

STUDIES IN THE DEVELOPMENT OF CAPITALISM

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Maurice Dobb is much respected name in the world of cultivation of social sciences, although with the gradual dominance of the typically American way of social science research, such versatile minds somewhat tend to be forgotten. Dobb's scholarship on various subjects related with political economy in the broader sense of the term was impeccable and this scholarship touched a wide range of subjects, planning, history of economic thought, theory of production and distribution etc. His famous work *STUDIES IN THE DEVELOPMENT OF CAPITALISM, it is needless to mention, had many readers, not all of them students of economics, in this country, but there has never been an Indian print. After the first publication to the book, the response was however, lukewarm. Overcoming the early neglect, the reasons for which have been elegantly outlined by Rodney Hilton in his brilliant Introduction to the collection of polemical essays entitled *Transition from Feudalism to Capitalism*, this work over time came to be considered a classic in its own right and set the ball rolling for much debate and discussion. To those who wish to understand the history of capitalism in some detail, the usefulness of this book is not as yet exhausted, and hence an Indian reprint available at a modest price is likely to benefit many. Dobb was a Marxist, but to him Marxism was not a sum total of some axioms, but a method of analysis and investigation. As one goes on reading this book, one is struck by the logical working of his mind and his attempt to examine various opinions on the different aspects of the subject before arriving at the conclusion, which is always substantiated with the available data at hand. In the very first chapter of the book, Dobb examines the ways in which the category 'capitalism' has been sought to be conceptualized. He argues patiently that capitalism cannot be equated with 'roundabout' methods of production, or with the age of adventure, calculation or rationality, nor can it be considered synonymous with production for a distant market. His conclusion is trenchant : "We must look for the opening of the capitalist period only when changes in the mode of production occur, in the sense of a direct subordination of the producer to a capitalist."(p-17) Dobb's comment on the merchant class is also succinct and illuminating : "Since its fortunes will tend to be bound up with the existing mode of production, it is more likely to be under an inducement to preserve that mode of production than to transform it." (Pp 17-18)

Dobb elegantly points out that there are " three decisive moments in the transition from the mediaeval mode of production to the capitalist". Accordingly, this work begins with a study of the decline of feudalism. He is also clear on the problem of methodology and goes on to observe," While no one could seriously deny that there are features which different types of economic activity have in common, and that such analogies are deserving of study and have their share of importance when placed in proper setting, it seems abundantly clear that the leading questions concerning economic development, such as those with which the following studies are concerned, cannot go outside that limited traditional type of economic analysis in which realism is so ruthlessly sacrificed to generality, and unless the existing frontier between what it is fashionable to label as 'economic factors' and 'social factors' is abolished". (Pp31-32)

Dobb is aware that a study of feudalism naturally involves the question of definitions. He wisely argues, "The emphasis of this definition will lie, not in the juridical relation between vassal and sovereign, nor in the relation between production and destination of the product, but in the relation between the direct producer (whether he be artisan in some workshop or peasant

cultivator on the land) and his immediate superior or overlord and in the social-economic content of the obligation which connects them.” (P-35) Dobb’s conceptual affinity with feudalism as serfdom is revealed here. Here he lays particular emphasis on demesne farming, but mentions the need to go beyond that. On the revival of commerce in Western Europe, and the commutation of labour services into money form, Dobb poses the issue succinctly. “The tendency that developed to commute labour-services for a money-payment and either to lease out the seigniorial demesne for a money-rent or to continue its cultivation with hired labour obviously had the growth of the market and of money-dealings as its necessary condition. What is questionable, however, is whether the connection was as simple and direct as has often been depicted, and whether the widening of the market can be said to have been a sufficient condition for the decline of Feudalism—whether an explanation is possible in terms of this as the sole or even the decisive factor. There seems, in fact, to be as much evidence that the growth of a money economy per se led to an intensification of serfdom as there is evidence that it was the cause of the feudal decline.” (Pp 38-40) Among the forces internal to the feudal decline Dobb emphasizes two factors, low level of technique and crisis of feudal revenue. The combined upshot of the two was an intensification of exploitation and consequent flights from land on the part of direct producers. The latter was an important driving force in the transition from forced extraction to cultivation with hired labour—Dobb’s emphasis on this factor in the decline of feudalism has been brought clearly in his reply to Sweezy’s criticism.

Dobb does not, however, deny the role of the market as a factor exercising a disintegrating influence on the structure of feudalism and goes on to suggest that “the story of this influence can largely be identified with the rise of towns as corporate bodies, as these came to possess economic and political independence in varying degrees.”(p-70) He cites many examples, although it appears that the evidence is not unambiguous. As Rodney Hilton remarks in his Introduction referred to earlier, “What is needed is detailed work on the degree of occupational specialization in towns of various sizes, various functions and at various sizes of development.” Where to locate the beginning of the bourgeoisie? One section of the burghers appropriated a share of the products of the peasant cultivator or the urban craftsmen. In explaining the source of accumulation of the early bourgeoisie Dobb goes beyond the simple Smithian notion of commerce in general, and argues that the reason why commerce could yield a handsome surplus was due to two factors; exploitation of political advantage, or scarcely veiled plunder, and formation of corporate commercial bodies that acquired powers of monopoly. The trading elements were frequently drawn from well-to-do craftsmen and the new trading organizations soon came to dominate town governments. These elements that formed commercial monopolies were the early bourgeoisie, but Dobb is careful to distinguish their role from that of the industrial capitalist. They were exclusively trading organizations. Here too his observation is succinct, “While there was some infiltration into the privileged ranks as capital accumulated among the crafts themselves, the monopolistic position of merchant capital in England was scarcely weakened thereby, and the increase of its wealth was not retarded. With the growth of the market, and specially of foreign trade, here was room for the numbers within the privileged ranks to grow without any serious overcrowding. Internally the market was expanding, not only through the growth of towns and the multiplication of urban markets, but also by the increased penetration of money economy into the manor with the growth of hired labour and the leasing of the demesne for a money-rent. Nevertheless it was foreign trade which provided the greatest opportunities for rapid commercial advancement, and it was in this sphere that the most impressive fortunes were made.” (p-109) In his discussion of the rise of industrial capital, Dobb notes the two paths noted by Marx and carefully shows how in Britain, the both were pursued in different periods.” The first stage of this transition—the turning of sections of merchant capital towards an increasingly intimate control over production—seems to have been occurring on an extensive scale in the textiles, leather and smaller metal trades in the sixteenth century. The progressive role of the merchant manufacturer was here limited to extending handicraft production and breaking down the limits imposed by the traditional urban monopoly.” (pp 129-30) On the really revolutionary way to the transition, in which the petty producer becomes a merchant and a capitalist, Dobb argues that this process began to show itself in the opening of the seventeenth century. He has illustrated how this process was accompanied by a struggle between the corporate mercantile bourgeoisie and the new elements from the craftsmen themselves.

The process of accumulation in the hands of the bourgeoisie is a subject that needs to be studied carefully, and in this respect, Dobb's analysis is illuminating. Capital accumulation, consisted of a two-fold process; a transfer of titles to wealth into the hands of the bourgeois class and concentration of this wealth into fewer hands, and the realization or sale of these assets at a later date, which made possible the acquisition of machineries, buildings and raw materials. Dobb substantiates the operation of these two processes with concrete examples from European history. One issue, whose importance he does not ignore, is the role of mercantilism. This role was contradictory and Dobb does not purport to provide a simplified picture. One part of this story was like this : "Some of the fortunes made by foreign adventurers no doubt found their way into industrial enterprise; while, as we shall presently see, the expansion of colonial markets, in the seventeenth century acted as a lever to the profitability of manufacture at home." (p-193) But the other side of the picture was not one of complementarity, but of conflict. First of all, the attraction of dealing in foreign stocks diverted capital from industry to foreign trade. Secondly, the monopolistic privileges enjoyed by chartered companies put a fetter on the expansion of foreign markets for domestic manufactures, giving rise to a struggle between the two.

Possibly the most interesting chapter of the book is that entitled "Growth of the Proletariat." Dobb empirically demolishes the notion that "the appearance of a reserve army of labour was a simple product of growing population," and then offers a picture of the twists and turns of the process. The process had many zigzags and proceeded unevenly, and it at least partly conditioned the growth of industrial capitalism. The effect of the dissolution of monasteries and the enclosures in the Tudor period was a moderate, but significant one; "the result was large in proportion to the demand for hired labour at the time." The century following the Restoration was characterized by frequent complaints of shortages of labour, it constrained the growth of industrial investment. Dobb has considered the arguments of Hamilton and Keynes regarding the effects of the 'price revolution' that was supposed to have a lot to do with the inflow of American treasure, and has brilliantly argued that the impact of the price revolution cannot be examined in isolation from the state of the labour market in the sense of an abundance or scarcity of labour. In a situation of labour scarcity, the impact was low. This profoundly insightful observation helps one clarify one's thought about the Hamiltonian thesis, which has shown a deplorable neglect of the more fundamental structural considerations in the rise of capitalism. While Maurice Dobb's study of the role of dispossession and engrossment of farms as a policy instituted from above in the formation of an army of the proletariat is fascinating and adds much to readers' knowledge, it is admirable that he supplements his study with an analysis of the economic differentiation that went on within most communities of small producers. Dobb's analysis of the *Industrial Revolution* is still fascinating reading. He outlines the characteristics of the *Industrial Revolution* in simple terms, and then goes into a more nuanced understanding. "First and most familiar, is the act that in the nineteenth century the tempo of economic change, as regards the structure of industry and of social relationships, the volume of output and the extent and variety of trade, was entirely abnormal, judged by the standards of previous centuries. Second is the fact that the economic scene in the nineteenth century (or at least in the first three-quarters of it in England) affords a combination of circumstances quite exceptionally favourable to the flourishing of a capitalist society." (pp 256-57) The *Industrial Revolution* was propelled by labour -saving technical changes, but the scale of expansion of production made possible the absorption of the labour force uprooted from the older forms of production. But possibly the foreign market was important. Dobb's study points out the logic of this proposition in explicit terms, and also the interrelationship between the growth of labour supply, technical change and capital accumulation. Here a discerning reader cannot fail to notice how meticulously Dobb analyzes this interrelationship, carefully considering the teachings of English classical political economy and Marx. Here Dobb analyzes carefully the restraint on the mobility of labour and the labour-saving technical changes that economized on this factor. It is again tempting to quote him "It may well have been the case that the lag of labour-supply behind other factors in the process of economic development in the first half of the eighteenth century precipitated those changes of technique which were to open up vistas of a new advance. But unless by the dawn of the new century labour had been as plentiful as it was then coming to be, the progress century labour had been as plentiful as it was then coming to be, the progress of factory industry once started could not have

been so rapid and might even have been halted. There would seem to be fairly general agreement that, whether influenced by the wage-level or not, the technical change of this period had a predominantly labour-saving bias: a feature of technical change, which probably characterized the whole of the nineteenth century. If true, this conclusion is evidently of the greatest importance; since, in the degree that invention bore this character, Capitalism as it expanded was able to economize on the parallel expansion of its proletarian army: capital accumulation was thereby enabled to proceed at a considerably faster rate than the labour-supply was increasing." (P-277) What is particularly interesting is the way Dobb has analyzed the demand element and showed that it played a crucial role in the progress of the *Industrial Revolution*. This shows that he was not only a master of the tools of contemporary theoretical analysis, but was competent in applying them to history as well.

In conclusion, it may be said that Dobb's book should be read by all those who are interested in the history of the rise of capitalism. The earlier generation was somewhat familiar with the contents of the book, but not the younger one. The brilliantly lucid style of argumentation, it is needless to say, has added to the merits of the book. □□□

*STUDIES IN THE DEVELOPMENT OF CAPITALISM by Maurice Dobb, Routledge and Kegan Paul, First Indian reprint, 2007, Exclusive distributor, Aakar Books, Delhi, 110091, pp ix + 402, Price Rs 375.