as means of reproduction again, and, on the other, as means of direct subsistence, assumes a determining role. However, the basis of this type of rent, although approaching its dissolution, remains the same as that of rent in kind, which constitutes its point of departure. The direct producer as before is still possessor of the land either through inheritance or some other traditional right, and must perform for his lord, as owner of his most essential condition of production, excess corvée-labour, that is, unpaid labour for which no equivalent is returned, in the form of a surplus-product transformed into money. (Marx 1894, p. 578, my italics).

It is presumable that, with the money-rent, the different productivity of the land attracts more attention, although Marx does not say this, perhaps considering it premature to speak of a rent market when the rules of ground-rent still bite as based upon “traditional and customary legal relationship between landlord and subjects”:

By money-rent – as distinct from industrial and commercial ground-rent based upon the capitalist mode of production, which is but an excess over average profit – we here mean the ground-rent which arises from a mere change in form of rent in kind, just as the latter in turn is but a modification of labour rent. (ibid, p. 579)

However, this is the direction associated to the transformation of independent farmers into capitalists (see below section 2.1); in the time being, money rent has still to be distinguished from rent in capitalism (as based on the rules of competition):

With money-rent prevailing, the traditional and customary legal relationship between landlord and subjects who possess and cultivate a part of the land, is necessarily turned into a pure money relationship fixed contractually in accordance with the rules of positive law. The possessor engaged in cultivation thus becomes virtually a mere tenant. This transformation serves on the one hand, provided other general production relations permit, to expropriate more and more the old peasant possessors and to substitute capitalist tenants in their stead. On the other hand, it leads to the former possessor buying himself free from his rent obligation and to his transformation into an independent peasant with complete ownership of the land he tills. The transformation of rent in kind into money-rent is furthermore not only inevitably accompanied, but even anticipated, by the formation of a class of propertyless day-labourers, who hire themselves out for money. During their genesis, when this new class appears but sporadically, the custom necessarily develops among the more prosperous peasants subject to

rent payments of exploiting agricultural wage- labourers for their own account, much as in feudal times, when the more well-to-do peasant serfs themselves also held serfs. In this way, they gradually acquire the possibility of accumulating a certain amount of wealth and themselves becoming transformed into future capitalists. The old self-employed possessors of land themselves thus give rise to a nursery school for capitalist tenants, whose development is conditioned by the general development of capitalist production beyond the bounds of the country-side. This class shoots up very rapidly when particularly favourable circumstances come to its aid, as in England in the 16th century, where the then progressive depreciation of money enriched them under the customary long leases at the expense of the landlords (ibid, p. 580).

2. Marxist controversies on the transition to capitalism

Simplifying, in Marxist debates we can identify two symmetric positions.²² On the one hand, there are those who identify a mode of production by the most characteristic relation of exploitation, and the forces of change towards new modes in the “contradictions” inherent in the given mode. On the other, there are those who take a looser view of modes of production, not identified with a prevailing mode of exploitation and who, therefore, do not only look at the production side to explain change, but prevalently at the circulation side (trade). The famous Symposium between Dobb and Sweezy originally published in 1954, (Dobb, Sweezy et al. 1963) is the archetype of this debate but, as seen, some issues were already dealt with by Marx's.

2.1. *The Dobb-Sweezy debate on the transition to capitalism*

In the Dobb-Sweezy debate, the Cambridge economist found the trigger of the transition from feudalism to capitalism *within* the economic and social relations of feudalism consistently along the lines of Marx's *Preface* reported above. On the other hand, Sweezy identified external factors, the development of cities and trade, as the trigger of the transition. As Wood (2002, p. 38) sums up, the endogenous versus exogenous 'prime mover' in the transition from feudalism to capitalism is the central question at issue between Sweezy and Dobb. Was the primary cause of the transition to be found within feudal mode of production, i.e. the relations between lords and peasants, or was it located particularly in the expansion of trade?

For Dobb the “dissolution of feudalism and the rise of capitalism resulted from the *liberation* of petty commodity production, its release from the fetters of feudalism, largely by means of class struggle between lords and peasants” (ibid, pp 38-39). More specifically, “while class struggle did not 'in any simple and direct way' give rise to capitalism, it did serve to 'modify the dependence of

²² Ellen Meiksins Wood (2002), a late American-Canadian Marxist political theorist and historian exponent of the first tradition, provides a biased but useful sum up. See also da Graca e Zingarelli (2015).

the petty mode of production upon feudal overlordship and eventually to shake loose the small producer from feudal exploitation. It is then from the petty mode of production (...) that capitalism is born” (ibid, p. 39, quotations from Dobb).²³

The first accusation Sweezy (1963, p. 1) moves to Dobb’s *Studies in the Development of Capitalism* (1947) is the identification of feudalism with serfdom:

Dobb uses the two terms, ‘feudalism’ and ‘serfdom,’ as practically interchangeable throughout the book. It *seems* to me that this definition is defective in not identifying a *system* of production. Some serfdom *can exist* in systems which are clearly not feudal; and even as the dominant relation of production, serfdom has at different times and in different regions been associated with different forms of economic organization (original italics)

This is a momentous attack on Marx’s most standard concept of the mode of production as characterized by a dominant form of exploitation (criticism, we shall see, that will be repeated in most recent times). As Dobb (1963, p. 21) promptly noticed, Sweezy opposes the looser term of “system of production” to “mode of production in Marx’s use of the term”.²⁴ For Sweezy (1963, p. 2, his italics) the “crucial feature of feudalism” is that “it is a system of *production for use*”, so with little pressure to technical progress.

For Dobb, Sweezy argues, there are two elements that shake up feudalism: the flight to towns of over-exploited peasants, and the increasing material needs of the feudal lords. Both factors, however, require an external triggering element, that of the cities: on the one hand, towns are a destination for peasants flight from the countryside, and on the other hand they excite new consumption needs for the landed aristocracy. The development of a town-country monetary exchange would encourage the overcoming of stagnant feudalism in which rent takes the form of corves or product sharing, by requiring an increase in productivity and the monetisation of rent. Increased productivity and the commercialization of products in turn presupposes more advantageous conditions for agricultural labour, even the possibility of profits once rents have been paid. In turn, following the historian Henri Pirenne (1962-1935), the development of the cities is attributed by Sweezy (1963, p. 9) to the resumption of trade after the interruption caused

²³ At a superficial glance, this view seems at odd with the primacy Marx gave to the formation of a class of “free workers” (further exploration is here clearly necessary).

²⁴ According to Olsen (2009, p. 189) Joseph Stalin’s (1940) was “the first text in English translation to present the expression ‘mode of production’ as a conception of social structure and it is also the first explicitly to define it as consisting of the forces and relation of production”. Then, better Dobb had said Marxist and not “Marx’s use of the term”. However, we quoted above a passage from Marx’s *Capital* (1974 [1867], p. 668) in which the term appears.

by the Muslim invasions. One of the participants in the Symposium (Hilton 1963, p. 66) judged this thesis historically unacceptable (but the external origin of the shake-up of feudalism is resumed even in more recent years, see below section 3.2.6).

In his self-defence Dobb insists on the definition of feudalism based on the relations of exploitation of feudal landlords over producers “by virtue of direct politico-legal compulsion” (Dobb 1963, p. 22), also quoting Marx's famous passage that such relations are the “innermost secret the hidden basis of the entire social structure” (quoted above in section 1.1). Dobb therefore accuses Sweezy of privileging the sphere of exchange and neglecting the central element of the transition to capitalism, the formation of “cheap labour for hire” (ibid, p. 24).

On a similar tone, a participant to the Dobb-Sweezy debate, the Japanese Marxist Takahashi (1963), accuses Sweezy of betraying Marx's focus on how commodities are *produced* as the core of economic formations in favour of a focus on how commodities are *circulated*. It will be recalled that Sweezy defined feudalism as “a system of production for use” whereas, Takahashi accuses, he is silent above production relations: “His position seems a sort of circulationism” (ibid, p. 32). The Japanese scholars thus argues that the difference between feudalism and capitalism is in the respective forms of exploitation, based on personal-juridical relations in the former, on a market exchange in the latter:

The contradiction between feudalism and capitalism is not the contradiction between ‘system of production for use’ and ‘system of production for the market’, but that between feudal land-property – serfdom and an industrial capital – wage labour system. (...) In feudalism, since the immediate producer appear in combination with the means of production, and hence labor power cannot take the form of a commodity, the appropriation of surplus labor by the feudal lords takes place directly, by extra-economic coercion without the mediation of economic laws of commodity exchange. In capitalism, not merely are the products of labor turned into commodities, but labor power itself becomes a commodity. In this stage of development the system of coercion disappears and the law of value holds true over the entire extent of the economy (ibid, p. 33).

According to Dobb, the transformation of physical rent in money rent would transform personal relation between land lord and peasants in more impersonal relations, while the increase of productivity generates, given money rent, an embryonic profit. Productivity growth was also looked upon favourably by the lord eager to increase monetary income and consumption of goods from the cities and trades. As a result “the genesis of industrial capitalism... was taking form within the class of petty-commodity-producers ... in the process of freeing themselves from feudal land property” (Takahashi 1963, p. 47). Notably, the distance between the two positions is to some extent just of emphasis on the prime mover.

In this regard, in his “Replay”, Sweezy retorted that the mentioned historical changes (such as monetary rent and hence trade with cities, feudal ambition to non-agricultural consumption) could only be explained by an external stimulus since in Dobb’s description “feudalism does not contain an internal prime mover” (Sweezy 1963, p. 60):

My chief criticism of both Dobb and Takahashi ... is that in their anxiety to minimize the importance of trade as a factor in the decline of feudalism they avoid a direct analysis of this interactive process. Both of them, for example, tend to treat the substitution of money rent for labor payments or payments in kind as largely a matter of form and to lose sight of the fact that this change can occur on any considerable scale only on the basis of developed commodity production (ibid, p. 62).

Another participant to the debate, the historian Rodney Hilton, retorts that trade development was not enough in other historical occasions to generate capitalism. This was the case of the Roman economy in which trade did not undermine the solidity of slavery, whose crisis in the course of the empire rather gave rise to economic forms, the “colonate” (in which the colonus was a tenant farmer), predecessors of feudal forms.²⁵ In his view, feudal “peasants would strive to increase the portion of the surplus kept by them and could either do this by enforcing an absolute or relative reduction of rent, or by increasing the productivity of the holding, or by enlarging the holding without a corresponding increase in rent” (Hilton 1963, p. 70). As a result of this

early rent struggle... more and more surplus could be devoted to exchange. ... The spectacular developments in international trade, the industrialization of Flanders, Brabant, Liège, Lombardy and Tuscany, the growth of big commercial centres... are chronologically secondary to the development of the forces of production in agriculture, stimulated in the process of the struggle for feudal rent (ibid, p. 71).

At this stage we do not dare any interpretation.

2.2. *The Brenner debate*

In the 1970s the American historian Robert Brenner resuscitated the debate. We refer here to a paper in the *New Left Review* of 1977 where Robert Brenner attacks the popular theories of Immanuel Wallerstein and André Gunder Frank on the growth of the international market and unequal development. We are not interested here in these specific theories, but in the continuity

²⁵ This position reminds of Marx’s argument (already quoted in section 1.4) that in “the ancient world the effect of commerce and the development of merchant's capital always resulted in a slave economy (...). However, in the modern world, it results in the capitalist mode of production. It follows therefrom that these results spring in themselves from circumstances other than the development of merchant's capital” (ibid, p. 225)

that Brenner (1977, p. 33) posits between them and Paul Sweezy's position in the debate with Dobb.

"To grasp this line of thought" Brenner proposes indeed to take a step back to Adam Smith. The Scottish economist regarded the development of a society as a function of the division of labour, and the latter bound to the extent of the market, i.e. to the development of trade (ibid, pp. 33-34). Importantly, Smith would take labour mobility for granted – with capital mobility a pre-requisite for full capitalist competition (ibid, pp. 34-35), this is in turn supported by "self interest" and "profit maximization" (ibid, pp. 37-38). In line with Marx (see above section 1.3), for Brenner this would however be an "ahistorical" illustration that forgets "capitalist class relations" on which "profit maximization" is based (ibidem). In the Smithian logic followed by Wallerstein and Frank, "the rise of distinctively capitalist class relations of production are no longer seen as the basis for capitalist development, but as a result" (ibid, p. 39). Indeed "both Sweezy and Wallerstein argue that the incorporation of regions dominated by feudalism—specifically, lord-peasant relations characterized by serfdom—into networks of commercial relations cum division of labour has the effect of making feudal-serf productive units function more and more like purely capitalist productive units" (ibidem).

While, therefore, Sweezy suggested that trade could stimulate lords "to commute labour services to money rents and to increase output on the demesne by farming it to a capitalist tenant, who would cultivate the land using improved methods (and ultimately wage labour)", on the opposite Dobb argued that "the impact of trade only induced the lords to tighten their hold over the serfs, to increase exactions (including labour rent) and... to eschew innovation in agriculture" (Brenner 1977, pp. 41-42). Only much after the recovery of trade and the development of medieval towns, in the sixteenth-seventeenth centuries, landlords introduced innovations, but "it was only where it was difficult to increase their income by squeezing the peasantry because the peasantry were free (and property owners) that the lords turned to 'improvement'. In other words, the lords sought to increase their income via relative surplus labour only where they were not, in fact, serf lords" (ibid, p. 43). All in all, Sweezy relied too much on the (subjective) entrepreneurial reaction of landlords under the stimulus of trade (ibid, p. 45): "Sweezy can apparently in this manner assume away the central problem of the transformation from a serf to a free labour force, as a result of a classical form of economic determinism: attributing a universal significance to capitalist motivations and mechanisms—'profit maximization' and 'competition on the market'—given only the existence of a 'system of exchange', but not capitalist social-productive relations" (ibid, p. 48).

Similarly “the correct counterposition cannot be production for the market versus production for use, but the class system of production based on free wage labour (capitalism) versus pre-capitalist class systems” (ibid, p.50). No doubt that Brenner’s criticism is consistent with Marx’s own.

Brenner shares with Dobb the rejection of trade and merchant capital as the prime movers. Interestingly Brenner acknowledges the role of commerce on the division of labour, for instance regional, but on the other he underline the importance of the “development of the social forces of production” as a premise for “the growth of the productivity of labour” (ibid. p. 123), concluding that “this development of the social productive forces could not be directly determined by trade”, as Dobb as well retorted to Sweezy (see above section 2.1). Quite to the opposite, Dobb regarded the development of trade and merchant capital as “shaped by feudal class relations” (ibidem),²⁶ and more specifically: “Why should the lords free the serfs as a method of increasing the available controls over the peasantry in order to extract form (money, kind, or labour)” (ibid, p. 124). According to Dobb, Sweezy and his supporters assumed too easily that trade would transform serfdom in free labour, and even if some productive units adopted more advance techniques, the rest of the system would not feel the whip of competition, give that both landlords and serfs had access to subsistence (ibid, pp. 124-125). This is the core of the controversy.

Although Brenner (1978, p. 121) appreciates Dobb’s *endogenous* explanation of the transition from feudalism to capitalism contra the *exogenous* explanation based on trade and merchant capital, he is unhappy of the merit of his explanation. Dobb would not in fact be able to base this evolution on the “internal contradictions” of feudalism, as he wished. To begin with, feudalism entered a fatal crisis after the plague and demographic decline, thus independently of its “contradictions” (ibid, p. 122). In fact, the rise of peasant and artisan “petty production”, that for Dobb marks the transition, is not explained by those “contradictions”, but rather as a rise of bourgeoisie classes outside (or beside) feudalism (ibidem).²⁷ For Dobb, the years of the bourgeois

²⁶ Towns had the limited role of supplying “artisan-produced military or luxury goods” in exchange for “peasant-produced food extracted by landlords” (ibid, p. 126). The “subversive” role of towns as refuge for peasants and as culture of social classes antagonistic to feudalism is seen as limited given the political weight of the feudal aristocracy, and its role of customer of the urban production (ibid, p. 130).

²⁷Brenner quotes a good summary by the same Dobb: “The basic social relation [of feudalism] rested on the extraction of the surplus product of [the] petty mode of production by the feudal ruling class—an exploitation relationship that was buttressed by various methods of 'extra-economic compulsion' ... It follows immediately from this that the basic conflict must have been between the direct producers and their feudal overlords who made exactions ... by dint of feudal right and feudal power. This conflict, when it

revolution of 1640 are characterised by “the emergence of a new class of industrial and agricultural capitalists from the ranks of the direct producers” (ibid, 131). Rather than to a bottom-up process, Brenner envisages a top-down process whereby a “powerful transformation of the countryside in a capitalist direction appears to have taken place in late medieval and early modern England in connection with the landlord class” (ibid, p. 123).

Brenner’s main criticism of Dobb is that feudalism entered a fatal crisis in the 15th century, earlier the bourgeois revolution of 1640, as a result of the demographic shock (noticeably an external event). Here Brenner arrives at his own thesis: while in the long run Eastern Europe saw the restoration of serfdom and the French aristocracy largely succeeded to limit peasant land property, the English nobles failed in the restoration but reacted with “the introduction of agricultural capitalism on their estate” (ibid p. 133), particularly by entering “into new forms of relationship with their tenants characterised by contract” (ibidem).

As Wood (2002, p. 51) sees it, Brenner’s effort was “to explain the origin of capitalism without assuming its prior existence (...)” (as a force in waiting to be freed from feudal fetters) since:

with Brenner it is not a question of liberating an impulse toward capitalism. Instead, it is a matter of lords and peasants, in certain specific conditions peculiar to England, involuntarily setting in train a capitalist dynamic while acting, in class conflict with each other, to reproduce themselves *as they were*. The unintended consequence was a situation in which producers were subjected to market imperatives. (ibid, p. 54)

More specifically, “capitalist dynamics” was the “unintended consequence” of “growing numbers of tenants (...) subjected to market imperatives” since “conditions of tenure increasingly took the form of economic leases, with rents not fixed by law or custom but responsive to market conditions” (ibid, pp. 52-53). Brenner would in this regard contrast the situation of tenants and peasants “who, because they remained in direct possession of their means of subsistence, were shielded from competition and the compulsions of the market, even if they engaged in market

broke into open antagonism expressed itself in peasant revolt. .. This was the crucial class struggle under feudalism, and not any direct clash of urban bourgeois elements (traders) with feudal lords ... it is upon *this revolt among the petty producers* that we must fix our attention in seeking to explain the dissolution and decline of feudal (quoted by Brenner 1978, p. 132, original emphasis). In this way, Brenner (1978, p. 122) critically remarks, “in the end, Dobb tends to fall back toward the older conception of direct transition via the rise of the bourgeoisie, external to feudalism. He ends up by explaining not only the rise of capitalism but also the overthrow of feudalism by the emergence of a new class of industrial and agricultural capitalists alongside the still feudal order during the early modern period”.

exchange" (ibidem).²⁸ In turns, landlords became dependent too on markets, becoming interested in productivity growth rather than in mere exploitation:

The English ruling class was distinctive in its growing dependence on the productivity of tenants, rather than on exerting coercive power to squeeze more surplus out of them (ibid, p. 53). Both landlords and tenants came to depend on success in the market, as the former relied on the profits of the latter for their rents. Both had an interest in agricultural 'improvement', the enhancement of productivity by means of innovative land use and techniques, which often implied, among other things, land enclosures — not to mention the increasing exploitation of wage labour (ibid, p. 54).

To sum up, on the one hand we have Dobb's thesis that "the decisive steps toward capitalist social-productive relations are taken by artisan and farmer petty owners, who hire wage labour and bring in new techniques, thus themselves becoming capitalists (rather than by merchants and landlords and transforming it in a capitalist direction)", in fact against merchants and landlords (ibid, p. 134). Implicit in this explanation would be "the assumption that peasant production, once freed from the controls of serfdom, will evolve more or less automatically in the direction of capitalism" (ibidem). On the opposite, Brennon maintains that landlords in England did not succeed in returning to serfdom, but neither met much peasant ownership and resistance like in France²⁹ so "the English landlords and tenant owner-operators) were led to attempt to profit through improvements on the basis of wage labour — and to a large degree they succeeded" (ibid, p. 138). As a result, the "farming on a capitalist basis tended to dissolve the ancient antagonism between industrial and agricultural development which had been built into feudal-peasant relations, with its barriers to the growth of agricultural productivity. Indeed it fuelled industrial development through cheaper food and rising rural demand" (ibidem).

²⁸ Wood specifies that: "In England, an exceptionally large proportion of land was owned by landlords and worked by tenants whose conditions of tenure increasingly took the form of economic leases, with rents not fixed by law or custom but responsive to market conditions. It could even be said that there existed a market in leases. The conditions of tenure were such that growing numbers of tenants were subjected to market imperatives - not the opportunity to produce for the market and to grow from petty producers into capitalists but the need to specialize for the market and to produce competitively - simply in order to guarantee access to the means of subsistence and to the land itself. This was in contrast to peasants, who, because they remained in direct possession of their means of subsistence, were shielded from competition and the compulsions of the market, even if they engaged in market exchange" (ibid, pp. 52-53).

²⁹ Supposedly this led to a formation of a market of free labour in England, but the exposition of Brenner is not terse.

2.3. *An assessment of the controversies*

In his introduction to Marx's notes on *Pre-capitalist economic formations* extracted from the *Grundrisse*, Eric Hobsbawm (1964, p. 46) finds Sweezy more on line with Marx in looking at feudalism as "a system of production for use" quoting in support the German economist:

It is ...clear that in any given economic formation of society, where not the exchange-value but the use-value of the product predominates, surplus-labour will be limited by a given set of wants which may be greater or less, and that here no boundless thirst for surplus labour arises from the nature of production itself (Marx (1974 [1867], p. 226).

Hence, Hobsbawm concludes, "the main agent of disintegration was the growth of trade, operating more particularly through the effects of the conflict and interplay between a feudal countryside and the towns which developed on its margin (...). This line of argument is very similar to that of [Marx's] *Formen*" (Hobsbawm 1964, p. 46).

On the opposite side, Ellen Meiksins Wood (2002, p. 35) considers Sweezy's approach in line with a liberal, Smithian if not even marginalist tradition (ibid, p. 20), according to which it is feudalism that stifles market forces, which would then find a way through the development of trade and cities to supplant it (also through bourgeois revolutions). As seen in section 1.3, Adam Smith was a major proponent of the "primitive accumulation" theory according to which "the prelude to 'commercial society' was a process of prior accumulation in which wealth was amassed by means of commercial acumen and frugality, eventually reaching a point at which it was sufficient to permit substantial investment" (ibid, p. 35). As seen in section 1.3, Marx challenged this hypothesis in volume I of *Capital*, where primitive accumulation would be considered an insufficient circumstance to generate the transition. Later, also Robert Brenner accused Sweezy and others of being "'neo-Smithian" by sharing a market-driven model first outlined by Adam Smith (ibid, p. 41).

Eventually, however, Wood criticises both Dobb's and Sweezy's models as they share the idea that capitalism develops in the interstices of feudalism just waiting to be freed from its fetters, by spontaneous generation of destructive bacteria in Dobb, by contamination from external factors in Sweezy (ibid, pp. 42-43, 45). Wood extends this criticism to Perry Anderson (1974). As seen above (section 1.2), for Anderson feudalism is a mode of production in which political power was fragmented among feudal lords, where lordship constituted a unity of political and economic power. Lordship was characterized by a mechanism of surplus extraction, serfdom, in which economic exploitation and politico-legal coercion merged (Anderson 1974). The dissolution of

feudalism coincided with the separation of the political and economic in the mode of production: on the one hand the market intruded in the countryside (when rent began to take a monetary form, entailing a commercialization of production) and developed in towns, while the political power shifted from the periphery to the centre, to the absolutist state. For Wood, while “politico-legal coercion was 'displaced upwards', the commodity economy and the 'bourgeois society' that had grown in the interstices of feudalism were liberated and allowed to develop on their own terms” (Wood 2002, p. 45), a view similar to Dobb and Brenner.

All in all, the “transition debate” leave us with two visions of the evolution of economic formations. The first is inward oriented and focuses on social dynamics triggered by exploitation (a spontaneous generation of bacteria and disease), in line with the *Preface* and with Marx and Engels’ *Manifesto* view of history as driven by the class struggle. The second view is outward oriented (contamination from external factors) and looks at trade as the mobilizing factor. What is missing is an integration, closer to Marx’s “organic view” of the *Introduction* to the *Grundrisse* where Marx seems to regard the production side just as a *primus inter pares*:

Admittedly (...) *in its one-sided form*, production is in itself determined by the other moments. For example, if markets, i.e. the sphere of exchange, expands, then production grows in quantity and the division between its different branches become deeper. So change in distribution changes production, e.g. concentration of capital, different distribution of the population between town and country, etc. Finally the needs of consumption determine production. Mutual interaction takes place between different moments. This the case with every organic whole” (1973, pp. 99-100, original italics).

In this direction Pinkusfeld Bastos, Crespo, and Mazat (2022) on the one hand support Dobb-Brenner stance that “the analysis of elements that are related directly to the process of production” are those “that determine the very nature of capitalism” (ibid, page number n/a). It sounds indeed “indisputable” that “the end of serfdom allowing the free mobility of capital and the property of the means of production by capitalists is pretty much the definition of capitalism itself. In this sense it is appropriate the criticism to approaches that identify the increase of trade with capitalism”. On the other they argue that “the extensive emphasis on the relations of production as if these could explain the whole movement of the economy, seems to us an unnecessary limited understanding of the concept of mode of production”. The modern surplus approach is indeed completed by the incorporation of the principle of “effective demand principle that along with the changes in productive processes and class relations/struggle explain the concrete historical trajectories of different countries”. They also warn that many Marxist authors who emphasise the “profit motive” of investment of the social surplus implicitly subscribe to Say’s

Law (in the light of the modern surplus approach investment is motivated by autonomous demand, for any given normal profit rate, see e.g. Cesaratto 2015).³⁰ Among the authors considered in this paper, medievalist Wickham for instance gives relevance to luxury demand by land lords as trigger of demand and division of labour, postulating a relation from the relations to the forces of production somehow opposite to those advanced in Marx's Preface³¹.

While the debates roughly summed up so far were concerned with the forces that led to the crisis of an economic formation and to the emergence of a new one, the most recent debates are more concerned with the nature itself of a mode of production.

3. Marxist controversies on the concept of mode of production

3.1. Anderson on Althusser and Thompson

The so-called "Structural Marxism" inaugurated in the 1960s by Louis Althusser (1918-1990), an influential and controversial French Marxist, revived the notion of "social formation". As known, Althusser was a very influential Marxist current still object of controversy. According to Anderson, Althusser "invented" the "distinction between mode of production and social formation" which "had little or no currency within Marxism prior to Althusser" (Anderson 1980, 67; Burns 2022, p. 41).³² The concept of social formation was especially developed by Etienne Balibar. According to

³⁰ For instance "Ellen Wood follow closely Brenner's arguments and stresses the new social properties relations generate new 'economic imperatives, specially the compulsion of competition ... leading to new laws of motion' (...). So far she repeats Brenner's arguments but the adherence to Say's Law is more explicit when she writes that 'the imperatives of competition and profit maximization' generate a 'compulsion to reinvest surpluses' (...)" (Pinkusfeld et al. 2022). Considerations concerning effective demand are not, however, absent in the literature on precapitalist economies, cf. Cesaratto 2023a, section 5.

³¹ "The richer an élite, whether based on landowning, i.e. rent-collection, or on paid positions in a state system, i.e. tax-collection, the more complex an exchange economy; but also, of course, the wealth of that élite depended on the exploitation of primary producers, i.e. the peasantry. So, the greater that exploitation, the greater the complexity of the economy; that exploitation being greater either because the exploitation itself was more intensive or because more peasants were exploited (...). To summarise: I am arguing that, in the fairly simple economic conditions of the earliest middle ages, a market that was sufficiently elaborate to encourage and justify productive specialisation, and thus a greater complexity in the productive forces, depended on a demand that was aristocratic, and based on exploitation. Every time one can document a society where aristocrats were weak, the elaborate market disappears, and productive specialisation disappears (...); it is clear that peasants on their own could not sustain a demand sufficiently great (...). In this model, the productive forces of the feudal mode are not only not determinant, but actually depend *directly* on the relations of production" (Wickham 2008, pp. 13-14, original italics). More recent studies would however show a larger participation of peasants to surplus and markets (Wickham 2001, pp. 17-19).

³² According to Anderson (1980, p. 67), the term "social formation" (*Gesellschaftsformation*) would be taken from Marx's *Grundrisse* (1973 [1857-8], p. 106) (where it is actually translated in "forms of societies"). Burns (2022, p. 38) takes great freedom in translating these important passages by changing

Anderson his work permitted to overcome some rigidities of the *Preface* (see above section 1.1) by including more than one mode of production (with one dominant) under the umbrella of social formation, and by rejecting some strict determinism in the relation “base-superstructure”, as Burns (2022, pp. 41-42) points out:

Anderson maintains in his *Passages from Antiquity to Feudalism* that the point of using the social formation concept is “to underline the plurality and heterogeneity of possible modes of production within any given historical and social totality . . . every concrete social formation is always a specific combination of different modes of production, and those of Antiquity were no exception.” Social formations, he continues, are “always concrete combinations of different modes of production, organized under the dominance of one of them.” Anderson thinks that employment of the concept of a social formation, especially but not only because of its association with the idea of modal combination, enables Marxist historians to engage in more sophisticated historical investigations than is possible for those who rely on a superficial reading of Marx’s “Preface.”

Chris Wickham (1984, p. 8) also found the Althusserian approach useful arguing, interestingly, that in a social formation “the dominant mode of production is that which has the closest links with the state; if another mode is coming to be dominant ... it will tend to undermine it, and the state form will tend eventually to change accordingly... as a result of class struggle”.

In contrast, the British historian Edward Thompson (1924-1993) wrote in 1978 a famous book very critical of Althusser and Balibar. Perry Anderson (1980) replied with a book-long counter-critical review.

According to Thompson, “Structural Marxism” would be a further degeneration of Marx’s economicism as it (supposedly) he developed in the 1850s, thus absolutizing “the errors of Marx in the *Grundrisse* and *Capital*, seeking ‘to thrust historical materialism back into the prison of Political Economy’, by making Marxism into a theory of modes of production” (Anderson 1980, p. 60). For Thompson Marx lost in sight the “programme of a materialist reconstruction of the full history of humanity, as a unitary social process” with “human experience” as its genetic transmission mechanism (ibid, p. 61). Anderson opposes the methodological necessity to Marx to focus upon “the domain that the theory of historical materialism had indicated as determinant in the final

“kind of production” in “mode of production”: “In all social formations (*Gesellschaftsformen*) there is one specific mode of production [kind of production] which predominates over the rest, whose relations thus assign rank and influence to the others. It is a general illumination which bathes all the other colours and modifies their particularity. It is a particular ether which determines the specific gravity of every being which has materialized within it. — Marx, *Grundrisse*, 1973[1857-8], 106–07, translation modified”. From the subsequent passages Marx seems, however, to refer to the typology of production in a strict sense (say agriculture rather than manufacture) so that “kind of production” sounds more adapt. In Burns’ translation (mode of production), Marx’s passages take a stronger sense.

resort – namely economic production – and to devote all his passion and industry to exploring and reconstructing that, in the *one* historical epoch of capitalism” (ibid, p. 62, original emphasis).³³ It “was this progressive theoretical discovery – Anderson continues – which finally made possible the full-scale exploration of a new historical object in Capital: the capitalist mode of production. Marx’s essential movement after 1848, in other words, was not ‘away’ from history, but deeper into it” (ibid, p. 63).³⁴ Moreover, far from being a concession to bourgeois political economy, the concept of mode of production was a way to escape its ahistorical perspective, a way of embarking in a “new kind of history” (ibid, p. 64) as in Marx’s sketch of pre-capitalist societies. However, Marx “never systematically articulated” the concept (ibid, p. 65), and this is what Althusser and Balibar set out to do.

Althusser gave centrality to the concept of social formation (an expression taken from the *Introduction* of 1959) to underline the complexity of any social whole, while Balibar took from Lenin the idea that a social formation would comprise several different modes of production (ibid, p. 67). Althusser was also at pains to show “the various practices in a social formation, and the need for specific historical accounts of each” thus meeting Thompson’s preoccupations with the uniqueness of historical experiences and fear of reductionism. (ibid, p.69).

3.2. *Jairus Banaji, fog or light?*

The eco of the debates reviewed so far reverberates on recent controversies on traditional Marxism often inspired by the Indian historian Jairus Banaji (2010).³⁵ His criticism is directed

³³ In Cesaratto (2023a) we met Geoffrey de Ste. Croix criticism of Thompson’s subjective notion of social class coinciding with class-consciousness. See Anderson (1980, p. 40) for a similar criticism.

³⁴ Ernst Mendel (1971 [1967]) explains that only in the late 1850s Marx distinguishes between labour and labour-force arriving at a complete theory of exploitation (by buying the labour force the capitalist purchases its use value). In this respect it can be said that the early Marx focuses upon labour alienation and the late Marx upon labour exploitation, although Mendel denies that the mature Marx lost the concept of alienation in sight (ibid, pp. 194-195). Mendel as many Marxists sees in the labour theory of value an element of continuity between a philosophical/anthropological Marx, and Marx political economist: “In the *Manuscripts* of 1844, the secret of this dehumanised society is revealed. Society is inhuman because labour is alienated. All the more easily Marx could trace society and social man back to labour, as Hegel had already characterised labour as the essence of human praxis. Now, studying the classical economists, Marx discovered that they make labour the ultimate source of value. The synthesis took place fulminantly, the two notions were combined...” (ibid, p. 29). This is however wrong since Marx’s theory of alienation and commodity fetishism can well resist the abandonment of the labour theory of value (cf. Garegnani 2018).

³⁵ See the 2013 issue of *Historical materialism* dedicated to Banaji (2010) (Campling 2013). The Indian historian, portrayed as a scholar of impressive learning, is not easy to grasp and interpret as an eminent English historian testifies: “For this reader, it is always a struggle to read Banaji [2010], and to assess what one reads” (Bernstein 2013, p. 327). Severe on Banaji (2010) is Tom Brass (2012). Unfortunately, Marxist

mostly at Maurice Dobb, Perry Anderson and to Robert Brenner³⁶ who, in his view, are guilty of a stricter identification between economic formations, modes of production (or relations of production as Banaji defines them), on the one hand, and forms of exploitation on the other.³⁷ In his view, this closer identification is a legacy of the Stalinist interpretation of historical materialism.

More specifically, Banaji argues that in Marx one can find two different approaches concerning the concept of mode of production: one leading to a biunivocal relation between it and forms of exploitation, and the other less mechanical:

A summary glance at the *Grundrisse* or *Capital* would show that Marx ascribed two distinct meanings to *Produktionsweise* [mode of production]. According to one of these, it was indistinguishable from the 'labour-process [*Arbeitsprozess*]', or what Lenin would sometimes call the 'technical process of production' (Banaji 2010, p. 50).

In various other passages where Marx made more general statements about the various stages of social development, *Produktionsweise* figured in a broader and more specifically historical meaning. Modes of production are variously called: 'forms of production'; 'forms of the social process of production'; 'epochs in the economic development of society'; 'epochs of production'; 'periods of production' or, finally, 'historical organizations of production'. Here, the 'mode of production' figures as a 'social form of production' or 'social form of the production process' (Banaji 2010, pp. 51-52).

3.2.1. *Presumed) vulgar Marxism: coincidence of forms of exploitation and relations of production*

According to Banaji, vulgar Marxism would refer to the first approach suggested by Marx:

According to this formal abstractionism, modes of production were deducible, by a relation of 'virtual identity', from the given forms of exploitation of labour. These forms of exploitation, the so-called 'relations of production', were the independent variables of the materialist conception of history. This conception, quite unexceptionable as it appears, became one of the most widespread and persistent illusions of vulgar Marxism (Banaji 2010, p. 53).

In this view of the modes of production, attributed to Dobb, Anderson and Brenner, the forms of exploitation would constitute the independent variable in historical materialism:

to this formal abstractionism, modes of production were deducible, by a relation of 'virtual identity', from the given forms of exploitation of labour. *These forms of exploitation, the so-called 'relations of production', were the independent variables of the materialist conception of*

debates are often wordy and convoluted including (or especially) Althusser and Balibar (notable exceptions are Perry Anderson and Geoffrey de Ste Croix).

³⁶ Banaji (2010) only mention Althusser once and in passing.

³⁷ Banaji writes that for some Marxists relations of production coincide with forms of exploitations, what, "in a perfectly nebulous expression, some Marxists call the 'method of surplus-appropriation'" (Banaji 2010, p. 4). We do not regard this expression "nebulous".

history. This conception, quite unexceptionable as it appears became one of the most widespread and persistent illusions of vulgar Marxism (Banaji 2010, p. 53, my italics).

Incidentally, in Cesaratto and Di Bucchianico (2021a, 2021b) we have been critical of a mechanical application of the surplus approach to explain social formations, welcoming some Polanyian warning in this respect. We argued that the analysis of the dominant social modes of extraction of the surplus is inextricably linked to the analysis of the institutions. It is also possible that a mechanical interpretation of a mode of production is on some degree present in Dobb or Vere Gordon Childe (Olsen 2009, p. 189), but this certainly does not apply to Perry Anderson who emphasises the institutional (or political) character of the surplus extraction in pre-capitalist formations.

Be this as it may, it is the dominance of a mode of surplus extraction in any economic formation that Banaji is questioning. For Banaji the relations of production that characterise a historical era are a broader concept that does not coincide with forms of exploitation:

The point here is not just that relations of production include vastly more than the labour-process and the forms in which it is organised and controlled (the *immediate* process of production, as Marx called it) (...). The historical forms of exploitation of labour (slavery, serfdom, wage-labour is the usual trinity in most discussions; Marx tended to add 'Asiatic production') cannot be assimilated to the actual deployment of labour, as if these were interchangeable levels of theory. Since the latter is defined by immensely greater complexity, a conflation of these levels would mean endless confusion in terms of a strictly Marxist characterisation. (Banaji 2010, p. 5).

In short, the naïve conception of 'relations of production' as forms of exploitation of labour, and the classification of 'modes of production' according to the *simple formal identities* which this equation yielded, remained essential links of continuity between the ossified pseudo-Marxism of the Stalinists and the 'critical' tendencies of modern Marxism (Banaji 2010, p. 61).

For example, we find forms of exploitation based on slavery in capitalism, as well as we find forms of wage labour in feudalism or even in more ancient societies. However, Banaji (2010, p. 55) is ironic about the notion of the "coexistence" of different forms of exploitation likely regarded as an ad hoc solution (but, as too often, Banaji does not propose constructive alternatives to his criticism).

According to Banaji, once the form of exploitation considered dominant is adopted as the anchor in the definition of a mode of production, the resulting "laws of motion" would be reduced to a mechanism that goes from the change of exploitation techniques to the broader change of social relations:

Stalin would tell the party-cadre many years later, ‘first the productive forces of society change and develop, and then, depending on these changes and in conformity with them, men’s relations of production, their economic relations change’ (Banaji 2010, 47).

The question here, however, is not whether Stalin more or less supported a certain point of view, which after all is quite consistent with what Marx famously advocated in the *Preface*.³⁸

In volume III of *Capital* Marx, as seen, would not however posit a one-to-one relation between a form of exploitation and an economic formation, as in the over-quoted “innermost secret” passage:

This does not prevent the same economic basis — the same from the standpoint of its main conditions — due to innumerable different empirical circumstances, natural environment, racial relations, external historical influences, etc. from showing infinite variations and gradations in appearance, which can be ascertained only by analysis of the empirically given circumstances. (Marx 1894, CH. 47 (II), quoted from Marxists.org)

³⁸ And even in a more mechanical, even “technological” way in the early *The Poverty of Philosophy* (Marx 1955 [1847]): “In acquiring new productive forces men change their mode of production; and in changing their mode of production, in changing the way of earning their living, they change all their social relations. The hand-mill gives you society with the feudal lord; the steam-mill society with the industrial capitalist” (quotation from <https://www.marxists.org/archive/marx/works/subject/hist-mat/pov-phil/ch02.htm>). On the other hand, in his mature work Marx underlines the necessity of the material possibility of a social surplus to support a class society although without the mechanical relations of the earlier quotations: “If the labourer wants all his time to produce the necessary means of subsistence for himself and his race, he has no time left in which to work gratis for others. Without a certain degree of productiveness in his labour, he has no such superfluous time at his disposal; without such superfluous time, no-surplus labour, and therefore no-capitalists, no slave-workers, no feudal lords, in one word, no class of large proprietors” (1974 [1867], p. 479). And in spite of Polanyi’s criticism to Marx of a mechanical equation between *potential* surplus and actual exploitation (Cesaratto and Di Bucchianico 2021a/b; see also Darmangeat 2020, p. 60), again in vol. 1 of *Capital*, Marx gives an example that shows that a potential surplus translates into actual labour exploitation through a social process: “Favourable natural conditions alone, give us only the possibility, never the reality, of surplus labour, nor, consequently, of surplus-value and a surplus-product. (...) consider, for example, an inhabitant of the eastern islands of the Asiatic Archipelago, where sago grows wild in the forests. ‘When the inhabitants have convinced themselves, by boring a hole in the tree, that the pith is ripe, the trunk is cut down and divided into several pieces, the pith is extracted, mixed with water and filtered: it is then quite fit for use as sago. One tree commonly yields 300 lbs., and occasionally 500 to 600 lbs. There, then, people go into the forests, and cut bread for themselves, just as with us they cut fire-wood.’ Suppose now such an eastern bread-cutter requires working hours a week for the satisfaction of all his wants. Nature’s direct gift to him is plenty of leisure time. Before he can apply this leisure time productively for himself, a whole series of historical events is required; before he spends it in surplus labour for strangers, compulsion is necessary. If capitalist production were introduced, the honest fellow would perhaps have to work six days a week, in order to appropriate to himself the product of one working day. The bounty of Nature does not explain why he would then have to work 6 days a week, or why he must furnish 5 days of surplus labour. It explains only why his necessary labour-time would be limited to one day a week. But in no case would his surplus-product arise from some occult quality inherent in human labour” (1974 [1867], pp. 482-483, quotations from <https://www.marxists.org/archive/marx/works/download/pdf/Capital-Volume-I.pdf>).

3.2.2. *Free and unfree labour*

Banaji's polemic against the idea of forms of exploitation as the ultimate key to historical materialism, both in the static sense of a succession of modes of production (economic forms) and in the dynamic sense of their evolution into one another (the classic theme of transition), extends to the identification of capitalism with "free labour", and of previous economic forms with "unfree labour". As before, this criticism regard some ambivalences in Marx himself:

The point of these remarks is not to deny the centrality of 'free labour' to the accumulation of capital in the modern economy (modern forms of capitalism) but to undermine the particular way Marx attempts to construe the link between wage-labour and capital. ..., Marx tends to argue as if the use of free labour is a logical presupposition of capital, when it is clear that individual capitalists exploit labour in a multiplicity of forms, and this not just when capital exists as manufacture and domestic industry (Banaji 2010, p. 128).

Marx had no quarrel with ... describing the contract of employment or voluntary sale of labour-power as a 'formality', while undermining the underlying sense that it had anything to do with the 'ultimate development of human freedom' or with the kinds of transactions equally-placed capitalists struck between themselves. The will theory of contract was a construct of the legal formalism of the nineteenth century and was accepted for precisely what it was, hence the perfectly non ironic assertion in Volume I of *Capital* that 'the wage-labourer . . . is *compelled to sell himself of his own free will*'. (Banaji 2010, pp.131-32).

At another level, however, it is possible to argue that *no* contract is free because economic coercion is pervasive under capitalism. (This is as true for 'many capitals' as it is for the individual worker.) This is certainly what Marx had in mind in characterising wage-labour as 'voluntary in appearance' (...) (Banaji 2010, p. 133).

While Marx, however, is nuanced about the free condition of the worker under capitalism, some modern Marxists such as Ernesto Laclau would be less nuanced:

Laclau's implicit reasoning was as follows: capitalism is characterized by free labour, free labour by the use of purely economic coercion. Extra-economic' coercion defines non-capitalist relations of *exploitation*, and these in turn constitute pre-capitalist modes of *production* (...) free labour in the classic nineteenth-century sense that Marx understood it was certainly not free of penal coercion or most other forms of extra-economic compulsion. In England, employers commonly used criminal sanctions to hold skilled workers to long contracts' (Banaji, 2015, pp. 7-8, original italics).

Escapes to Banaji the importance of the distinction between free and unfree labour in Marx in order to unveil exploitation (see above section 1.2): while this is evident with unfree labour, it becomes hidden with "free" labour in which, apparently, labour is paid at its market value (even if forms of coercion are still present). In this regard we may imagine a marginalist economist writing that with the substitution of unfree with free labour in capitalism exploitation has disappeared! Banaji's proposal to blur the distinction is in this regard unreceivable. Similarly it is not acceptable to reduce the analysis of exploitation in capitalism (and elsewhere), which requires an abstract

economic analysis of exploitation, with “the actual organization and control of labour-processes in history” as purported by Banaji:

Thus the distinction between free and unfree labour collapses in a grey area which is much better sorted out in terms of a notion of *how wage-labour markets are structured and how they work*, especially in agriculture, than through the distorting lens of ideological categories that have nothing to do with historical materialism. Finally, there is no logical inference from non-capitalist relations of exploitation to non-capitalist relations of *production*. Slave labour can feed into the expansion of individual capitals. ... *The more general point here is that modes of production cannot be inferred from the relations of exploitation that are typical of them*. Their laws of motion suggest a more complex level of determination than any simple characterization in terms of slavery, serfdom, and so on. The corollary of this is that the analysis of exploitation also implicates a much richer, denser level of abstraction than simple taxonomies based on historically generic categories conceived in their abstract purity. The reason why Marxist historians have paid so little attention to *this* level of analysis, the deployment of labour, is that they have rarely moved beyond the general categories of labour to a grasp of the actual organization and control of labour-processes in history. (Banaji, no date, p. 8, italics added).

I wonder whether Harry Braverman would have approved this view.

Banaji talks also of “strength of primitivism in the Marxist tradition” that leads Marxists to deny the mere existence of wage-labour in pre-capitalist societies (precisely for the absence of free labour in those economies) and point out that “there has always been a *modernist strand* in left-wing thinking which we desperately need to salvage” (Banaji 2010, pp. 126-7, my italics). To endorse modernism would imply, however, abandoning the idea of differences in kind between economic formations in favour of differences in degree (as often synthesized in the literature).³⁹

In this respect, in a long note Banaji (2010, p. 129, n. 54, his italics) supports the existence of capitalism in ancient Rome, quoting, to begin with, Walter Garrison Runciman (a distinguished British historical sociologist passed away in 2020) and other authorities [we refer the reader to the source for the references]:

‘Rome’s mode of production *was* capitalist in every respect except the dominance of a formally free labour force’ (Runciman’s italics!). Marx himself referred to the formation of ‘big money capital’ in the late Republic (in his response to Mikhailovsky). Weber and Hintze stressed the agrarian side of Roman capitalism, Hintze ... even claiming that the ancient economy ‘remained stuck in an agrarian capitalism based on slave-labour [...]’. Today this seems too restrictive. Commercial partnerships, branch-businesses, the governance of liability in Roman law (including the limitation of liability by means of complicated enterprise structures that used slaves in key managerial positions, see ...), the decomposition of individual crafts and use of specialised workers which Marx saw as typical of manufacture, and the widespread activity of wholesale merchants with links to an impressive array of *industrial* enterprises in metalworking,

³⁹ On primitivism versus modernism see Cesaratto (2022).

textiles, ceramics, and so on, *all* seem like solid evidence that we can posit a more broad-based ‘capitalistic sector’ in Rome almost as much as we can in Islam. This is meant to *pose* a problem for historical materialists, not resolve one.

As too often, however, Banaji does not help us to “resolve” the problems.

Banaji also logically derives the existence of forms of capitalism in pre-capitalist eras from the fact that if current capitalism sees the presence of forms of exploitation not based on wage labour (but, e.g. on slavery, or semi-slavery), then forms of capitalism may well have existed in earlier eras associated with forms of exploitation not based on wage labour: “if, say, the accumulation of capital, that is, *capitalist* relations of production, can be based on forms of exploitation that are typically *precapitalist*, then clearly there is not one ostensibly unique configuration of capital but a series of *distinct configurations*, forms of the accumulation process, implying other combinations” (Banaji 2010, p. 9).

3.2.3. *Forms of exploitation and relation of production according to Banaji*

As seen, Banaji refuses any mechanical and biunivocal connection between between *relations of production* and *forms of exploitation*, in “that relations of production include vastly more than the labour-process and the forms in which it is organised and controlled (the *immediate* process of production, as Marx called it)” so that the “historical forms of exploitation of labour (slavery, serfdom, wage-labour is the usual trinity in most discussions; Marx tended to add ‘Asiatic production’) cannot be assimilated to the actual deployment of labour...”:

The conclusion here can be stated quite simply by saying that the *deployment of labour is correlated with modes of production in complex ways*. (2010, p. 5, italics in the original)

Banaji provides the example of the Roman exploitation of labour in the villa reporting that “the commercialised estate-economy described by Cato is based on what a recent German dissertation calls ‘a flexible combination of different labour systems’” (2010, p. 105) contrary to the opinion held by Marx and Weber “of the predominance of a specific *type* of labour as the fundamental institution of an entire historical period”:

Roman employers were more practical, however, and behaved not as Weberians and Marxists expect them to but exactly as employers tend to behave – adapting the use of labour to their requirements and to the conditions of the local labour-market. I shall characterise this sort of behaviour and its historical workings as a ‘logic of deployment’ (...). In other words, in an agriculture characterised by sharp seasonal fluctuations in the demand for labour, it would make no economic sense for employers to maintain large reserves of permanent farm-labour, whether slaves or free workers, unless they were not going to find workers at all during the

peak-seasons. (...) Within the limits imposed by the availability of free labour, *employers could shift back and forth between different types of deployment*. (2010, p. 106, italics in the original).

Similarly in the case of feudalism:

For it is a fact that, even in its crystallised form, the feudal enterprise was sustained by a variety of forms of labour; comprising domestic servants who were legally slaves and who often undertook the principal tasks, especially ploughing, day-labourers who were housed separately on the estate; part-time hired workers recruited from the impoverished peasantry, free tenants who performed seasonal or supplementary services; and the serf-population as normally understood, i.e. villains bound by labour-services. The slaves and hired labourers who intervened in this type of economy were as much part of specifically *feudal relations of production* as the serf-population itself (2010, p. 9, italics in the original)

Unfortunately, the reference to the greater "complexity" of economic formations is not accompanied in Banaji by a corresponding clarity as to what, then, distinguishes such formations (assuming that Banaji, as he seems to confirm, still shares Marx's conjecture of such formations).⁴⁰

At the best of our understanding, Banaji believes that the *differentia specifica* of capitalism is in the existence of the capitalist enterprise driven by the valorisation of invested capital, whereas in former modes motivation of production is consumption, a position which is an echo of Sweezy (section 2.1 above). With reference to the feudal economy Banaji for example argues:

Relations of exploitation based on the dispossession of labour, on the commodity labour power, become capitalist relations of production only when we can posit the capitalist enterprise in one of its varied forms. Marx makes the point indirectly when he writes: 'if a nobleman brings the free worker together with his serfs, even if he re-sells a part of the worker's product, and the free worker thus creates value for him, then this exchange takes place only . . . for the sake of superfluity, for luxury consumption' (ibid, p. 141).

In other words, *hired labour functions in this economy as an expression of specifically feudal relations of production*, the motive-force of which lies in the social-consumption needs of the owners of the feudal enterprise; it functions in an economy in which the production of commodities is itself only a mediation of consumption. (ibid, pp. 92-3, italics in the original)

While the feudal economy is thus conceived of as unrelated to the pursuit of surplus as profit ("an economy which dissociated production from the 'rational' calculation of costs and which regarded 'profits' not as a ratio but as a simple magnitude" (ibid, p. 78), it can also be later transformed into something else where the pursuit of monetary profit appears (ibid, p. 88).

⁴⁰ Banaji abuses of the term "complex", e.g. in passages like this: "Relations of production are simply not reducible to forms of exploitation, *both* because modes of production embrace a wider range of relationships than those in their immediate process of production *and* because the deployment of labour, the organisation and control of the labour-process, 'correlates' with historical relations of production in complex ways" (2010, p. 41). Misuse of the term "complex" is one of the worse defects in social research.

3.2.4. *The notion of mode of production*

In essence, Banaji's central idea is that feudalism (or any other economic form) is not identifiable with a form of exploitation:

The upshot of all this work is that relations of production are not *reducible* to forms of exploitation of labour, since capitalist relations of production are compatible with a wide variety of forms of labour, from chattel-slavery, sharecropping, or the domination of casual labour-markets, to the coerced wage-labour peculiar to colonial régimes and, of course, 'free' wage-labour. 359

So far so good, but we are left with just a vague clue of how to distinguish the various economic formations, in particular the different objectives of their respective elites, e.g. consumption or capital accumulation. Certainly Banaji acknowledges with Marx that one mode of production may subsume the earlier (2010, p. 1). Answering in an interview to the question: "Stressing as you do the variety of forms of exploitation and relations of production that capitalism can subsume and denying any historical validity to the classical model of the succession of modes of production (primitive communism, slavery, feudalism, capitalism, socialism), how does one theorize ruptures and qualitative leaps in history?", Banaji (2015) answers: "What is denied is any rigid succession of modes of production", and defers us to the complexity of history: "the fabric of history is much richer even from a strictly materialist standpoint that deals primarily with social and economic history." This is not, however, Marx's *Introduction* method, which from the confusion of history feels the necessity to ascend to generic abstractions first, and only next to descend back to history to reach history-rich concrete abstractions.

As seen above, according to Banaji, Marx pointed to two different ways of configuring modes of production: one more historical and meaningful, and the other more related to specific forms of exploitation:

Marx's own sense of history was best encapsulated in the view that societies historically had assumed distinct economic forms, and that much of the history of Europe at least revolved around the differences between such forms, or modes of production, as he called them (2010, p. 349)

The two most general senses in which Marx used the term 'mode of production' are (1) as an *epoch of production* or *economic formation of society*, of which the best example is capitalism itself, and (2) as a 'mode of labour', 'labour-process' or 'form of production', that is, an *organisation of labour* based on the requirements of a given type of industry or branch of production such as agriculture. These are different senses of the term, one clearly more historical than the other and much broader in scope. (2010, pp. 349-350)

It may be inferred that Banaji believes that much of *vulgar* Marxism has not only been based on 'technical materialism' but has also misrepresented the first and more complex approach by ossifying it into a canonical succession of formations. At least that is how a subsequent passage seems to be interpreted:

It is the first, more purely historical meaning that is celebrated as encapsulating Marx's view of the way we should visualise the general evolution of Europe from Antiquity to the modern world. References dispersed across Marx's writings have generated a canonical genealogy which sees Europe's past (more precisely, the past of *western* Europe) moving *from* slavery to feudalism *to* capitalism in a sort of inflexible succession spanning whole centuries (ibid, p. 351, original italics)

Marx, by contrast, would have held a more nuanced position in which ancient slavery was associated with forms of capitalist accumulation:

Marx himself handled slave-production shows a considerably more sophisticated grasp of the nature of Roman slavery. In *Capital*, Volume 3, he writes: 'In the ancient world, the influence of trade and the development of commercial capital always produced the result of a slave economy; or, given a different point of departure, it also meant the transformation of a patriarchal slave system oriented towards the production of the direct means of subsistence into one oriented towards the production of surplus value' (ibid, p. 12). It may seem odd to find the idea of *surplus-value* coupled with the slave-system, but Marx repeatedly reasoned in terms of the analogy with capitalism itself. In *Capital*, Volume 3, he described the agrarian economies of Carthage and Rome as showing the 'most analogy with the capitalist rural economy'. In several passages, he suggests that the investment in slave-labour was a form of *fixed capital*, for example, 'In the slave system, the money capital laid out on the purchase of labour-power plays the role of fixed capital in the money form, and is only gradually replaced as the active life of the slave comes to an end', or, more concisely, 'The slave-owner buys his worker in the same way as he buys his horse. If he loses his slave, he loses a piece of capital' (ibid, p. 352).

Banaji concludes that:

However one characterises classical or Roman slavery, modern plantation-slavery was certainly a form of capitalism, and one implication of this is that modes of production are more complex sorts of entities than the labour-relations on which they are founded. *Relations of production are not reducible to given forms of exploitation of labour* (ibid, p. 353, emphasis added).

Banaji's point of view is somehow opposite to that of Geoffrey de Ste Croix (1910-2000),⁴¹ who saw the slave mode of production as the characterizing feature of the Greco-Roman economy: "no such thing as a slave mode of production exists" Banaji points out (ibid, p. 10). In truth, the Cambridge historian was very elastic about the existence of other coeval modes of production. The salient feature of an economic formation was however identified by him in the dominant

⁴¹ See Cesaratto (2022).

mode of extraction of the surplus enjoyed by the elite. Banaji does not mention de Ste. Croix except in passing and rather impertinently.⁴²

All in all, how economic forms are distinguished remains elusive in Banaji.

3.2.5. *Laws of motions*

As an alternative to the dynamics of forms of exploitation emphasised by *vulgar* Marxism, Banaji refers to the 'law of motion' as an element characterising the epochs. The distinguished sociologist Henry Bernstein (2013, p. 318) raises a question to Banaji: "if 'fundamental similar' forms of enterprise (and labour organization) can exist in different historical epochs, how do we know whether their earlier appearances provide mechanism or 'drivers' of transition to subsequent epochs/modes of production?" Bernstein (2013, p. 317) believes that Banaji does not answer and concludes that "The emergence of those laws of motion... remains elusive".

Another critic of Banaji, explains, for instance that according to Banaji: "the *laws of motion of capital* – the ceaseless accumulation of capital – define the capitalist mode of production, which can embrace a variety of forms of exploitation" (Post 2013, p. 73). He quotes Banaji in this regard (the adjective "elusive" fits well these passages):

Taken as a whole, across its various stages, the substance of Marx's analysis lies in the definition of the laws of motion of capitalist production: the production and accumulation of surplus-value, the revolutionisation of the labour-process, the production of relative surplus-value on the basis of a capitalistically-constituted labour-process, the compulsion to increase the productivity of labour, etc. The 'relations of capitalist production' are the relations which express and realise these laws of motion at different levels of the social process of production. . . . As modes of production are only a definite totality of historical laws of motion, relations of production thus become a *function of the given mode of production*. The character of any definite type of production relations is, in short, impossible to determine until these laws of motion are themselves determined (Banaji 2010, p. 60).

An echo of Sweezy (above section 1.3) is in "the laws of motion of *feudalism*", that Banaji would refer to "the demands of lordly consumption" (Post 2013, p 74), as well as in the law of movement

⁴² Banaji (2010, p. 152) argues that: "among British Marxists, Geoffrey de Ste Croix could even suggest that serfdom was the 'predominant mode of production [*sic.*]' in the later Roman empire. (...) The identification of the colonate with serfdom (common to most historians of the early twentieth century; Ste Croix was its last great representative) was clearly what underpinned the half-baked conception of late antiquity as a precursor of feudalism. Today almost no serious scholar accepts this view, if only because feudalism itself is still so contested" (Banaji 2010, p. 182; "*sic*" in the original). For an opposite opinion see the Marxist mediaevalist Chris Wickham (1984, p. 9).

of capitalism referred to the lure of profits: “At the historical level of *individual* capitals (...) it is accumulation or the ‘drive for surplus-value’ that defines capitalism, not the presence or absence of ‘free’ labour” (Riux 2013, p. 114). Thus, the objectives of the elites (opulent consumption or profits over capital advances) characterize a formation, not the relations of exploitation which can be the most varied.

3.2.6. *Merchant capitalism and back to the controversies on the origin of capitalism*

Alongside the “laws of motion”, Bernstein (2013 pp. 312-13) indicates the centrality for Banaji of “merchant capitalism” in pre-capitalist eras, the theme encountered in sections 1.4 and 2.1 above.⁴³ In this respect, Banaji sides with Sweezy against Dobb-Brenner in the debate on the origins of capitalism (Bernstein 2013, pp. 222-3).

In Banaji, the idea seems to be that it is commercial capitalism that mobilizes the productive sphere (after all, a not unfounded insight):

for Marx the striking feature of the colonial system was the fact that under it commercial capital ceased to be a mere mediation between extremes and *dominated production directly*.³⁰ It was the *fusion* of merchant capital and production that formed the true hallmark of commercial capitalism, and if the slave plantations were exemplars of this form of capitalism, an aspect of early modern capitalist enterprise’, as one historian has described them recently,³¹ so of course were the many forms of the putting-out system and the domination exercised by merchants over direct producers (weavers and other artisans) in a whole range of industries in Europe itself. Marx saw this type of capitalism transforming artisans into mere wage-labourers’ and a likely starting-point for the evolution of manufacture proper’. (Banaji, no date, pp. 3-4).

There seems to be little doubt that the causal relationship from the development of commercial capital to the development of capitalist relations of production is at odds with that envisaged by Marx who sees the emergence of capitalist relations of production as a premise for capitalism.

⁴³ “Schematically, there are two approaches in Marxist and *marxisant* debate of the origin of capitalism. One locates it in the emergence of a ‘world system’ from the fifteenth or sixteenth centuries, as argued, among others, by Gunder Frank (...), Wallerstein (...) and Arrighi (...). Evidently, this is the approach Banaji identifies with... The other approach is that of the transition from feudalism to capitalism in northwest Europe from the fourteenth century or so, the object of Dobb’s *Studies in the Development of Capitalism*, first published in 1946 – at which time it stimulated a celebrated debate ... A central element of that debate was the search for the ‘prime mover’ in the transition, subsequently treated in an original way by Brenner, whose seminal essay (Brenner 1976) also sparked debate among (mostly non-Marxist) historians (...)” (Bernstein 2013 pp. 323-324).

Post (2013, pp. 77-78) notes this difference between Marx and Banaji who tends to regard causality going from commerce to the rise of capitalism:

Banaji claims that Marx's conception of merchant or commercial capital as 'simply a specialised form of the circulation functions of industrial capital (...) is clearly inapplicable to the historical trajectories associated with the international traders or merchant-financiers who dominated the earlier history of capitalism.' He replaces Marx's notion with 'a model of commercial *capitalism* that allows for the reintegration of production and circulation'. (...) The Arab merchants 'made a powerful contribution to the growth of capitalism in the Mediterranean', expanding the monetarised economy of late antiquity, introducing new forms of commercial credit and partnership, and providing 'a rich source of plundered money-capital which largely financed the growth of maritime capitalism in Europe.' As the Genovese merchants, and later the Portuguese and Dutch, displaced the Arabs, merchant-commercial capitalism began to transform production in various ways, creating 'a variety of enterprises from putting-out networks and peasant agriculture to slave plantations and factories in the modern sense'. The 'articulated' nature of merchant-capitalism is even more evident in the forms in which it typically established control over the labour of artisans and small peasants. Under Company-capitalism, the circuit of merchant capital acquired its moment of reality when the money-capital financing the 'investment' (the annual list of orders sent out by the company's directors) circulated in the form of *advances*. ... the organisation of production acquired the appearance of a chain, a hierarchy of capitals connecting a dispersed mass of labour power to the company across a series of 'intermediate agents' (quotations from Banaji 2010, italics in the original).

Is all this diatribe just a matter of emphasis that we may overcome in view of Marx's "organic" view recalled at the end of section 2?

3.2.7. Riux on 'political marxism' - Social formations and dominant mode of production

Following Banaji, Riux (2013, p. 94) defines "political Marxism" those who believe in the distinction between prevailing economic and extra-economic (political) forms of exploitation respectively in capitalism and pre-capitalism:

Marxism that relies on the notion that as capitalism spreads, so-called extra-economic relations should disappear. The theory of social-property relations, or political Marxism, centred on the works of Robert Brenner and Ellen Meiksins Wood, perhaps best exemplifies this general trend. In contradistinction with pre-capitalist forms of exploitation, it has argued that capitalism is characterised by the separation of the economic and the political, which makes surplus appropriation under this system uniquely driven by economic coercion.

Methodologically political Marxism would be characterized by the superimposition of a prefabricated theory to history, an approach close to neoclassical formalism; on the opposite Banaji would suggest an approach history-based. In the words of Riux (2013 pp. 95, 97-98):

political Marxism is characterised by the separation between theory and history, which is the outcome of its formal-abstractionist approach to the concept of mode of production. The approach reifies its formal-abstract starting point as the real and concrete point of arrival of social and historical analysis. It thereby substitutes historical analysis with a formalist

conception of capitalism that is devoid of any specifically historical content. I situate the origin of this methodology of forced abstractions in Brenner's early works on the emergence of capitalism. ... A more satisfactory solution to political Marxism's internal problems can be found in Banaji's emphasis on Marx's historical – rather than formal conception of the mode of production (...).

In [political Marxism], the mode of production and its laws of motion are deducible from the historically specific form taken by the exploitation of labour or class structure. As Brenner put it: 'different class structures, specifically property relations or surplus-extraction relations, once established, tend to impose rather strict limits and possibilities, indeed, rather specific long-term patterns, on a society's economic development.' The categories 'relations of production' and 'forms of exploitation' are thus conflated and reduced to one and the same thing, as exemplified by George C. Comninel and Hannes Lacher's call for the substitution of a 'mode of exploitation' framework for the concept of mode of production. One main characteristic of Brenner's approach, as pointed out by historian Dale W. Tomich, is that it 'treats each form of production relations as a closed entity, possessing a stable and self-contained internal structure subject to autonomous laws and having a fixed and singular external boundary demarcating it from other such units...'. And to the extent that the specific form taken by surplus-extraction relations is the key to the concept of mode of production, it follows that the specific logic emanating from the establishment of new relations of production must necessarily be reflected throughout the conceptual apparatus of the mode of production it claims to describe. (p. 97) ... [In political Marxism] social reality is determined by, or reducible to, relations of production, but also ... the latter themselves structurally determine the whole conceptual and institutional order of the mode of production.⁴⁴

This is fine as far as it goes, but how does Banaji's alternative "history based conception of mode of production" fits in Marx' method of going from the confused reality to abstraction and return?⁴⁵

Banaji is critical of those Marxists that like to talk about method and neglect the complexity of history (Burns 2022, pp. 44-45), a criticism that reminds of Thompson's criticism of Althusser (see above section 3.1). Marx's *Introduction* suggests indeed a "middle course" between history and political economy (ibid, p. 49), avoiding the risk, in which Banaji incurs, of "empiricism" (ibid, p. 50). Banaji would yet refuse as vulgar Marxism the idea of coexistence of modes of production – "modal combination" as Burns (2022, pp. 54-55) names it relying on some insights from Lenin – and of social formation as the container.

⁴⁴ Riux (ibid, p. 97) conflates Brenners' marxism and John Roemer neoclassical "analytical marxism". Brenner participated indeed to the workshops of analytical Marxists (Cohen, p. ix).

⁴⁵ Although with different perspectives, a thread in common of Banaji e Edward Thompson is the assimilation of historical materialism and "historiography tout court – the practice of writing history", as Anderson (1980, p. 84) points out in the case of Thompson.

Also da Graca and Zingarelli (2015) report that Lenin introduced the concept of social formation characterised by the co-presence of different modes of production with one dominant mode (or candidate to become the dominant mode). For instance, according to Lenin:

the Russian social formation is a combination of different systems (capitalist relations, serfdom, communal structures) under the dominance of commodity production, which in turn tends to subordinate the other socio-productive structures by modifying their essential contents. The social formation is thus understood as a hierarchical totality rather than a simple combination. ... the concept of social formation is especially appropriate to the study of transitional social formations featuring a diversity of relations of production and social forces in a state of struggle, while it could be identified with the mode of production when said mode has full dominance. (ibid. pp. 13-14)

Riux is however unhappy with this hierarchical formulation. The reason is that, figuratively, there is still an upward movement from the forms of exploitation toward the relations and modes of production, while the social formation would somehow represent the summing up of these modes but just as a fig's leaf. Referring to Meiksins Wood, Riux writes:

Approvingly quoting Marx, Meiksins Wood writes that 'In all forms of society there is one specific kind of production which predominates over the rest, whose relations thus assign rank and influence to the others', further noting that 'the point of the passage is, if anything, to stress the unity, rather than the "heterogeneity", of a "social formation"'. She insightfully concludes that 'It is not a question of several modes of production dominated by one, but, for example, different branches of production assimilated to the specific character of the branch that predominates in that social form', arguing that 'there is a unifying logic in the relations of production which imposes itself throughout a society'. The potential of this promising critique is, however, short-lived.

In essence, the problem is that Meiksins Wood's own attachment to political Marxism's method also reproduces the 'articulation problem'. *To the extent that modes of production are structurally deducible from specific forms of exploitation, political Marxism itself proves incapable of escaping the problem.* So-called non-capitalist forms of exploitation stand as an unresolved tension and simply coexist or interact with capitalism. What we have, then, is not the 'unifying logic' Meiksins Wood is arguing for, but the reproduction of the Althusserian problem of externally articulated modes of production that she first attempted to solve. The larger theoretical point, however, is that it is precisely because of political Marxism's narrow concept of the mode of production that Meiksins Wood cannot do without the concept of social formation. For the concept of social formation acts as a theoretical crutch to the inadequacies and limits of the theory's concept of the mode of production by offering a higher, more encompassing level of abstraction capable of uniting otherwise self-contained units or modes of production. The need for additional theoretical scaffolding is typical of the formal-abstractionist method, and must indeed be understood as an ad hoc addition that seeks to soften its reductionism. ... Banaji's recovering of Marx's second meaning of the concept of the mode of production is precisely what allows him to do away with the concept of social formation altogether and to offer a dialectically rich approach to social and historical change

through a conception of historical materialism that breaks away from rigid analytical categories. (Riux 2013, pp. 103-104 my italics)

If one was however to attempt a summary of Banaji's analytical proposal, s/he would be in deep waters. One can appreciate Banaji and his followers rejection of a priori approaches to historical analysis. But they do not pay sufficient attention to Marx's method. This suggests that from the confusion of reality one should attempt some generic abstractions to return then to reality positing more determined abstractions in a dialectical process between theory and history. It goes without saying that surplus theory, that is the study of the historical forms of exploitation, is the red thread of this method.

3.2.8. *The reality of exploitation*

Riux follows Banaji closely in rejecting the free/unfree labour dichotomy linked to the idea that exploitation is strictly economic in capitalism (where the worker is free to sell his working day in the market) and political in its earlier forms. In truth, Riux argues, Marx himself would have rejected such a contraposition as an appearance since in spite of formal freedom, there would still be a *political* subordination of labour in capitalism:

For Marx, however, the appearance of emancipation from serfdom is precisely that: an illusion, and he is indeed quite insistent about wage-labour being a change in the *form*, rather than the *essence*, of servitude: 'The starting point of the development that gave rise both to the wage-labourer and the capitalist was *the enslavement of the worker*. The advance made consisted in *a change in the form of this servitude*, in the transformation of feudal exploitation into capitalist exploitation.' The dichotomy between economic and extra-economic coercion is a false one as it maintains the bourgeois juridical illusion of political freedom and equality and therefore conceals the relation of dependence and servitude contained in the capital/wage-labour relation.

... The problem, however, is that like 'our bourgeois historians' they understand the wage-labour/capital relation of exploitation as a non-politically constituted form of production. In short, whatever they may disagree on, both political Marxists and bourgeois historians share the same sanitised view of capitalism in general and of the labour market in particular. Yet, it would be my argument that against such depoliticisation of the labour market, what Marx so beautifully captures is precisely the *disguised* and *veiled* servitude of the wage-labourer, the *appearance* of freedom and equality, and the 'absolute dependence' of a worker who 'belongs to capital before he has sold himself to the capitalist.' The major historical difference is that the wage-labourer does not belong to one particular person, but to the capitalist class as a whole. In other words, what Marx's dialectical method reveals is not the purely economic character of capitalist exploitation, but its intrinsic, *politically constituted* nature.

In reducing capitalist exploitation to an 'economic moment' supported by a second, differentiated 'political moment', political Marxism not only analytically dismembers Marx's dialectical approach to political economy, but also fundamentally breaks with his emphasis on

the internal political economic relation lying at the core of the wage-labour form. For Marx, the absence of visible chains was no basis to proclaim that the days of the worker's dependence and servitude were gone and that exploitation could be related to a purely economic realm. Indeed, the idea of 'economic coercion' betrays a conception of the regulation of labour as a political process external to, and superimposed on, a purely economic labour-market. As Banaji aptly argues: the forcible creation and regulation of labour-markets are an intrinsic feature of capitalism and Marxists need to abandon the naive view that law somehow stands 'outside' this process and is not intrinsic to it. . . . The labour-market has never been a purely economic phenomenon, and the relative freedom of workers, the fact that some are 'freer' than others, is entirely a matter of struggle and of the plasticity of legal reasoning. (Riux 2013, p. 120-121, italics in the original; to which we refer for the references to Marx's writings).

Banaji and Riux's critique of any "sanitized" interpretation of free/unfree labour dichotomy and of capitalist exploitation seems to go too far, and really close to sophistic arguments.⁴⁶ Two points seems to us particularly worth recalling in this regard (see section 1.2).

The first is the "hidden" nature of exploitation in capitalism, precisely because it is masked by the fiction of the free sale of labour services in the market (as opposed to earlier economic forms in which exploitation was more blatantly based on political-personal relations). The "superhuman" effort by Marx, or more recently by Sraffa and Garegnani, was precisely that of revealing, inevitably through economic analysis, the reality of exploitation (and why else would Marx have resorted to classical political economy and written *The Capital* if not to unveil exploitation behind the mask of the apparently fair market exchange?). This is also demonstrated by the fact that the dominant marginalist theory arises precisely to refute Marx's economic demonstration by proposing another approach where exploitation does not exist (see Garegnani 2018; Cesaratto and Di Bucchianico 2021b, pp. 198-202). Put it in other words. Banaji and Riux are perfectly correct to look at wage-workers' freedom in capitalism as a fiction. But this fiction is precisely used to mask exploitation (a fiction reinforced by marginalist theory). Marx's economic endeavour was precisely aimed at unveiling this fiction; this aspect seem to escape Banaji-Riux.⁴⁷

⁴⁶ Also the label "political Marxists" sounds misleading as they are accused of downplaying the political nature of exploitation in capitalism.

⁴⁷ Notably, the greater definiteness of the relations of exploitation in capitalism, which are amenable to formal analysis, may help to unveil the relations of exploitation in precapitalist economies. As Engels (1946 [1886], part 4) suggests in a passage reported in section 1.1, while in pre-capitalist economies class relations were "almost impossible" to investigate given "the complicated and concealed interconnections between them and their effects", capitalism "has so far simplified these interconnections that the riddle could be solved". In this sense Marx argued that "Human anatomy contains a key to the anatomy of the ape" (Marx 1973 [1857-8], p. 105-6), warning however that "the categories of bourgeois economics possess a truth for all other forms of society", but that "this is to be taken only with a grain of salt". A look to a book

Secondly, in Garegnani's illustration of the "core of the surplus approach" in capitalism the relations of exploitation take a formal aspect, i.e. they are analytically definable (particularly by a definite inverse relation between the real wage and the profit rate). This is due to the commodification of labour under capitalism. Nonetheless, the classical surplus approach is not impervious to the idea that institutional elements, and not only economic coercion, explain the subordinate position of labour, and possibly in forms not reducible to wage labour alone.⁴⁸ The political elements, identified in the respective bargaining power of social classes in the given historical circumstances, are the decisive factor.

Having said that, Banaji's suggestion that the equation *form of exploitation = mode of production* (or better, *social formation*) should be abandoned is acceptable, although this opens up a problem in historical materialism that Banaji does little to help overcome (although he provides interesting but unsystematic insights into the role of commercial capitalism, the state and others).

3.3. John Haldon: Tributary State and rent as keys to pre-capitalist formations

While Banaji leave us rather confused over the characterization of a mode of production, the American Marxist historian John Haldon, a specialist in the history of the Byzantium Empire, simplifies the vision of pre-capitalist forms in line with some Marx's suggestions (see above section 1.5). He subsumes these economic forms under the category of the tributary state in which the élite derive the surplus from rent or taxation. He refers here to Chapter XLVII of Vol. III of *Capital* in which Marx points to rent and taxation as the general forms of pre-capitalist exploitation. Following Marx and Anderson (and it would seem "Political Marxism"), Haldon identifies in the political-institutional forms of exploitation the specific difference between economic formations, despite the similarity of the mode of exploitation. This approach is also taken up by Wickham (e.g. 2021).

Following Marx "who defined pre-capitalist rent as the general form in pre-capitalist class society through which surplus labour was 'pumped out of the producers'" (1993, p. 80), Haldon argues that tax and rent "are, in fact, expressions of the political-juridical forms that surplus appropriation takes, not distinctions between different modes" (ibid, p. 77). In other words, tax and rent share

on primitive creatures would show that biologists have in fact the human body (particularly the brain) in mind when investigation the earlier organisms.

⁴⁸ Stirati (1994) shows for instance the role of institutional elements in Classical wage-theory.

the same basic form of “surplus appropriation based upon the existence of a peasant producing class” (ibid), owners or tenants of the land. The extraction of both rent and taxes “is achieved by means other than economic pressure (in contrast to capitalist exploitation)” (ibid). This marks the difference also with slavery, “where human beings are treated as chattels, as (potential) commodities, being both separated absolutely, as the propriety of their owners, from their own means of reproduction as well as being assimilated as ‘vocal instruments’ to the means of production themselves”; but also with capitalism “where labourers have complete possession only of their labour-power, being forced (by economic pressure) to sell this as a commodity to the owners of the means of production” (ibid, pp. 77-78). Given this, and following Samir Amin, Haldon proposes the term “tributary state” to define practically all pre-capitalist economies including feudalism (ibid, pp. 63-67).⁴⁹ ⁵⁰ With regard to ancient Graeco-Roman societies Haldon acknowledges that slavery, in line with de Ste. Croix, sided rent-extraction from free peasants as the main source of the élite surplus, although limited to some periods (e.g. in Rome during the late Republic and early Principate, but not in the late Empire).

The differences between Haldon and Banaji really risk being a negative example of Marxist sophistry (and headache for the reader). In synthesis, Haldon regards rent and tax as based on a same exploitation mode prevalent in pre-capitalist formations, but politically distinguished (so related to different social formation, to use Althusser’s expression); while Banaji would regard

⁴⁹ We may note a nuanced distinction with Chris Wickham who would argue that state tax and landlord rent should be distinguished as far as the state taxes also landlords (Haldon 1993, p. 84). Haldon maintains that the state élite and landlords cannot be seen as different social classes. In his view state and landlord are two different political channels of extracting a surplus from a same mode of exploitation, one more centralised, the other decentralised, but both belonging to the tributary mode (ibid, p. 85). The reference is again to Marx’s passage in which it is argued that a same mode of exploitation can base different political-institutional forms (see above section 1.1). Wickham (2008, p. 5) changed his mind and adhere to Haldon unified view.

⁵⁰ Importantly, Haldon (1993, pp. 157-158) draws a distinction between the pre-capitalist tributary state and the capitalist state. The latter does not directly intervene in the process of surplus extraction but rather in the secondary process of redistribution of the surplus and, of course, in the maintenance of the institutions that preserve the capitalist relations of production. On the opposite, the tributary state directly intervene as an agent of the élite in the class struggle over output. In this regard he outlines “the direct and primary role of states and ruling classes in the process of surplus appropriation in tributary formations which informs both the nature of the class struggle between the exploiting and exploited classes, as well as the structure of the political relations of distribution within the ruling class. This contrasts clearly with capitalism, where (...) taxation is the means through which surplus re-distribution takes place (...) occurring therefore after the process of surplus appropriation (...) has been completed. It is a secondary process of appropriation, in other words, a process of re-distribution”.

them as different exploitation modes while denying that any single exploitation mode can be envisaged as prevalent in any ancient social set up:

Banaji insists that a mode of production cannot be identified merely through a mode-specific labour-process, that a mode of production cannot be reduced to a particular form of the exploitation of labour. ... Banaji is thus arguing for a fundamental *economic* difference between rent and tax as reflecting *economically* different ways of extracting surplus, the respective hallmarks of these modes, because he sees this as the best way to maintain the historical complexity of the social-economic... 44-5 ... I have argued, to the contrary, that the fundamental difference between these two *forms* of the same mode of surplus extraction lies in fact in a *political* relation of surplus appropriation and distribution, and that historical complexity is thus, in fact, more readily preserved – but not at the level of mode of production (Haldon 2013, pp 44-45).

The differences between Haldon and Anderson are really matter of nuances. Haldon is indeed critical of Perry Anderson interpretation of modes of production which would be based on a model “in which pre-capitalist modes are differentiated not by their mode of surplus appropriation, but rather by the variations in the form of their superstructures” (ibid, p. 93).⁵¹ According to Anderson capitalism would indeed be the first economic formation in which exploitation take an *economic* form, while in the earlier formations *non-economic* coercion was dominant, so that they can be distinguished only by looking at their superstructure (ibid, pp. 94 and ff). Anderson would have therefore underrated the rent-based *economic* exploitation in pre-capitalists formations.

This criticism to Anderson (1974, pp. 403-404, see above section 1.2) to “distinguish between modes on superstructural grounds” (Davidson 2011, p. 81) seems to go too far. Nowhere Anderson neglects the material fact of labour exploitation but only underlines its non-market nature in pre-capitalist formations. In actual Haldon underlines “the superstructure as the institutional mode of expression of ... economic relationships” (ibid, p. 98), and referring to Anderson lucidly argues:

Whether it is a question of relations of production or of distribution of surplus, it is such relationships [of production] which underlie and are given expression through the dominant forms of political-ideological organization. These relationships are rarely expressed in non-capitalist context through economic categories, of course. On the contrary, they are voiced through symbolic systems and ideologies in which authority and power are the term of reference, whether earthly or divine. More importantly, power is not an abstract, not is a disembodied quality of political personalities and relationships – it, too, is rooted in the differential access of individuals, groups and classes to resources (...), and hence is inscribed in economic relations. (...) the economic structure ... provides the framework of action which

⁵¹ The reference is to Anderson (1974, about p. 400 and ff).

these specific and culturally-determined practices express and realize. (...) social praxis is limited and constrained by economic relationships – relation of production – in the first place, and thus provide a direction for the search to locate the key points at which other expressions of social relations – power, for example – are located and coalesce.” (1993, pp. 188-189).

In line with de Ste. Croix’s warning (quoted by Haldon 1993, p. 88), the American historian also argues that to understand a society we must ask first from where the élite derives the surplus:

In the examples of states dominated by tributary/feudal relations of production... this means looking in particular at the relationships and politics embodied in the methods and institutions of surplus appropriation and distribution, for it is here that the major site of class conflict – between producers and exploiters, as well as within the exploiting class – is to be found.” (ibid, pp. 189-190).

We need an organic model of society, Haldon argues:

The economic relationships thus constitute a skeleton which determines both the limits and the basic configuration of a social formation. (...) Like the skeleton (...) relations of production do not cause a social formation; but they do have a determining influence on its physical forms, its capacities to deal with external influences, and its limitations in respect to production, consumption and expenditure of energy. (...) Thus the relations of production are the determinant not of specific forms – a point about which Marx [in volume III of *Capital*, pp. 791-2] was quite insistent ... – but of the limits and possibilities for their functional evolution” (ibid, pp. 190, 269).

Wickham follows Haldon in looking at peasants exploitation, rent or tax-based, the common characteristic of pre-capitalist formations with a change in terminology, he would call it “feudal mode” what Haldon calls “tributary mode”.⁵² Interestingly, as already noted Wickham see the dominant mode of production as the one which is more closely associated to State power (1984, p. 8). He also regards rent as historically more accepted than taxation (2021, footnote 10), possibly because rent was based on “natural” property rights, while the latter on more arbitrary “political rights of command and dominance, in return... for protection and justice” (ibid, p. 12).

Conclusions

The above review is just a sample of the Marxist debates on the mode of production, in actual over historical materialism. One may well say that historical materialism is still in a state of flux.

⁵² “in my view, feudalism dominated nearly the whole of human history since class society appeared. The state-based tax or tribute systems that have been so common in so many places, from China, through the Roman empire, to Aztec Mexico, all were based above all on the forcible extraction of surplus from peasant families as primary producers, just as systems of landlordship were in medieval Western Europe” (Wickham 2008, p. 5). See above footnote 49.

Hard and soft views of historical materialism coexist in Marx, but one may say that the more flexible view prevails. Marxist historians accuse Marxist theoreticians of neglecting the complexity of history, while the latter retort the former of poor analysis. Definitions of mode of production range from coincidence with a single mode of exploitation, to coexistence of modes of exploitation (with one dominant), to indefiniteness à la Banaji. The law of change (motion) of modes oscillate between endogenous changes in the forces of production (aka technology) and/or tensions in the relations of production (class struggle), and exogenous triggers of change (e.g. trade).

For sure the surplus approach nails historical materialism over a solid base in so far as political and cultural institutions preside its production and distribution in each formation, although little systematic we may say about the interaction between the material and the institutional sides (and external triggers) in determining change. We are left to a case by case historical analysis. We sympathize with Haldon and Wickham picking up of Marx's suggestion of land rent (and tax) as the broad prevalent form of surplus extraction from peasantry, in turn organised as household production or serfdom. This broadly defined material base is consistent with a very large variety of institutional set-ups, giving place to a variety of social formations. Slavery and wage-labour are ever present forms of exploitation, the first possibly dominant in specific periods in ancient Athens and Rome (see Cesaratto 2023a); the second dominant in the most recent capitalist epoch. Following De Ste. Croix and Wickham, a dominant form of exploitation is defined as the one from which the élite derives most of its surplus, while this power is preserved by the control of the state.

As Haldon (1993, p. 98) points out, "Mode of production provides a broad agenda, so to speak, delineating the essential nature of contradictions within production relations and the basic economic possibilities (...)". On a similar vein Liverani (2011, p. 17) concludes:

As far as the mode of production is concerned, it must be taken for granted that the Marxian analysis concerns the capitalist economy (...), limiting itself for the ancient economies to a few functional hints, which are far from in-depth and vary from text to text. (...) What is still usable, however, is the very concept of 'mode of production'. (...) In particular, the identification of the types of ownership of the means of production (especially land), the relationship between means of production and productive forces, and the ways of centralising surpluses, remain useful. It is the combination of these basic factors that characterises the 'economic formation of society', within which various 'modes of production' (interacting according to relations of hegemony/subordination), various systems of exchange, various forms of consumption (as well as hoarding, ostentation, destruction) are discernible. Modes of production and systems of exchange are rather 'ideal types', analytical tools, while the economic formation of society is a historical reconstruction, concrete and variable in time and space (my translation).

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