

# *Looking Beyond England: Slavery, Settler Colonialism and the Development of Industrial Capitalism*

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Working Paper No. 22  
24<sup>th</sup> June 2021

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# Looking Beyond England: Slavery, Settler Colonialism and the Development of Industrial Capitalism

Paula Reisdorf<sup>1</sup>

## Abstract

This paper examines the debates surrounding industrial capitalism's origins, critiquing the Eurocentrism in the Political Marxist approach. Instead, using a dialectical framework, I argue that the transition from agrarian to industrial capitalism in Britain required the existence of slavery and settler colonialism in the New World. The reason for this is threefold: Firstly, the removal of surplus populations either to colonies or domestically by employing them in colony-related industries was necessary to avoid stagnation in capitalist development. Secondly, the cheapening of basic commodities leading to a reduction in wages (i.e. relative surplus value extraction) in Britain necessitated enslaved labour in the New World. Thirdly, British industrialisation itself required settler colonialism and slavery because of: 1) the importation of slave-produced raw materials that were manufactured in Britain, 2) the exportation of manufactured products to settler colonies in the Americas, 3) the investment into industry by slaveowners and 4) the credit provision by banks that were tightly linked to the slave trade. I, therefore, conclude by suggesting that taking seriously the links between capitalism and slavery/colonialism could unify post-colonialism and Marxism by demonstrating the interconnectedness between post-colonialism's principal object of analysis – colonialism – and Marxism's main object of analysis – capitalism.

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<sup>1</sup> This paper is a revised and expanded version of a dissertation submitted for the award of an MA in Global Political Economy at the University of Sussex, which received the highest classification.

## **Looking Beyond England: Slavery, Settler Colonialism and the Development of Industrial Capitalism**

When most people picture a ship named the *Jesus*, travelling across the Atlantic, they would not believe that the *Jesus* marked the beginnings of the English transatlantic slave trade. After John Hawkins's 1562 expedition to take enslaved people from Africa and sell them to the Spanish in the Americas returned enormous profits, Queen Elizabeth I provided him with a ship for his next voyage, which she personally named the *Jesus* (Rodney, 2012[1972]: 83). With the *Jesus*, Hawkins was able to make such large profits in the trade of human beings that the Queen eventually made him a knight (Rodney, 2012[1972]: 83). This marked the beginning of England's imperial ambitions, which saw it becoming the first capitalist economy in the world.

The origins of capitalism have been debated by generations of scholars, Marxists and non-Marxists alike (Higginbottom, 2018: 34). Some of the most influential writers in this so-called transition debate are Paul Sweezy and Maurice Dobb, who in the 1940s debated whether capitalism's birth in England was due to internal or external factors (Sweezy, 1946; Dobb, 1946). Dobb is often thought of as the father of the contemporary school of Political Marxism (PM), one of the key schools that has theorised about capitalism's origins. PM emerged in the 1970s and some of its most influential scholars include Robert Brenner and Ellen Wood. Both Brenner (1977: 78) and Wood (2002: 101) have situated the roots of capitalism in the sixteenth century English countryside, suggesting that the turn towards 'competitive rents' by landlords during this period led to the establishment of capitalist relations of production. These capitalist relations of production then gave rise to agrarian capitalism, which over the next three centuries developed into industrial capitalism (Wood, 2002: 125).

While Political Marxism offers useful insights into the origins of agrarian capitalism, which this paper agrees with, it also possesses several flaws in its analysis of the transition from agrarian to industrial capitalism. For instance, Brenner (1977) and Wood's (2002) positivist methodology focuses on specificities rather than interconnections and thus does not allow them

to draw linkages between capitalism and imperialism. Most importantly, though, Political Marxism is a Eurocentric theory, with both Wood (2002: 147) and Brenner (1977: 85) completely dismissing the involvement of the non-European world in contributing towards capitalism's origins. For instance, Brenner's (1977: 78) position that slavery cannot possibly cause increases in productivity is problematic considering the empirical evidence suggesting labour productivity increases on slave plantations was common. Likewise, Wood's (2002: 125) account of the transition from agrarian to industrial capitalism excludes the role played by the colonies and the trans-Atlantic slave trade to effectuate the industrialisation process. A response to this limitation will form the basis of my argument.

Based on these limitations, I will argue that England's imperial plunders between the sixteenth and nineteenth centuries – which included the interlinked systems of settler colonialism and racial slavery – were crucial to the transition from agrarian to industrial capitalism. This is based on my theoretical framework of dialectics, which is the ontological methodology put forward by Marx (1996[1867]) and Engels (1987[1877-1883]). Dialectics holds that concepts that appear to be contradictory are actually connected because the production of one requires the existence of the other (Lenin, 1961: 221). Thus, rather than seeing dualisms, dialectics sees interconnections and relations, and therefore offers the perfect approach to theorising the links between free and unfree labour; between plantations and factories; and between capitalism and colonialism. Accordingly, dialectics allows me to provide a unifying force between post-colonialism and Marxism by demonstrating the interconnectedness between post-colonialism's principal object of analysis – colonialism – and Marxism's main object of analysis – capitalism (Bhambra, 2014).

The interconnections between capitalism and imperialism with regards to the transition from agrarian to industrial capitalism are threefold. Firstly, the removal of surplus populations from London, either through their absorption in domestic colony-related industries or through their settlement in the colonies prevented the stagnation of agrarian capitalism, thus allowing it to transition to industrial capitalism (Anievas & Nişancioğlu, 2015: 150-151). Secondly, the

establishment of relative surplus value production (a defining characteristic of capitalism) in Britain required the existence of slave labour in the colonies. This is because cheap slave-grown commodities like sugar, tobacco and coffee became available to British workers and thus enabled the reduction of wages in Britain (Morgan, 2000: 21). Thirdly, industrialisation in Britain necessitated the existence of both colonialism and slavery: 1) the importation of slave-grown raw materials; 2) the establishment of the Americas as a consumer for Britain's manufactured goods; 3) the investment into British industry by slaveowners; and 4) the provision of credit to industry by banks who obtained their funding from the slave trade all provided an impetus for the industrialisation process (Williams, 1994[1944]: 72; Morgan, 2000: 26; Devine, 1967: 3; Rodney, 2012[1972]: 85).

This paper is outlined as follows: After the introduction, I will include a brief explanation of capitalism using a Marxist understanding. I subsequently delve into a review of the Political Marxist literature on agrarian and industrial capitalism's origins. This leads me to put forth my argument that British-led slavery and colonialism between the sixteenth and nineteenth century were crucial to the transition from agrarian to industrial capitalism. The argument section is broken down into four sub-sections: in the first section I outline my theoretical framework of dialectics, which will form the basis of my argument as a whole. The second section deals with the topic of surplus populations, the third with relative surplus value production, and the fourth with the industrialisation process.

Under the industrialisation section, I present four further sub-sections: I begin by examining the effect of Britain's importation of slave-produced raw materials on industrialisation. From this, I move to examine how the creation of demand in the Americas, especially in British settler states, contributed towards industrialisation. Next, I examine how slaveowners' investment in British industry provided a further impetus. Lastly, I track how credit from banks that were born out of profits amassed from the slave trade was made available to industries during the industrialisation process. I conclude by suggesting that the clear link that exists between capitalism and colonialism/slavery could act as a unifying force between post-

colonialism and Marxism by demonstrating the interconnectedness between post-colonialism's principal object of analysis – colonialism – and Marxism's main object of analysis – capitalism (Bhabra, 2014).

### **Capitalism Explained**

To begin with, it is necessary to explain capitalism, as it will become clear throughout the piece that a large part of the disagreements surrounding capitalism's origins have to do with its varying definitions. I will use the Marxist definition of capitalism, which sees it as a 'mode of production', the latter referring to a historical epoch containing a distinctive way of producing and correlating distinctive relations of production (Heller, 2011: 1). Relations of production refer to all of the societal relations individuals must enter into in order to produce and reproduce their means of life (Marx, 1971[1859]: 20).

Within the capitalist mode of production, the distinctive way of producing occurs primarily through generating surplus value (also known as profit) leading to accumulation (Marx, 1996[1867]: 271). Surplus value is defined by Marx (1996[1867]: 221) as "the amount by which the value of the product exceeds the value of its constituent elements". In other words, profit is the difference between what the owner paid for the product and what they will sell it for. Accumulation refers to the process whereby surplus value is reconverted into capital, otherwise known as reinvesting in the economy (Marx, 1996[1867]: 578). Thus, of the surplus value (i.e. profit) produced, one portion is consumed by the capitalist as revenue, whilst the other is accumulated/reinvested as capital (Marx, 1996[1867]: 587). This accumulation enables the continuous reproduction of the capitalist mode including the reproduction of capitalist relations of production (Marx, 1996[1867]: 577).

Under capitalism, relations of production occur between the capitalist class who own the means of production (i.e. the land and the tools) and the labourers who do not own said means (Heller, 2011: 12). In other words, relations occur between the buyers and the sellers of labour power (Wood, 2002: 144). As workers do not own the means of production, they cannot provide



for themselves on a subsistence basis and are therefore required to sell their labour power to the capitalist class in exchange for a wage with which they can buy essential commodities (Harman, 2004; Heller, 2011: 12). Overall, then, the capitalist mode of production can be defined by the drive for surplus production and accumulation, which is achieved through the relations between the capitalist owners of the means of production and the waged workers, who are forced to sell their labour power to survive.

### **Debates on the Origins**

Political Marxism, adhered to by scholars such as Robert Brenner and Ellen Wood, is one of the leading contemporary schools of thought that has theorised the origins of capitalism (Rioux, 2013: 94). The tradition began in 1977 with Brenner's publication of *The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism*, in which he critiques World Systems Analysis for being neo-Smithian because of its focus on exchange relations as opposed to class relations (i.e. relations of production). Brenner (1977: 27) views the relations of production that characterise the capitalist mode as requiring the complete commodification of labour power, which for him, means the establishment of wage labour.

Thus, Brenner (1977: 75) situates the origins of these distinctively capitalist social productive relations – and with them, the capitalist mode of production – in sixteenth century England. In the fourteenth century, class conflict between the feudal serfs and the ruling classes had led to the collapse of the feudal mode of production (Brenner, 1977: 78). This meant that landlords were given control over land – but no longer had control over people (Brenner, 1977: 78). As a result, they began introducing competitive land leases, a process which was followed by massive competition between capitalist farmers and ultimately resulted in the unprecedented rise in labour productivity that is so specific to the capitalist mode of production as a whole (Brenner, 1977: 78). Therefore, according to Brenner (1977: 78), the 'drive towards accumulation via innovation in agriculture' was the result of the prevailing relations of production, rather than being the cause of them.

In 2002, Wood's publication of *The Origins of Capitalism* further contributed to the PM literature regarding the transition debate. Wood (2002: 95) stressed the importance of capitalist exploitation being defined by economic as opposed to extra-economic coercion. With this, she meant that "people's dependence on the market for survival ensures that there is no need for directly coercive forms of labour exploitation" (Rioux, 2013: 98). For Wood (2002: 97), workers are not the only ones who are dependent on the market for survival; capitalists are similarly dependent in order to buy labour power as well as the means of production (Wood, 2002: 97). This market dependence represents a fundamental change in mode of production, as no other mode has existed in which the market played a role beyond being the place of exchange (Wood, 2002: 97).

According to Wood (2002: 98), sixteenth century England witnessed a trade-off between the state and the aristocracy, whereby the state was able to centralise its political power more and more in exchange for the aristocracy securing a higher concentration of land. As the aristocracy, thus, had limited extra-economic power but more economic power, they were increasingly prone to using competitive production as opposed to squeezing out rents of their tenants through extra-economic coercion – as occurred under feudalism (Wood, 2002: 99). Out of this, a system of 'competitive rents' emerged, which effectively meant that landlords would lease their property to the highest bidder (Wood, 2002: 101).

The sixteenth century also witnessed the enclosure movement, whereby small-scale producers were expelled from the land, which was expropriated to be used for large-scale farming operations (Marx, 1996[1867]: 709; Wood, 2002: 108). These dispossessed peasants thus increasingly turned to the market to labour as wagers because they were no longer able to provide for themselves on a subsistence basis (Wood, 2002: 60). According to Wood (2002: 101), then, for the first time ever, the market became an imperative as opposed to being merely an opportunity. This represented the beginnings of agrarian capitalism, which would set into being particular laws of motion to later develop into industrial capitalism (Wood, 2002: 125).

According to Wood (2002: 131-133), the transition from agrarian to industrial capitalism

occurred in a number of ways: firstly, the imperatives of competition and improvement that existed in English agriculture meant that it was far more productive than agriculture in continental Europe (Wood, 2002: 131-133). This productive agricultural sector was necessary in allowing a large urban workforce to emerge as it was able to mass produce basic subsistence commodities required by said workforce (Wood, 2002: 142). Secondly, the dispossession of peasants from their land during the enclosure movement meant that London became the largest European city by the eighteenth century from which a strong national market was able to emerge (Wood, 2002: 133). Here, there materialised a large consumer base that could purchase cheap everyday products, which subsequently fuelled the industrialisation process, ultimately resulting in the establishment of industrial capitalism (Wood, 2002: 142).

Both Wood and Brenner are critical of arguments that link the birth of capitalism to imperialism. According to Wood (2002: 147), capitalism emerged in the sixteenth-century England, which at the time was not the leading imperial power. The leading imperial powers in the sixteenth century were Spain and Portugal, which did not develop in a capitalist fashion (Wood, 2002: 148). Furthermore, Wood (2002: 150) maintains that imperial expansion followed the logics of pre-capitalist exploitation, which consisted more in using extra-economic coercion as opposed to economic coercion to create surplus. Hence, she maintains that because chattel slaves were not free to sell their labour on the market, the labour they performed was not a part of the capitalist mode of production (Wood, 2002: 96).

Similarly, Brenner (1977: 30) holds that surplus on slave plantations was extracted on an absolute as opposed to relative basis, the latter being a key defining feature of the capitalist mode of production. Relative surplus value achieves increased profits through increasing labour productivity (e.g. through mechanisation), which in turn leads to the cheapening of goods. These cheapened goods, in turn, bring about a reduction in wages as workers are still able to socially reproduce at a lower wage. This is the key mechanism of profit-making under capitalism. Absolute surplus value, on the other hand, achieves profits through the extension of the working day, which, for Brenner (1977: 30), is more characteristic of slave plantations, thus establishing

a clear-cut distinction between the two.

PM is right to advocate for the clear distinction between free wage labour and enslaved labour. Some scholars have, contrarily, argued that the boundaries between free and coerced labour may not be as clear as they seem. Rioux (2013: 120), for instance, contends that the transition from feudalism to capitalism represented a change in the form of servitude, not in the essence of servitude, suggesting that free wage labourers are still servants/slaves. This is because free wage labourers are still exploited by the capitalist class to whom they need to sell their labour power.

Parisot (2019: 289) has, on a similar line, argued that because slaves could hire themselves out on their day off and sell their labour power for money, i.e. work as wage labourers, the distinction between free and coerced labour is not as clear cut as it may seem. The problem with these arguments is that they undermine the distinctiveness as well as severity of exploitation under slavery, a severity that does not exist in any other form of exploitation. At no point should the exploitation of a free wage labourer (i.e. the lack of owning the means of production) be compared to the exploitation of an enslaved worker, as in the latter's case it is not one's labour that is a commodity but it is one's body, one's soul, one's being. The acknowledgement of this distinctiveness is a great strength in the PM literature.

However, Political Marxism also presents various flaws. Firstly, it often focuses on very specific characterisations of capitalism as defined by Marx and leaves out those Marxist elements that contradict its propositions. For example, a major aspect to the enclosure movement that is conveniently ignored by Wood is that it was motivated by increased wool prices in England due to the rise of Flemish wool manufacturers (Marx, 1996[1867]: 709). Thus, international trade pressures played a key role in encouraging the movement to enclose previously common land. Therefore, the enclosure movement cannot be considered as an event that occurred solely due to domestic or internal dynamics, as held by Wood (2002: 108). Furthermore, while Brenner (1977: 30) argued that under the capitalist mode of production, surplus could only be produced on a relative as opposed to absolute basis, Marx (1996: 510-

511) himself said that “[absolute surplus value] forms the general groundwork of the capitalist system, and the starting point for the production of relative surplus value”. This suggests that, while relative surplus value production becomes more dominant as capitalism advances, the production of both forms is necessary to overall capitalist accumulation.

Brenner and Wood’s analyses use a positivist methodology, referred to as ‘analytical Marxism’, which hinders them from seeing the interconnectedness of capitalism’s contradictory features (Heller, 2011: 41). This positivist methodology is grounded in seeing monocausal links between two variables, one independent and one dependent and is, thus, similar to methodological individualism employed in neo-classical economics (Heller, 2011: 71). To counter this limitation, I will be using a dialectical approach, which focuses on seeing interconnections and relations as opposed to isolating distinct phenomena.

Furthermore, Brenner’s (1977) dismissal of Wallerstein and World Systems Analysis as ‘neo-Smithians’ is interesting considering how close to Adam Smith he is in his conceptualisation of the relationship between slavery and labour productivity. Smith (1999[1776]: 973) stated that “... the work done by slaves, though it appears to cost only their maintenance, is in the end the dearest of any. A person who can acquire no property, can have no other interest but to eat as much, and to labour as little as possible”. In other words, Smith argued that slave labour is inherently unproductive because enslaved people have no incentive to produce more efficiently, since they cannot acquire property.

Similarly, Brenner (1974: 30) sees wage labour as being the only defining factor in effectuating unprecedented increases in productivity. Kenneth Morgan (2000: 51), on the contrary, has found that slaveowners increasingly began using labour-saving, productivity-increasing technologies like grinding mills and steam engines on sugar plantations. They also revolutionised the labour process through technical improvements like introducing new methods of cutting sugar. Thus, in Jamaica, labour productivity amongst slaves increased by 35 per cent between 1750 and 1830, demonstrating that slave labour can also lead to productivity increases (Morgan, 2000: 51).

Moreover, Wood's dismissal of the links between capitalism and imperialism on the basis that Spain and Portugal were the frontrunners in the colonial project in the sixteenth century is based on a limited empirical grounding. Firstly, England had already defeated Spain in 1588 turning back the Spanish Armada, ending Spanish naval dominance and paving the way for England's imperial supremacy (Morgan, 2000: 6). Secondly, while Spain and Portugal were indeed the primary powers to extract bullion from the Americas in the sixteenth century, they acted as conduits, transferring this bullion to major European financial hubs like Antwerp, Amsterdam, London, Paris and Genoa, thereby increasing capital in the Old World (Anievas & Nisancioglu, 2015: 143). In fact, nearly 50 per cent of the bullion obtained by Spain ended up in Holland, with Holland subsequently acting as a distribution centre for the rest of Europe, passing it onto the British Isles, Germany and Northern Europe (Anievas & Nisancioglu, 2015: 143). This demonstrates that despite colonial exploitation being primarily driven by Spain and Portugal in the sixteenth century, the gains from this exploitation were passed on to most of North-Western Europe.

Lastly, Wood's account of the transition from agrarian to industrial capitalism carries various problems, the solutions to which will form the basis of my argument. Wood (2002: 133) sees: 1) the availability of cheap basic commodities; and 2) the existence of a large consumer base as being the two key factors that helped England transition to an industrial capitalism. However, she locates this large consumer base solely in London, ignoring the much larger base that existed in the Americas, particularly in British settler colonies (Wood, 2002: 142). These colonies were able to absorb a large portion of English manufactured goods and therefore provided further momentum for Britain's industrialisation (Morgan, 2000: 73). Moreover, while Wood stresses the importance of cheap basic commodities in the transition from agrarian to industrial capitalism, she does not acknowledge the role that slavery played in the cheapening of these products. In fact, the key commodities that were consumed by Britain's increasing urban population were slave-grown commodities like sugar, tobacco and coffee, not the goods grown on the English countryside (Anievas & Nişancıoğlu, 2015: 166). These two points will be engaged with in more detail later on.

PM's conceptualisation of capitalism is Eurocentric because it only applies in the European example, thus declaring all other transitions to capitalism that occurred outside of Europe as anomalies (Heller, 2011: 4). This is a key feature of Eurocentrism because the processes that occurred in Europe are portrayed as characteristic of a global system and the differing developments in the colonised world were seen as outliers that do not impact the theory more broadly (Higginbottom, 2018: 32). Thus, PM's analyses fall into the category of what Blaut (2000: 133) calls "Eurocentric diffusionism". According to Blaut (2000: 128-129), Eurocentric diffusionism is the idea that all systems, developments and ideas first occur in Europe and from there diffuse or spread to the rest of the world. Both Brenner (1977: 27) and Wood's (2002: 145) argument that capitalism emerged solely in Europe with the non-European world being a static part ready to be subsumed by capitalist diffusion is the epitome of such an analysis. Wood (2002: 142) states that "without English capitalism there would probably have been no capitalist system of any kind".

### **The Dialectic of Capitalism and Colonialism**

Based on the limitations of Political Marxism above, I will argue that England's imperial expansion between the sixteenth and nineteenth centuries – both through settler colonialism and through transatlantic slavery – was crucial for the transition from agrarian capitalism to industrial capitalism.

First of all, the removal of surplus populations was necessary to avoid the stagnation of agrarian capitalism and thus facilitated the industrialisation process in Britain. This removal occurred either through absorbing surplus populations in domestic colony-related industries or through relocating them to the colonies as indentured servants or settlers. Secondly, the establishment of relative surplus value production in Britain – emphasised by Marx (1996[1867]: 325-326) and Brenner (1977: 30) as being a key defining characteristic of capitalism – required slave labour in the colonies. Since slave-grown commodities like sugar, tobacco and coffee became cheaper, wages in Britain could be reduced, as workers were able to socially reproduce at a lower level of income. Making a profit through reducing wages is known as relative surplus

value production. Third of all, industrialisation in Britain, which was key to the transition from agrarian to industrial capitalism was inextricably linked to enslaved labour as well: 1) the importation of slave-grown raw materials, 2) the establishment of the Americas as a consumer for manufactured goods, 3) the investment into British industry by slaveowners and 4) the provision of credit to industry by banks who obtained their funding from the slave trade all accelerated the industrialisation process.

Before moving on to discussing each of these in more detail, I will outline the theoretical framework that will form the basis of my argument: dialectics.

### **Dialectics**

Dialectics can be seen as the Marxist ontological – as opposed to practical – methodology and therefore also as its theoretical framework (Rioux, 2013: 95). Being strongly advocated for by Marx (1996[1867]), Engels (1925) and Lenin (1965[1914]), it forms the basis of most key Marxist texts. For Engels (1987[1877]: 131), dialectics “is nothing more than the science of the general laws of motion and development of nature, human society and thought”. Dialectics focuses on seeing concepts as connected and related as well as constantly in motion, developing and changing (Engels, 1987[1883]:33; Heller, 2011: 19). Rather than seeing dualisms – or historical specificities, like Political Marxists do – dialectics focuses on the interconnectedness of concepts appearing to be contradictory (Rioux, 2013: 116). Hence, Lenin (1961: 221) defined dialectics as “the doctrine of the unity of opposites”. Similarly, Walter Rodney (2012[1972]: 75), the renowned Guyanese historian who wrote *How Europe Underdeveloped Africa*, defines dialectical concepts as “help[ing] to produce each other by interaction”.

Said framework will be used because it allows us to see the unity of different historical specificities. Thus, it will help to lay open interconnections and dialectical relationships between the European and non-European world, between capitalism and colonialism, between free and unfree labour, between extra-economic and economic coercion. It follows that free wage labour



and enslaved/coerced labour exist in a dialectical relationship, in which one is dependent upon the other. Thus, while the capitalist mode of production can be defined as relying primarily on wage labour, this does not mean that different forms of labour exploitation are not present and are not absolutely essential to the functioning of the capitalist mode.

Some scholars who have theorised the origins of capitalism have incorporated this framework. W.E.B. Du Bois (cited in Johnson, 2018), for instance, sees the “plantations of Mississippi, the counting houses of Manhattan, and the mills of Manchester as differentiated but concomitant components of a single system”. Johnson (2018) sees the origins of capitalism as being “a history of wages as well as whips, of factories as well as plantations, of whiteness as well as blackness, of ‘freedom’ as well as slavery”. Unlike Eurocentric Marxists who see racial oppression as a ‘historical accident’, the theorisation of which does not need to be integrated into a history of capitalism, Fraser (2016: 166) holds that the ‘unfreedom’ of slave labour and the expropriation thereof is a pre-condition for the emergence of free wage labour. In other words, “[the] expropriation of racialized ‘others’ constitutes a necessary background condition for the exploitation of ‘workers’” (Fraser, 2016: 168).

Rodney (2012[1972]: 75), argues that Europe and Africa have been in a dialectical relationship of development and underdevelopment since the late fifteenth century. In his words, “over that period Africa helped to develop Western Europe in the same proportion as Western Europe helped to underdevelop Africa” (Rodney, 2012[1972]: 75). Thus, development and underdevelopment cannot be seen as distinct phenomena that should be examined separately, but rather as interconnecting features of the same system, continuously reproducing one another. Rodney, Fraser, Johnson and Du Bois have, therefore, adopted a truly Marxist framework of dialectics when theorising capitalism and colonialism. This same approach will be followed in this paper, as I will argue that the emergence of industrial capitalism in England is dialectically related to colonial expropriation in the New World. Examining 1) the removal of surplus populations, 2) the emergence of relative surplus value production and 3) the industrialisation process itself will allow me to draw up this dialectical relationship between

industrial capitalism and imperialism.

### **Surplus Populations**

The removal of surplus populations – either through domestic colony-related work or through settlement in the colonies – was key in the transition from agrarian to industrial capitalism. Political Marxists portray the development of capitalism in a unilinear fashion: the dispossession of peasants from the land meant they were forced to sell their labour power i.e. become wagedworkers, some in agriculture and some in the cities. From this, emerged the capitalist relations of production that gave rise to the capitalist mode of production as a whole. One key element that is excluded from this analysis is that a large portion of the dispossessed did not become wagedworkers as there were simply not enough jobs for them (Anievas & Nişancioğlu, 2015: 150).

In the words of Alexander Anievas and Kerem Nişancioğlu (2015: 150), “the reliance on a wage does not guarantee access to it”. Thus, many of the dispossessed and unemployed came to form part of the surplus population, often referred to as “swarms” of “vagrants” and “idlers” at that time (Anievas & Nişancioğlu, 2015: 150). These surplus populations were a threat to continued capitalist development as they began forming social movements like the Diggers and the Levellers who were increasingly challenging the ruling class (Anievas & Nişancioğlu, 2015: 150).

England, however, provided the specific requirements that were crucial to the absorption of these surplus populations in order to further the development of the capitalist mode of production to move from its agrarian to its industrial manifestation. First of all, a large portion of the surplus populations were absorbed domestically, in colony-related industries, including shipbuilding, harbour building, sugar refining and textile production (Anievas & Nişancioğlu, 2015: 151). They worked, for instance, in the building of Bristol as a major port city involved in the slave trade. Secondly, the remainder of the surplus populations was directly exported to the colonies either as indentured servants, or as settlers. This was enshrined into law in various

legislative acts passed in the sixteenth and seventeenth century, including the Vagabonds Act of 1597, which allowed for the removal of 'criminals' to the colonies to work in penal servitude (Anievas & Nişancioğlu, 2015: 151).

Thus, by the end of the seventeenth century, a total of 350,000 English people had crossed the Atlantic (Morgan, 2000: 6). Evidently, both of the factors that made England unique in its ability to deal with surplus populations were inextricably linked to England's colonial activities. As the removal of surplus populations was key for the transition from agrarian to industrial capitalism, the colonies played a major role in this process. Otherwise, the development of the capitalist mode could have become stagnant in the agrarian capitalist period of the sixteenth century (Anievas & Nişancioğlu, 2015: 152).

### **Relative Surplus Value**

Relative surplus value production in England required, as its backbone, absolute surplus value production on slave plantations in the New World. In order to substantiate this argument, it is necessary to explain what relative surplus value production is in more detail. According to Marx (1996[1867]: 510-511), the production of surplus (profit) can be achieved in two distinct ways: either through: 1) the extension of the working day or through 2) the increase in productivity by revolutionising the labour process. Using the method of extending the working day is referred to as extracting: 1) absolute surplus value; whilst revolutionising the labour process to effectuate increased productivity is referred to as extracting 2) relative surplus value (Marx, 1996[1867]: 320).

How is this revolutionising of the labour process to increase productivity (i.e. relative surplus value production) achieved? It is achieved through the distinctively capitalist form of co-operation, through the division of labour and through increased mechanisation (Marx, 1996[1867]: 341). What is the consequence of this increased productivity? The increase in productivity leads to more commodities being produced in the same period of time, which ultimately leads to the cheapening of said commodities (Marx, 1996[1867]: 324). When the

commodities that are required for the subsistence of the labouring class are cheapened, wages can be depressed without harming the reproduction of the working class. This, ultimately, leads to a reduction in necessary labour (wages) and a consequent increase in surplus labour (profit) (Marx, 1996[1867]: 324). In other words, capitalism increases productivity, which reduces the price of essential commodities, which allows capitalists to pay lower wages. Under relative surplus value production, then, profit is made by paying lower wages.

One of the key elements of relative surplus value production that distinguishes capitalism from previous modes of production is that it only decreases wages to a point where workers can still socially reproduce. The continued reproduction of the workforce is therefore essential to capitalism. On slave plantations, on the other hand, it was cheaper to buy a new slave than to enable the slave to reproduce and raise a child (Higginbottom, 2018: 37). Slaves could recreate the price it took to purchase them within three years of labour (Higginbottom, 2018: 37). Therefore, slaveowners did not need slaves to reproduce and could be indifferent to their survival, evident in the high mortality and infant mortality rates amongst enslaved people on plantations (Morgan, 2004: 3). Because of this, slave plantations produced surplus on an absolute, as opposed to relative, basis. Another reason slavery was based on the production of absolute surplus value is that relative surplus value production requires the commodification of labour power (Bakan, 1987: 87). However, under slavery, it was not people's labour power that was commodified, rather it was their bodies, the essence of the individuals themselves (Bakan, 1987: 82). Thus, slave plantations can be said to embody the production of absolute, as opposed to relative surplus value.

Nonetheless, the absolute surplus value produced on slave plantations in the New World was effectively subsidising the emergence of relative surplus value production in England. As mentioned above, the production of relative surplus value is based on increasing labour productivity, which leads to more commodities being produced in the same amount of time, which in turn leads to a decrease in wages for workers as they are able to socially reproduce at a lower cost. The assumption that follows is that the cheapening of commodities can only occur

due to increases in labour productivity, which, in turn, requires the revolutionising of the labour process. However, there is another method whereby commodities can be cheapened to such an extent that wages can be reduced without harming the ability of workers to continue to socially reproduce. This method is the use of slave labour to grow essential commodities (Anievas & Nişancioğlu, 2015: 166).

Because slave labour was so cheap, mass production of slave-produced commodities (like sugar, coffee and tobacco) and their subsequent cheapening became possible, turning them from 'luxury commodities' into essentials (Anievas & Nişancioğlu, 2015: 166). As a result, from 1670 to 1770, per capita consumption of refined sugar in Britain increased from 1lb to 25lbs (Morgan, 2000: 21). From 1660 onwards, England's sugar imports exceeded all of its other imports combined (Mintz, 1985: 44). By 1900, sugar made up one fifth of the diet of the British population (Mintz, 1985: 6). Sugar was not the only slave-grown basic commodity that enabled the emergence of relative surplus value production in England. The percentage of so-called 'grocery products' that were imported increased from 16.9 per cent in 1700 to 34.9 per cent by 1800 and included basic goods like tea, coffee, rice and pepper (Mintz, 1985: 67).

As a result of the importation of cheap slave-produced basic commodities, the ruling class in Britain was able to suppress wages further, whilst the labouring class was still able to reproduce itself at the reduced wages (Anievas & Nişancioğlu, 2015: 166-167). This meant that the production of relative surplus value, previously thought of as being obtainable solely through increasing productivity by revolutionising the labour process was actually achievable by other means. These consisted of creating a slave labouring class across the Atlantic that was able to produce the cheap commodities required by the wage labouring class in England.

Thus, slave labour did not exist outside of the capitalist mode of production but was as much a part of it as wage labour was. Marx (1996[1867]: 747) himself states that "the veiled slavery of the wage workers in Europe needed, for its pedestal, slavery pure and simple in the new world". In other words, the absolute surplus value produced by slaves served as a pedestal for the emergence of wage labour in England that produced relative surplus value.

## **Industrialisation**

### *Raw Material Imports*

The slave-produced raw materials imported from the Americas fuelled the transition from agrarian to industrial capitalism in Britain. A substantial number of sectors in Britain industrialised as a result of importing raw materials produced by slaves, including cotton, sugar, rum, guns, chains, iron bars and wool (Anievas & Nişancioğlu, 2015: 165). This industrialisation process did not happen in England by coincidence. In fact, there were five Navigation Acts passed between 1651 and 1696 that heavily protected English trade by preventing manufacturing taking place in the colonies (Morgan, 2000: 13).

The largest sector giving rise to the industrialisation process in Britain was cotton (Anievas & Nişancioğlu, 2015: 167). From the 1750s onwards, the cotton industry represented the fastest industrialising industry in England (Morgan, 2000: 69). In the early 1700s, cotton produced by slaves in the West Indies accounted for between two thirds and three quarters of British imports (Williams, 1994[1944]: 72). Indeed, the following statement by a fugitive slave in 1854 illustrates the deep connection between cotton in the US and in Britain: “When the price [of cotton] rises in the English market, the poor slaves immediately feel the effects, for they are harder driven, and the whip is kept more constantly going” (cited in Beckert, 2014). Thus, it is clear that the British cotton market relied heavily on slave-produced cotton from the Americas.

From this cheap imported cotton, Britain developed a highly refined cotton industry. In 1840, 75 percent of total workers in England were employed in textile production, with cotton textiles accounting for half of that 75 percent (Anievas & Nişancioğlu, 2015: 167). Furthermore, by 1850, 89 pe cent of the 374,000 workers employed in cotton production worked in factories with mechanised production, indicating, again, the strong link between industrialisation and the production of slave-produced raw materials (Anievas & Nişancioğlu, 2015: 167).

Sugar and tobacco, both slave-produced commodities, also fuelled industrialisation in England. For instance, Glasgow, which in 1700 was still considered a small European port,

became one of the largest commercial cities in Europe due to its trade in tobacco over the course of the eighteenth century (Morgan, 2000: 86). Similarly, Bristol's access to sugar – coming primarily from the so-called 'sugar islands' of Barbados and Jamaica – meant that by the mid-eighteenth century, the Bristolian city centre contained twenty sugar refineries with numerous snuff mills being located in the suburbs (Mintz, 1985: 38; Morgan, 2000: 59). Furthermore, from 1585 onwards, London became the most important sugar refining hub in Europe, re-exporting the majority to the rest of the continent (Mintz, 1985: 45). These cities thus witnessed a clear industrialisation process due to their importation of slave-grown commodities.

### *Demand from Americas*

The creation of demand in the Americas, including in the British settler colonies, effectively allowed for the flourishing of the Industrial Revolution, as capitalists in Britain had an incentive to industrialise to increase productivity (Morgan, 2000: 26). Hence, the late eighteenth century saw both the industrialisation of Britain as well as a major export boom, related to this industrialisation (Morgan, 2000: 26; 61-62). English exports to the Americas and the West Indies increased by 2,300 percent over the course of the eighteenth century (Mintz, 1985: 56). These exports were not dominated by raw materials as was common during the time; rather, more than three quarters of all British exports to the Americas were manufactured commodities, including textiles, metalware and glassware (Morgan, 2000: 19; 61). Between 1760 and 1790, the demand for cotton increased drastically, providing further incentive to continue increasing productivity (Morgan, 2000: 73). Hence, this period also saw the emergence of technological developments to increase the productivity of cotton spinning such as the spinning jenny, Arkwright's water frame and Crompton's mule (Morgan, 2000: 73). Thus, the demand for manufactured goods in the Americas, including in Britain's settler states, triggered some of the major technological developments that characterised the Industrial Revolution.

The link between exports and industrialisation has been put forth by other scholars. However, some of them argue that industrial capitalism was the starting point and the increase in trade was the consequence, rather than an increase in trade being the trigger for

industrialisation (Morgan, 2000). This does not explain why in the half century before the Industrial Revolution began, Britain was the world's largest exporter (Heller, 2011: 168). In fact, between 1700 and 1760 British exports made up 56 percent of global industrial production, the prime importers of these products being North America, the Caribbean and Latin America (Heller, 2011: 168). Thus, it is evident that it was in fact the intensification of trade that not only preceded industrialisation but also acted as its stimulus.

A large portion of Britain's exports were in fact re-exports i.e. commodities that Britain had imported in raw form from its colonies and was subsequently re-exporting to other countries (Morgan, 2000: 18). Between 1700 and 1797, re-exports grew fivefold, from £2.1 million to £11.8 million. The majority of these re-exports consisted of tobacco, sugar, rice and coffee, which were all slave-grown commodities grown in the colonies. By contrast to manufactured goods, these commodities were primarily exported to other European ports (Morgan 2000: 18). Re-exports then enabled Britain to import iron, flax and tar amongst other necessary commodities from northern Europe to keep tens of thousands of British workers in their jobs (Morgan, 2000: 19).

### *Investment in Industry*

Another major way in which the slave trade fuelled industrialisation in Britain was through slaveowners' investment in British industry (Morgan, 2000: 53). Most notable are the Pennant and Fuller families. Richard Pennant, who was also the Member of Parliament (MP) for Liverpool during the 1760s, inherited 600 slaves alongside 8,000 acres of sugar plantations. Of this accumulated wealth, he invested large sums into building the largest slate quarry in the world at the time – the Penrhyn Quarry in North Wales (Morgan, 2000: 53; National Trust, n.d.). This quarry was the site of the beginnings of industrialisation in the North Welsh region. The Fullers, another prominent slave- and plantation-owning family in Jamaica, invested their accumulated capital in charcoal ironworks and gun foundries in Sussex (Morgan, 2000: 53).

Some historians have tracked the investment in British industry and found that profits



made from the Atlantic trade were invested in shipbuilding, snuff mills, sugar refineries, glassworks, ironworks, textiles and coal mines (Morgan, 2000: 59). Devine (1967: 1), for instance, has tracked the investments by tobacco, sugar, cotton, and rum merchants in Glasgow into Scottish industries, demonstrating a clear link. For instance, between 1730 and 1780, there were 163 merchants based in Glasgow involved in the colonial trade, more than half of which were investing their capital in extractive industries (Devine, 1967: 3). Hence, coal, iron and textile manufacturing became the three major industrialising sectors in Scotland during the eighteenth century (Devine, 1967: 3). Morgan (2000: 59), similarly, found that the mercantile capital that amassed in Bristol due to its colonial trading links, was invested in the mining industry in South Wales and Shropshire. The mercantile capital accumulated in Liverpool was invested in salt works, sugar refineries, breweries and distilleries as well as in copper, glass and iron smelting in Liverpool and south Lancashire (Morgan, 2000: 59). Furthermore, the capital accumulated primarily from the tobacco trade in the port of Glasgow was invested in textiles, iron, sugar refining, glassworks and leather manufactories across Scotland (Morgan, 2000: 59).

Britain's involvement in the slave trade was halted in 1807 and slavery itself was abolished in Britain in 1834 (Britain's Forgotten Slaveowners, 2015). However, even in its abolition slavery provided a last push for industrialisation in Britain. The modern equivalent of £17 billion was paid out as compensation to former slaveowners for losing their human property upon abolition (Olusoga, 2018). This money was subsequently invested into the British economy and fuelled industrialisation further (Britain's Forgotten Slaveowners, 2015).

### *Credit Provision*

Profits made from the slave trade also helped build several banks in Britain that consequently acted as creditors for industrialisation. For instance, David and Alexander Barclay were able to establish Barclay's Bank as a result of the profits they made from first being involved in the slave trade (Rodney, 2012[1972]: 85). Furthermore, between 1750 and 1775, British colonial merchants helped establish the first banks in Bristol, Glasgow and Liverpool (Morgan, 2000: 77). For instance, Bristolian merchants trading in slaves, sugar and tobacco

helped establish the Old Bank in 1750, the Miles Bank in 1752 and the Harford Bank in 1769 (Morgan, 2000: 77). One of the major ways in which these and other banks fuelled the development of capitalism was through the provision of credit to manufacturers (Morgan, 2000: 79). The textile industries in Yorkshire, Lancashire and Scotland, for example, relied heavily on the provision of credit from said banks (Morgan, 2000: 79).

### **Concluding Remarks**

In this paper, I have attempted to demonstrate that slavery and settler colonialism in the New World were crucial for the transition from agrarian to industrial capitalism. While I have agreed with Wood (2002) and Brenner (1977) who situate the origins of agrarian capitalism in England in the sixteenth century, I have critiqued their subsequent analysis of the development of industrial capitalism, because it focuses solely on domestic factors and does not consider the possibility of 'the international' (Anievas & Nisancioglu, 2015: 148). This is, interestingly enough, in contrast to Marx (1998[1894]: 331), who acknowledged that the colonisation of the Americas and the slavery that accompanied it were preconditions for the transition from feudalism to capitalism: "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 towards destroying the feudal fetters on production".

I have taken a similar approach to Marx by arguing that capitalism and imperialism, wage labour and slave labour, relative surplus and absolute surplus production exist in a dialectical relationship, in which the existence of one is dependent on the existence of the other. I have argued that the emergence of industrial capitalism was dependent on settler colonialism and slavery. This argument was backed up by showing: 1) the link between the removal of surplus populations and colonialism; 2) the connection between relative surplus value production and slave labour; and 3) the linkage between the Industrial Revolution and imperialism.

Epistemologically, I see this work as a unifying force between two often conflicting

canons: post-colonialism and Marxism. I have attempted to unite the two strands, by demonstrating the interconnectedness between post-colonialism's principal object of analysis – colonialism – and Marxism's main object of analysis – capitalism (Bhabra, 2014). I maintain that by separating capitalism from colonialism and slavery, scholars are effectively limiting the necessary examination of the roots of our current global economic system and the political discussion on dealing with the consequences of colonialism today.

In times of growing nationalism and populism when populations of former colonies are viewed as threats, the acknowledgement of the role those colonies have played for today's wealth in Europe could be used to counter populist politics. One could go further and argue that once we, as a society, recognise that the capitalist mode has, from its onset, been intricately linked with colonial violence, we can begin to seriously talk about reparations because we must ask ourselves how we can give reparations for a violence that is part of a system we are still living under.

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