

Also available

A WORLD TO WIN: ESSAYS ON THE COMMUNIST MANIFESTO

by Aijaz Ahmad, Irfan Habib, Prabhat Patnaik

edited by Prakash Karat

IMPERIALISM, THE HIGHEST STAGE OF CAPITALISM

by V.I. Lenin

with an Introduction by Prabhat Patnaik

ON THE NATIONAL AND COLONIAL QUESTIONS

by Karl Marx and Frederick Engels

edited, with an Introduction, by Aijaz Ahmad

The Agrarian
Question in
Marx and his
Successors

Volume 1

Edited by Utsa Patnaik

ODTÜ KÜTÜPHANESİ
METU LIBRARY

LeftWord

HD 1411
M363
2007

First published in January 2007 by
LeftWord Books
12 Rajendra Prasad Road
New Delhi 110001
INDIA
www.leftword.com

LeftWord Books is a division of
Naya Rasta Publishers Pvt. Ltd.

This selection © 2007, LeftWord Books
Introduction © 2007, LeftWord Books

ISBN 81 87496 59 2 HC
81 87496 60 6 PB

Printed at
Progressive Printers
A 21 Jhilmil Industrial Area
Shahdara
Delhi 110095
INDIA



METU LIBRARY



255070201061005116

Contents

<i>Utsa Patnaik</i> , Introduction	9
------------------------------------	---

THE PRIMITIVE ACCUMULATION OF CAPITAL

<i>Karl Marx</i> , The Secret of Primitive Accumulation	55
<i>Karl Marx</i> , Expropriation of the Agricultural Population from the Land	60
<i>Karl Marx</i> , Bloody Legislation Against the Expropriated, From the End of the 15th Century. Forcing Down of Wages by Acts of Parliament	81
<i>Karl Marx</i> , Genesis of the Capitalist Farmer	92
<i>Karl Marx</i> , Reaction of the Agricultural Revolution on Industry. Creation of the Home-Market for Industrial Capital	96
<i>Karl Marx</i> , Pre-capitalist Relationships	102

THE THEORY OF GROUND RENT

<i>Karl Marx</i> , Differential Rent: General Remarks	131
<i>Karl Marx</i> , First Form of Differential Rent (Differential Rent I)	137
<i>Karl Marx</i> , Second Form of Differential Rent (Differential Rent II)	140

<i>Karl Marx</i> , Absolute Ground-Rent	144
<i>Karl Marx</i> , Building Site Rent. Rent in Mining. Price of Land	154
<i>Karl Marx</i> , Ricardo's Denial of Absolute Rent— a Result of his Error in the Theory of Value	156
<i>Karl Marx</i> , The Inadequacy of the Ricardian Definition of Rent	161
<i>Karl Marx</i> , Ricardo's Criticism of Adam Smith's and Malthus's Views on Rent	168
<i>Karl Marx</i> , Richard Jones	176

THE DEVELOPMENT OF CAPITALIST RELATIONS IN AGRICULTURE

<i>Karl Kautsky</i> , The Capitalist Character of Modern Agriculture	187
<i>Karl Kautsky</i> , Large and Small Farms	227
<i>V.I. Lenin</i> , Review [of Kautsky's <i>Die Agrarfrage</i>]	262
<i>V.I. Lenin</i> , Capitalism in Agriculture (Kautsky's Book and Mr. Bulgakov's Article)	269
<i>Index</i>	311

UTSA PATNAIK

Introduction

The selection of readings put together in this volume is in three parts. The first part deals with Marx's writings on pre-capitalist relationships including forms of landed property and surplus extraction, and that aspect of the primitive accumulation of capital which relates to the formation of a propertyless labour force. It also covers briefly the question of the role of usury and of merchant's capital. The second part is devoted to the Marxist theory of rent, in particular to understanding the crucial distinction made by Marx between what he termed absolute ground rent, and Ricardo's concept, which he termed differential rent. The third part relates to the process of capitalist development in agriculture and the formation of a class of capitalist producers. Given the vast scope of the canvas, these topics can hardly be covered in a single volume.

This selection comprises the first of what is intended to be a set of at least two volumes, and the bulk of this selection is concerned with presenting in brief the salient views of Karl Marx in his own words. The last section introduces the Kautsky-Lenin discussion of capitalism in agriculture. The procedure followed in making the selections making up this volume, has not been uniform and this has been dictated by the nature of the subject matter itself. In the case of shorter pieces, entire chapters or essays have been reproduced without any editing. In the case of a more complex subject like the theory of rent however, where Marx discusses and develops his ideas in a number of different places (both in the two volumes of *Theories of Surplus Value*, as well as in *Capital*, Vol. III), I have made an edited selection of the material. This involves often juxtaposing paragraphs dealing with concepts which are separated by descriptive material, but I have always followed the

original order, with the aim of presenting the argument on rent in a shortened form. This is done in the hope that the Marx's theory of rent will become more comprehensible both to the new reader and to the lay reader without any background in economics, who is often apt to be deterred from reading Marx, by the apparent technicality of his argument on rent arising from its location within the classical theory of value. The intention thus is to whet the appetite of readers who can then proceed to read the original source in full. The third part is concerned with the question of the growth of capitalist relations in agriculture, and includes selections from Kautsky's *Die Agrarfrage* and Lenin's Review of the book as well as his defence of it against critics.

In this Introduction, my main objective is to discuss why the three topics mentioned at the outset are of importance and relevance today, particularly to readers in developing countries, and indeed to all those trying to understand problems of development—not only agrarian development, but development in general—in the contemporary world. I will do so by taking up each of the three main topics in turn, devoting most time and space however to Marx's theory of rent which in my view is of the utmost importance and where the greatest area of ignorance lies in the approach adopted by modern scholars analyzing agrarian questions.

1. Pre-Capitalist Relationships, Forms of Surplus Extraction, the Primitive Accumulation of Capital and the Historical Formation of Wage Labour.

Present-day mainstream economic theory is firmly located within models assuming the prevalence of the capitalist mode of production and its categories of analysis are always capitalist categories—wages, profits, capitalist rent (the last is termed “rent” alone, without the qualification we have added, since no other form than capitalist rent is recognized by this theory). Actually

existing social formations in the developing world however, are not entirely capitalist, and in particular the agrarian sector of any such social formation is apt to be characterized by strong or even predominant elements of precapitalist and transitional relationships—by rentier landlordism and petty tenancy, by servitude and bondage of labour, by usury and the dominance of merchant's capital. These relations have been substantially created on the basis of earlier pre-capitalist relations which were modified under the impact of commercialization, of production for the market—which took place both under colonial systems and after independence.

Those present-day scholars who do stress the obvious fact of the existence of such modified pre-capitalist relations when talking of backward agriculture, appear to lack the theoretical concepts for analyzing these relations. They often end up using inappropriate concepts which are derived, as regards their *content*, from neo-populist or neo-classical economics when building their theoretical models or arguments regarding petty production, especially petty tenant production under landlords. Sometimes the *form* of Marxian-sounding terms might be used, the actual content of the concepts relate to wages and profit, and tacitly assume some form of capitalist production—although wages and profit are misleadingly labelled by other names. It is as though, with the best will in the world, these scholars are unable to escape from the conceptual straitjacket of the capitalist system even when discussing forms of production which are actually not capitalist at all or are mixed, transitional forms.

The main reason for this conceptual famine, in my view, derives from the near-complete censorship in economic literature of the historically-specific analytical categories relating to agriculture developed by Marx (who built to a certain extent on the prior work of Adam Smith, Richard Jones and James Anderson). The modern academic is simply not familiar with these

alternative concepts, and this extends to his/her not even being aware of the extent of this lack of familiarity with alternative concepts. Certainly the modern academic is far less familiar than the contemporaries of Marx himself were, with historically-specific economic categories, for a general sense of the historical contingency and specificity of production and exchange relations was in the intellectual air, so to speak, of the nineteenth century in a way that it no longer seems to be today. To redress this state of affairs it is necessary to revive the theoretical concepts which underlay Marx's own discussion of agrarian relations.

Marx's discussion of pre-capitalist relationships presents the powerful over-arching and unifying concept (applicable to all class societies) of *economic surplus*, and the appropriation by a minority who are property owners of the economic surplus produced by the majority who constitute the actual workers. Within this unifying over-arching concept, the specific historical *forms* of economic surplus and its appropriation define the nature of the production relations, which are characteristic of differing modes of production and to which definite sets of legal, political and social relationships correspond.¹

In this selection the first part includes Marx's brief discussion of slave labour-based production and slave rent, followed by an analysis of the serf-lord relationship of feudalism in Europe and of the different forms of feudal rent—in labour directly, or in product or money where Marx stresses the fact that *the money form of rent remains feudal rent* as long as the basic serf-lord relation itself is preserved. The essential condition for the development of capitalist production—the creation of a class of property-less persons who are torn from their means of production and catapulted from the status of peasants to that of proletarians—is discussed in a series of powerfully expressed chapters in *Capital*, Vol. III. These passages

¹ K. Marx, *Introduction to a Critique of Political Economy*.

formed the basis for the position that Maurice Dobb later took in the famous debate on the transition from feudalism to capitalism² which placed the emphasis on the *changes in production relations*, and the diverse ways that exchange impacts on and affects production relations, rather than on the position taken by Paul Sweezy which had emphasized, almost exclusively, the question of *production for the market* as the decisive criterion of defining capitalism and, by implication, natural economy as the defining characteristic of pre-capitalist systems.

Marx's discussion of usury and merchant capital is of particular importance for developing countries where these "antediluvian" forms of capital have been important in undermining peasant production and pauperizing the small peasantry, given the heavy tax and rent demands under colonial systems. Marx points out that

Usurer's capital employs the method of exploitation characteristic of capital yet without the latter's mode of production. This condition also repeats itself within bourgeois economy, in backward branches of industry or in those branches which resist the transition to the modern mode of production. For instance, if we wish to compare the English interest rate with the Indian, we should not take the interest rate of the Bank of England, but rather, e.g., that charged by lenders of small machinery to small producers in domestic industry. . . .

The really important and characteristic domain of the usurer, however, is the function of money as a means of payment. Every payment of money, ground-rent, tribute, tax, etc., which becomes due on a certain date, carries with it the need to secure money for such a purpose. Hence from the days

² First carried in *Science and Society*, available in Hilton 1976.