

## Comments on the Brenner–Wood Exchange on the Low Countries

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*The exchange between Brenner and Wood on the Low Countries in the early modern period raises a number of theoretical and historical issues relating to the conditions for the emergence of capitalist social-property relations and their unique historical laws of motion. This contribution focuses on three issues raised in the Brenner–Wood exchange: the conditions under which rural household producers become subject to ‘market coercion’, the potential for ecological crisis to restructure agricultural production, and the relative role of foreign trade and the transformation of domestic, rural class relations to capitalist industrialization.*

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The exchange between Robert Brenner (2001) and Ellen Meiksins Wood (2002) on the Low Countries in the early modern period raises a series of important theoretical issues crucial to understanding the origins of capitalism. Brenner argues that capitalist social-property relations developed in at least the northern maritime Dutch provinces during the sixteenth and seventeenth centuries as the result of an ecological crisis in the later Middle Ages. Declining soil fertility compelled household producers in that region to become specialized dairy producers who purchased most of their food and other consumption goods on the market. This market dependence obliged the farmers in this region to accumulate and introduce new techniques, launching a process of capitalist development in the Dutch countryside and cities. The limits to Dutch capitalist development in the seventeenth century were *external* – the limits of the ‘feudal’ world market upon which Dutch export-oriented industry was dependent.

Wood questions Brenner’s claim that the Dutch pattern of development in the sixteenth and seventeenth centuries was capitalist. She offers an alternative explanation of the Dutch Republic’s undoubtedly impressive economic advances, one that explains the rise and decline of the Dutch economy in terms of *internal*

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limits posed by non-capitalist relations in both agriculture and commerce. She raises important theoretical issues about the conditions in which both producers and appropriators become ‘market dependent’ in ways that subject them to capitalist imperatives. Specifically, she argues that while both Dutch farmers and merchants certainly took maximum advantage of ‘market opportunities’, they were not systematically subjected to the ‘market coercion’ that drives capitalist development.

Wood argues that Brenner’s mistaken historical assessment flows from his lack of clarity, in this essay, about the conditions under which household producers become ‘market dependent’ for their economic survival. For Wood, the need to purchase subsistence on the market was not a sufficient condition for subordinating peasants to ‘market compulsion’. Instead, Wood insists, as Brenner had in the case of early modern England, that ‘the loss of non-market access to the land itself’ was the necessary condition transforming agrarian direct producers into producers who were compelled to specialize, accumulate and innovate in both economic ‘good times’ and ‘bad’. Wood argues that the ability of Dutch merchants to secure a significant share of the ‘feudal’ world market rested on political (mercantile privileges and restrictions), commercial (superior shipping, navigation and commercial instruments) and military means, more than the indisputable gains in Dutch agricultural and manufacturing productivity. Dutch dominance of the ‘feudal’ world market fuelled the ‘non-capitalist’ commercialization of the late sixteenth and early seventeenth centuries. During the expansion of the ‘feudal’ world market, commercial wealth was invested in land reclamation in the countryside, allowing non-capitalist peasants to expand commercial production to meet ‘market opportunities’ through specialization, accumulation and innovation. During the crisis of the ‘feudal’ world market, neither the Dutch farmers nor merchants abandoned the market. However, commerce became detached from domestic production, as the urban patriciate of merchants and office holders withdrew from agricultural investment. The urban elites turned to ‘extra-economic’ sources of wealth, notably public office, or sought other commercial opportunities that depended more on ‘commercial sophistication’ than on competitive production. Urban disinvestment in agriculture significantly slowed the Dutch peasants’ gains in productivity resulting from land reclamation and technical innovations, but did not end their production for the market.

Wood’s doubts about Brenner’s historical analysis of Dutch agriculture appears well founded. In this comment, I will try to amplify Wood’s theoretical discussion of the problem of ‘market dependence’ raised by the case of the Low Countries. Specifically, I will examine the conditions that compel rural household producers to specialize, accumulate and innovate and the impact of ‘market compulsion’ on the economic behaviour of both agricultural and industrial producers under capitalism. Two related questions raised in Brenner’s analysis of the Low Countries need further discussion in light of Wood’s criticisms. The first is whether ecological crisis is a sufficient condition for the transformation of peasants into capitalist farmers. The second concerns the relationship of rural

transformation to industrialization – the problem of the ‘home market for industrial capital’.

Wood has located a major ambiguity in Brenner’s thinking about the conditions under which household producers become dependent on successful commodity production for their economic survival. Brenner (1985, 46–54), in his work on English agriculture in the early modern period, argued that the rural direct producers’ ‘separation from the means of consumption’ was the necessary condition for ‘market dependence’. He introduced this notion as a way of acknowledging that the ‘separation from the means of production’ – the transformation of the peasantry into wage-labourers – was not a necessary condition for the development of capitalist or petty bourgeois relations in the countryside.<sup>1</sup> However, in his earlier work, Brenner was clear that rural households’ major ‘means of subsistence’ was *land*. In the case of England, Brenner argued that the development of capitalist landlord–tenant relations – the imposition of commercial leases – forced tenant farmers to compete successfully in the market through specialization, accumulation and innovation in order to acquire, maintain and expand their effective possession of landed property.

My own research on agricultural household production in the antebellum northern United States (Post, 1995), led me to conclude that the imposition of commercial leases was not the only way household producers’ effective possession of landed property could be made ‘market dependent’. I found that property taxes, mortgages and other debts that resulted from the rapid and effective commodification of and speculation in public lands could have the same impact as commercial leases on rural household production. By 1800 in New England and the mid-Atlantic region, and by 1840 in the Ohio Valley and northern Plains, US rural household producers were compelled to compete on the market in order to secure, maintain and expand their possession of land. In the train of their subordination to ‘market compulsion’, northern farmers were forced to specialize output, accumulate capital and introduce new, labour-saving techniques.

Brenner’s use of the concept of ‘separation from the means of consumption’ undergoes an important slippage in his essay on the Low Countries. Brenner views the northern maritime Dutch peasants’ shift from arable to dairy production as evidence of ‘separation from the means of consumption’ which compelled them to innovate and accumulate. However, as Wood points out, the economic behaviour of Dutch peasants bore important similarities to that of peasants in other regions of continental Europe in the sixteenth and seventeenth centuries – increasing investment (urban-financed land reclamation and technical innovation) in agricultural production to take advantage of ‘market opportunities’, but disinvesting when those opportunities disappear.

<sup>1</sup> I have a small terminological difference with both Brenner and Wood. They tend to see any household producers who are subject to ‘market compulsion’ and are thus compelled to specialize, innovate and accumulate as ‘capitalist farmers’. However, I believe the absence of wage-labour has important political and ideological effects on the position of these farmers, whom I call ‘petty commodity producers’. However, we would all clearly distinguish household producers subject to ‘market compulsion’ from ‘peasants’ or independent household producers who are not. See Post (1995) and Friedmann (1980).

The roots of this similarity can be found in the fact that northern maritime Dutch peasants were under no compulsion to compete successfully in the market after c.1650, through continued investment in cost-cutting tools and methods, as the necessary condition for acquiring, maintaining and expanding their land-holdings. As prices fell, Dutch peasants faced declining living standards and increased difficulties paying taxes. Some of the poorest Dutch peasants did abandon agriculture during the downturn, a decision facilitated by the growth of urban employment that accompanied Dutch commercial hegemony. However, the pressure of paying taxes and maintaining consumption levels – which peasants had faced for several millennia – were fundamentally different from those faced by English farmers in the seventeenth century or northern US farmers in the nineteenth century. As Wood (2002) argues, the latter's 'access to land itself was directly determined by the market, and the degree of market success required in order to retain possession was not determined by the producer himself, by the needs of his family, or by their own consumption patterns'.

Brenner presents no evidence that a fundamental change occurred in the conditions of acquisition, maintenance and expansion of landed property that would have impelled the northern maritime Dutch peasants to continue investing in cost-reducing techniques in periods of both rising and falling agricultural prices. Put more abstractly, Brenner is correct to argue that complete separation of household producers from the means of production, in particular land, was not a necessary condition of agrarian 'market dependence'. However, the *potential* for their separation from the means of production, specifically land, if they failed to compete successfully in the market, is a necessary condition of the subordination of rural households to 'market compulsion'. In other words, the *threat* of the loss of effective possession of the main *means of production* in agriculture, *land*, without successful market competition – as a result of either the imposition of commercial leases (England) or to meet the burdens of taxes, mortgages and debts (northern US) – is necessary to compel household producers to specialize, innovate and accumulate independent of market fluctuations.

Wood (2002), in the course of her discussion of 'market dependence', argues that landowning farmers were not subject to the same type of 'market compulsion' and 'price/cost logic' as industrial capitalist producers. She correctly argues that commercial family farmers can cut back subsistence to survive as farmers when they do not earn the average rate of profit. They must be able to cover the cost of taxes, mortgages or debts. If they do not, they will eventually face the loss of their land and tools – their means of production.

The same situation obtains in capitalist industry. As both Anwar Shaikh (1980) and Howard Botwinick (1993, chapter 5) have pointed out, capitalist competition constantly produces and reproduces different conditions of production in the same industry. These different conditions of production, in particular different organic compositions of capital, produce different profit rates. Some capitalist producers will earn the average rate of profit (the 'regulating capitals'), others may earn above, and many will earn below the average rate of profit. Because of the difficulties of disposing of expensive fixed capital, those earning below the average

rate of profit can not immediately adopt the 'regulating' technique.<sup>2</sup> These 'non-regulating capitals' can persist for an extended period of time before they are compelled to either junk their old fixed capital and adopt the 'regulating' technique, or be pushed out of the industry. In other words, the effects of 'market dependence' on producers are not qualitatively different in agriculture and industry.

Wood's discussion of the non-capitalist character of early modern Dutch commercial expansion also raises serious questions about Brenner's historical account of the 'transition' in this region. Brenner, in essence, relies on a form of ecological determinism to explain the northern maritime peasants' shift from arable to dairy farming. Peasant reclamation of land in the later medieval period led to lower water levels, which in turn produced oxidation of the peat and declines in soil fertility. These ecological changes made arable/'safety-first' agriculture impossible, impelling the peasants to become dairy farmers who became dependent on the market for foodstuffs. Once dependent upon the market for their 'means of subsistence', the northern maritime farmers were forced to accumulate and innovate – act like capitalist or petty bourgeois producers.

This account is at odds with Brenner's (1985, 30–63) analysis of the divergent trajectories of agrarian class structure in the rest of early modern Europe. In his earlier writings, Brenner argued that the dissimilar outcome of class confrontations in the fourteenth century between lords and peasants fundamentally shaped the disparate social-property relations in different regions of pre-industrial Europe. In Eastern Europe, the victory of the lords allowed them to impose serfdom on the peasantry and stabilize feudal social-property relations. In Western Europe, the strength of the peasantry effectively abolished serfdom and rents in labour and kind, and produced generalized peasant freedom. Only in England, however, were the landlords able to impose commercial leases on their tenants in the wake of the defeat of Kett's rebellion in the early sixteenth century. In sum, Brenner's earlier analysis of rural transition privileged the role of class conflict over either the growth of commodity circulation or demographic changes.

From this perspective, ecological crisis of the sort that affected northern maritime agriculture would not be a sufficient condition for a transition to capitalist or petty bourgeois agriculture. The peasants in this region should have been able to find a non-capitalist solution to the ecological crisis in the absence of a fundamental shift in the relationship of class forces. From Wood's account, the Dutch peasants and merchants did find such a solution: expanding investment in agriculture in good times and disinvesting in bad times. This solution to the ecological crisis in the northern maritime provinces was possible because the peasant's acquisition, maintenance and expansion of land property had not become dependent upon successful market competition; and merchants, some of whom

<sup>2</sup> The notion that all firms in a market can immediately adopt new techniques is, as Shaikh (1980) points out, the major fallacy of the neo-classical economists' notion of 'perfect competition.' Brenner (1998, 10–12, 24–29), in his recent work on the contemporary world economy, on the one hand rejects the notion of 'perfect competition' when describing how capitalist competition creates persistent differences in capital-intensity, but implicitly relies on the notion of 'perfect competition' to reject the classical Marxist theory of the falling rate of profit. See Shaikh (1999).

had access to income-producing office, were able to shift investment from agriculture to ventures that did not depend upon the productive superiority of Dutch agriculture. As Brenner argued in his earlier work, a radical shift in the rural class struggle would have been required for the peasant's acquisition, maintenance and expansion of land holdings to become 'market dependent'. Ecological crisis in the northern Dutch maritime provinces – like the spread of markets or demographic collapse in the rest of Europe – alone could not compel such a transition.

Finally, Wood's discussion of the non-capitalist dynamics of Dutch rural commodity production also clarifies the limits to capitalist industrialization in the early modern Low Countries. Brenner argues that its 'export-orientation' and reliance on the limited 'feudal world market' accounts for the relative failure of Dutch industrialization in the seventeenth century. While the English manufacturers' orientation toward a growing home market based on capitalist agriculture accounts for the success of English industrialization in the eighteenth century:

The catalyst for the rise of Dutch industry, as well as Dutch commercial agriculture, was the ecological crisis of the later Middle Ages. Dutch peasants were 'pushed' out of arable production for subsistence and into dependence on the market. Because such an unusually large part of the population was thereby impelled to purchase its means of production and means of subsistence, the size of the domestic market was, in potential, enormous. Nevertheless, in view of the very low standards of living that must, at the start, have prevailed, the actually existing domestic market was necessarily restricted, all the more so since domestic agriculture was decreasingly able to supply bread grains, in the wake of the widespread decline of arable production with the subsidence of the peat. Dutch producers could not therefore avoid, from the first, an unusually higher level of dependence upon *international* markets, both to dispose of their output and secure necessary inputs. (Brenner 2001, 229)

There is a theoretical problem with this argument. As both Marx (1976, chapter 30) and Lenin (1956, chapter 1) point out, the amount that the rural and urban masses *consume* does not determine the depth of the 'home market for industrial capital'. Instead, the *amount they must purchase on the market* shapes the size of the domestic market. The transition to capitalism in most countries probably brought with it a decline in the living standards and consumption of the broad masses. However, the broad masses now have to *purchase* their meagre consumer goods on the market rather than produce them directly. Even more importantly, rural producers are compelled to *purchase*, rather than produce directly, ever newer and more complex capital goods. No matter how low the level of consumption of the masses, capitalist agriculture increases the level of market demand for both means of consumption and means of production.

However there is a simpler and more direct explanation of the relative failure of early modern Dutch industrialization. While the unusually large urban population of the Dutch Republic created a market for food and manufactures, the Dutch peasantry's independence from 'market compulsion' severely limited the

depth and rate of growth of the rural market for manufactures. Dutch peasants, even the most specialized, provided a narrow and unstable demand for manufactured goods, especially capital goods in the form of new and constantly improving tools and implements. The limits of the Dutch rural home market became clear during the seventeenth-century crisis, as investment in agriculture – the demand for capital goods – dropped sharply.

Wood's account of the limits of Dutch industrialization in the early modern period tends to privilege the role of urban elites, merchants and officeholders, in determining the direction of the Dutch economy. However, if the Dutch peasants had experienced a fundamental change in the conditions of acquiring, maintaining and expanding their possession of landed property as a result of a radical shift in the relationship of class forces, the urban disinvestment in agriculture during the seventeenth-century crisis would not have necessarily had the same effects on Dutch agriculture. Dutch farmers would have been compelled to use their own surpluses or find other sources of credit to continue investment in land reclamation and in cost-cutting tools and methods of production in order to preserve their land holdings. In fact, a transformation of rural social-property relations could have encouraged the emergence of a new layer of Dutch urban merchants, similar to the 'new merchants' Brenner analyses in *Merchants and Revolution* (1993, Part I), whose economic success would have become dependent upon the success of Dutch capitalist agriculture.

I would argue that the non-capitalist character of agriculture fundamentally shaped the 'external' orientation of the early modern Dutch commercialization. Faced with a 'home market' restricted by non-capitalist social-property relations in agriculture, it is not surprising that Dutch merchants and manufacturers were highly dependent upon the 'feudal' world market for their economic survival. England's uniquely successful industrialization in the eighteenth century flowed from its uniquely capitalist social-property relations in agriculture – in turn the result of the unique outcome of the struggle between lords and peasants in the early sixteenth century.

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