

Commodifying Land and Labour

A few years ago "Commons" was just a dying word for a dying matter - until it came to new life in the context of Free software, Creative Commons, also seeds, environmental resources etc. Originally a common was a pasture in common property. In Europe the commons disappeared mostly in the 19th century, or to speak more correctly they were abolished. But in some regions they still exist as relatively small relics. Nevertheless the commons which we connect today with progressive, socialist, emancipatory and utopian hopes were embedded in traditional patriarchic and feudal structures.

The Original Common

The common pasture fed private livestock. It was a common, but privately used infrastructure. As an extensive form of agriculture it was old compared to the newer forms of intensive agriculture with plough, rotational crops and fertilisation. It dates back to times when pastoralism was the prevailing type of agriculture. The crop production instead was "privately" organized, not in our meaning of the word, but in a more collective way. Our unrestricted right of ownership of land was not known in these days. All this holds still more for the situation e.g. in precolonial North Africa with vivid traditions of common rights. In every case the common was an essential and unreplaceable part of agriculture and reproduction in general. For many centuries it was a successful example of cooperative economy.

Abolishing the Commons

At least as interesting as the commons themselves is their end, the so-called enclosure. At first glance an outcome of scientific progress, it was closely involved with economic and political interests (like nowadays gene modified organisms).

In Prussia Frederic II, referred to as the Great, made the enclosure (and hence the abolition) of the common a matter of his personal concern. (Zückert 2003, S. 295 ff). At first sight an astonishing matter, which makes clear that the common was by no means an ephemeric phenomenon of politics. Of course the importance of agriculture was much higher in these times than today. Moreover this development in agriculture was a fundament for the economic, military and political rise of Prussia. But this is not yet the whole truth.

The enclosure of the common was by no means restricted to Prussia but took place all over Europe and in all the countries which were dominated by European countries, particularly in the context of colonial politics. The clash of traditional economic structures and the interests of the new bourgeois forms of ownership was more direct and obvious. When I made investigations about the commons in Northern Africa I found very knowledgeable reports by Rosa Luxemburg about French colonial politics in Northern Africa: in her „Introduction to Political Economy“, written in prison during the First World War, and more detailed in the 27th chapter of the „Accumulation of the Capital“. She writes:

Among the pastoralist Arabic nomads land was the property of the clans. „This clan property“ the French researcher Dareste writes in 1852 „ist inherited from generation to generation, no single Arab can point to a piece of land and say: this is mine.“

Land was property of the clans, which generally had to decide important topics of the community. The French colonial government first denied (like the English in In-

dia), that such a sort of property could exist. When it had finally to acknowledge it, its first action was to tackle its distribution and privatization.

„The government“ General Allard declared 1864 in the Senate „does not lose sight of the fact that the general aim of its policy is to weaken the influence of the tribal chieftains and to dissolve the family associations. By this means, it will sweep away the last remnants of feudalism sic! defended by the opponents of the government bill ... The surest method of accelerating the process of dissolving the family associations will be to institute private property and to settle European colonists among the Arab families.“

Private property, was the argument, is the necessary condition for intensive and good soil cultivation. But, as Luxemburg tells us, the French speculators used the newly established private property to everything but not for the improvement of agricultural cultivation. Ten years later the aim was reached:

‘The bill submitted for your consideration’, said Deputy Humbert on June 30, 1873, in the Session of the National Assembly as spokesman for the Commission for Regulating Agrarian Conditions in Algeria, ‘is but the crowning touch to an edifice well-founded on a whole series of ordinances, edicts, laws and decrees of the Senate which together and severally have as the same object: the establishment of private property among the Arabs.’

In spite of the ups and downs of internal French Politics, French colonial policy persevered for fifty years in its systematic and deliberate efforts to destroy and disrupt communal property. It served two distinct purposes: The break-up of communal property was primarily intended to smash the social power of the Arab family associations. Secondly, communal property had to be disrupted in order to gain the economic assets of the conquered country; the Arabs, that is to say, had to be de-

prived of the land they had owned for a thousand years, so that French capitalists could get it.

The report by Rosa Luxemburg is not only an important contribution to the topic of commons in the economic and colonial politics in Northern Africa, it sets new and autonomous focuses in the Marxist interpretation of commons and common property and sheds new light on the historic importance of the commons and the role of their abolition for the development of the new capitalist order. This economic order did not start in Algeria neither in Prussia. When Frederic II started abolishing the commons he referred to the good example of England which, not by chance, is also regarded as the motherland of capitalism.

In later times the (in)famous „Enclosure“ followed (in older documents still written as „Inclosure“), the fencing of the private property. It certainly appeared different and even contradictory in different historic circumstances. So the early Tudor-Enclosures beginning in the late 15th century would be regarded as an agricultural regression by the ideology of the 19th century. Farmland was converted to pastures to guarantee huge profits from wool trade to the owner. This type of Enclosure is criticized in the Utopia of Thomas Morus, printed in 1516. In fact the Enclosure was an important reason for writing it. Morus mentioned it as a central cause for the miserable state of the English society:

‘The increase of pasture,’ said I, ‘by which your sheep, which are naturally mild, and easily kept in order, may be said now to devour men and unpeople, not only villages, but towns; for wherever it is found that the sheep of any soil yield a softer and richer wool than ordinary, there the nobility and gentry, and even those holy men, the abbots! not contented with the old rents which their farms yielded, nor thinking it enough that they, living at their ease, do no good to the public, resolve to do it hurt instead of good. They stop the course of agriculture, destroying houses and towns, reserving

only the churches, and enclose grounds that they may lodge their sheep in them. Enclosures took place also in Scotland and Wales, the present depopulation of Northern Scotland dates back to these times. The displaced peasants found no more living conditions, had to beg and steal and were finally hanged, 72000 during the reign of Henry VIII. Thomas Morus opposes fiercely this form of exercise of a „right“. Later on the king and parts of the aristocracy took up a position against the Enclosure and organized support for the displaced peasants. The parliament on the other hand defended the enclosure as a progressive solution - which may be somewhat surprising for us.

The Great Transformation

Just with this passage from Utopia Polanyi starts the main part of his great work in economic history „The Great Transformation. The Political and Economic Origins of Our Time“, which has the heading „Rise and Fall of Market Economy“. It is without doubt one of the most thorough and fundamental investigations in this topic - with a special emphasis on the development in England.

The topic is nothing less than the introduction of market economy - and the problems which arise from this. Not every economy, where markets are part of economic life, is a market economy. Markets have existed since ancient and medieval times. Polanyi stresses that for centuries these were local phenomena, embedded in an economic and political framework, which was not a market economy in itself. In some sense medieval markets can even be seen as commons. They are not private property, are available to the public, follow fixed and controlled rules. In the times of absolutism and mercantilism these markets develop to national markets. So free markets in some sense are an intentional creation of the state, not its contrary as we are made to believe.

In this analysis, but not in the solution, Polanyi here is in accordance with anarchistic thought.

What Polanyi calls market economy arises not earlier as in the beginning of the 19th century. In the context of industrialization the idea of market economy was born, meant as a regulative framework for the whole human society, giving the economy primacy against state and society. This step was preceded by a new wave of land privatization in the 18th century. The experiences of the Tudor times were forgotten and the new enclosures ended up again in bitter misery in the countryside. This time it was connected with the introduction of industry which led to complicated interaction and different political measures.

Commodities are characterized and defined by being produceable and sellable on a market. Today's Economy is speaking mainly of two factors of production: labour and capital. Especially older theories mention a third and even primary one: land, which has to do with the formerly greater economic importance of agriculture. So commons land was of course regarded as a factor of production but no one would have thought of it as a commodity itself. The economic concept of land is not restricted to farmland or pasture. Also raw materials, mineral and natural resources are included by this concept. The significant and according to Polanyi disastrous step in the context of industrialization is to regard land as a commodity. Polanyi calls it a fictitious commodity. As land and nature in general cannot be produced, it cannot be a real commodity. With this step markets are definitely exceeding their intended use and limits. Nevertheless this was not without reason looking at the history of industrialization. Dealers, who bought and sold products on the markets and whose world consisted of commodities, became entrepreneurs. They made big investments e.g. in weaving machines. To make this investment profitable natural resources and land had to be purchasable arbitrarily, in other words: they had to become commodities. This was of course true especially for the wool delivering sheeps and also for the farmland for flax or cotton. The commons were

obstacles to the commodification of land and so they had to go away. This is the deeper reason for the end and abolition of the commons. It was not their lesser productivity but their conflict with capitalist free market economy. They were replaced by the bourgeois private ownership of land, which allows to sell and buy land arbitrarily.

Ok, you may say, but what about labour. We didn't yet talk about it, but we already have learned something. For labour like land is according to Polanyi a fictitious commodity. Labour power or in other words men are not produced and hence cannot be a real commodity. But for the same reasons as with land capitalist industry needs to treat it like a commodity or in other words it wants and needs a free labour market. Not only the nature of labour was an obstacle to this but also e.g. the fact that till the 18th century workers like peasants were not allowed to move freely but had to stay in their parish. As a first step to free labour market in England this law of settlement was changed in 1795 and peasants were no longer confined to their home place. But in the same year, and now it is getting really a bit complicated, another law was adopted working in the opposite direction: the Speenhamland-Law. It decreed that every peasant and every person should get an amount of money by the community, which is respecting the local bread prices, is equivalent to what is needed to subsist. This is clearly not in the interest of a free labour market, but it was decreed by the local, mostly rural, authorities. How come?

Revolutions and other fundamental political or economic upheavals are often not understood best as a conflict between upper and lower classes but between an old and a new elite, which may be using the people as a means of transformation. So here we have the old rural aristocracy and the new bourgeois dealers and entrepreneurs with completely different interests. The first one in a mixture of paternalistic obligation to their country men and the need to get labour for affordable or low wages was in favor of this law, the urban bourgeois clearly not. The Speenhamland-law first a sort of combined wages model and then developing in the direc-

tion of an unconditional basic income, proved finally as a complete failure. Productivity sank, public money shortened. People had to go to poor or working houses, sometimes called jails without condemnation. According to Polanyi the reason for this failure was the illusion that it would be possible to have a capitalist free market economy without an equally free labour market. In the 1830ies the law was abolished without any resistance and the time had come for a real free labour market, which meant everyone was left to care about themselves. No other person or institution had to care for them. The outcomes are easy to imagine.

This tremendous changes in real economic life were accompanied by equally tremendous in economic theory.

With his work „An Inquiry into the Nature and Causes of the Wealth of Nations“ (1776) Adam Smith is regarded as the founder of economics as a science. But his social science was still embedded in the framework of human politics and morality. I am emphasizing this point as it will reverse rapidly in the next years. The Great Transformation will make an economy of free markets the framework for human action and politics. Also poverty was for Smith not yet the dominant topic in economy. This too changed very fast in the following years. Ten years later Joseph Townsend’s „Dissertation on the Poors Laws“ was published. in the 18th century there was a difference between the poor and the pauper people. People were all those who, not having enough land of their own, had to live from their own work. Pauper were those who had to struggle for pure subsistence. The increase of the latter was the problem, the whole economic science was puzzling about. Generally accepted was the at first glance paradox fact, that pauperism increased with the wealth of a nation and that in the most wealthy nations existed the most pauper people. A theoretical explanation was not found, the practical solution in England were the workhouses.

The work of Townsend meant a radical change of paradigm in practical and theoretical respect. The kernel of Townsends argumentation referred to the story of

dogs and goats on Robinsons island, which were brought there later. This story, also known to Malthus and Darwin, is not necessarily true but of much influence. It shows that without state and legislation can be found a regulation of animal populations and food supply. The change in theory was one from a social to a natural science. The practical impact was to do without workhouses and other public measures and to make use of hunger as the regulating principle also for the human population.

“Hunger will tame the fiercest animals, it will teach decency and civility, obedience and subjection, to the most perverse. In general it is only hunger which can spur and goad [the poor](#) on to labour; yet our laws have said they shall never hunger. The laws, it must be confessed, have likewise said, they shall be compelled to work. But then legal constraint is attended with much trouble, violence and noise; creates ill will, and never can be productive of good and acceptable service: whereas hunger is not only peaceable, silent, unremitting pressure, but, as the most natural motive to industry and labour, it calls forth the most powerful exertions; and, when satisfied by the free bounty of another, lays lasting and sure foundations for goodwill and gratitude.”

Townsend, Dissertation

So we have arrived in market society, the society in which we live more or less till today. But it would be a misunderstanding of Polanyi - a misunderstanding which is very often the case - if we think he has described the triumph of market society. What we wanted to describe was the triumph of the faith in free market society and their self-healing powers. We could say: the triumph of Neoliberalism. Capitalism or market society are economic systems. Neoliberalism is a faith or ideology of economic policy. For Polanyi the faith in free market society was superstitious. Market society always needs laws and the support of a state believing in it. It

is illusory also as free competition is regularly developing in a system of mono- or oligopolies.

Polanyi also explains why the system remained relatively stable during the 19th century. The disastrous consequences showed up only in the 20th with inflation, world economic crisis, fascism, First and Second World War. Here is not the place and time to discuss and evaluate this thoroughly. But in any case the economic and social dimension of the abolition of the commons should now have become apparent - reaching far beyond the conversion of some agricultural land.