

A SPATIAL THEORY OF PRE-CAPITALIST MONEY:  
EVIDENCE FROM FEUDAL EUROPE

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## ABSTRACT

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In this study, we seek to interrogate and explain how relations of *exchange* respond to changes in relations of *production*. To explain the interaction between the underlying processes of production and their epiphenomenon in exchange, we introduce *space* as their historical *mediator*. We argue that the social organization of space functions as a *relay* – between tectonic shifts in relations of production and the multifarious and secondary landscapes of exchange. We explore this question by, first, examining changes in monetary forms and functions from numismatic evidence during the transition to capitalism in Europe and, second, by imposing a socio-spatial framework to explain those changes. The result is a theory of money before capitalism, emphasizing the deep cleavage between pre-capitalist and capitalist space. We argue that the uneven geographic movement of feudal money, its failure to store value and its dispersion into valueless monies of account reflects the struggle to measure value in the absence of the homogeneous supply and abstract labor markets inaugurated by capitalist space.

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## Chapter I:

### *Introduction*

Ten years after the financial crisis that heralded the Great Recession of 2008, the year of 2018 witnessed the passing of the literary giant, Ursula Le Guin, who once shrewdly reminded one of her audiences in pith that “we live in capitalism, its power seems inescapable – but then, so did the divine right of kings.”<sup>1</sup> Le Guin was a conscious political partisan, and she grounded her commitments in an historical objectivity, maintaining that while capitalism is the present, it need neither be the past nor future. The following thesis is a study in the historical specificity of capitalism. Unfortunately however, capitalism offers notoriously stubborn resistance to representation,<sup>2</sup> which means that inquiry must attune itself and develop an acute sensitivity to the residues of its underlying processes. The residues of particular importance for our purposes here are *money* and *space*.

In this study, we seek to interrogate and explain how relations of *exchange* respond to changes in relations of *production*. To explain the interaction between the underlying processes of production and their epiphenomenon in exchange, we introduce *space* as their historical *mediator*. We argue, in other words, that the social organization of space functions as a *relay* – between tectonic shifts in relations of production and the multifarious and secondary landscapes of exchange. The result is a theory of money before capitalism, emphasizing the deep cleavage between pre-capitalist and capitalist space.

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<sup>1</sup> The Guardian, “Ursula K Le Guin's speech at National Book Awards: 'Books aren't just commodities'” The Guardian, 20 Nov 2014. Accessed 2 Feb 2018, <https://www.theguardian.com/books/2014/nov/20/ursula-k-le-guin-national-book-awards-speech>.

<sup>2</sup> Frederic Jameson, *Representing Capital: A Commentary of Volume One* (London: Verso, 2011).

While this study concerns itself with the past, we should first acknowledge that ‘there is no past.’<sup>3</sup> The past - or history - is a tool always in repair, continually reconstructed to meet the needs of the present. As a result, when the present undergoes dramatic and challenging transformations, so should our hitherto historical theory. Theory is not the distillation of history; rather our history is the polished residue of our theory. And history is necessarily *usable* history (weaponized history), which is why competing political commitments often produce competing historical narratives. As a result, historic shifts in the balance of global class forces in the 1970s necessarily found expression in not only the observable universe of scholars, but also the problems of their theory and the solutions they proposed.

The historical transformations resulting from the revolutionary defeats of the 1968 – period resulted in a profound reorganization of global capitalist production. Class struggle waged from above and below reached its zenith but afterwards became increasingly one-sided and heavily weighted towards the former. At the outset, the anti-colonial revolutions, naturally, offered up a propitious terrain for the revolutionary struggles of working classes in the imperial core. But while the NLF broke the French settler-colonial regime in the liberation struggle six years prior, the Gaullist State of 1968 remained lithe enough to neutralize, up to that moment,<sup>4</sup> history’s largest general strike led by the French working class. The degeneration of the PCF, compromised by Stalinism, and the numerical weakness of French Trotskyism meant that de Gaulle’s financial maneuvers on international exchange rates<sup>5</sup> to diffuse the strike with

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<sup>3</sup> This formulation owes its authorship to Dr. Sumit Guha.

<sup>4</sup> Vijay Prashad, “India is Making Labor History With the World’s Largest General Strike,” *Alternet*, September 7<sup>th</sup>, 2016, <https://www.alternet.org/world/india-worlds-largest-strike>. Accessed 1/31/17.

<sup>5</sup> Giovanni Arrighi, “The Social and Political Economy of Global Turbulence,” *New Left Review*, No. 20, 2003 <https://newleftreview.org/II/20/giovanni-arrighi-the-social-and-political-economy-of-global-turbulence>. Accessed 4/19/18.

temporary wage hikes found no political contextualization or response from the Left and workers abandoned the struggle.<sup>6</sup> While the victorious Angolan resistance defeated the Portuguese settler regime and demoralized its army, the reformist ‘Socialist’ Party in Portugal contained and exhausted the revolutionary workers movement that exploded in 1974, taking advantage of the isolation of the revolutionary organizations on the ground, most notably, the Guevarist PRP-BR. As Auguste Pinochet, in collaboration with the CIA and with later ideological support from the Chicago School of Economics, marshaled the Chilean armed forces against the workers movement, the democratically elected government of Salvador Allende was overthrown in 1973. In the absence of a revolutionary party, the Polish workers councils of Solidarność that flowered during the economic crisis of 1980 failed to challenge the Stalinist apparatus for state-power and were out maneuvered and defeated in 1981. A similar turn of events was rehearsed two years earlier as Iranian *shoras* (workers councils) failed to compete for and ultimately seize the political initiative in the anti-imperialist revolution of 1978. The unique polyrhythms of dual power between contending class leaderships found brutal resolution in the old time signatures of capital while the increasing frequency of political revolutions,<sup>7</sup> rather than social revolutions, heralded the beat of a new “slow” time.<sup>8</sup> While the breakdown of the US armed forces in Vietnam, driven to demoralization and defeat by the heroic Tet Offensive, mirrored the crisis in

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<sup>6</sup> Colin Barker, *Revolutionary Rehearsals* (Chicago: Haymarket Books, 2002).

<sup>7</sup> Here we allude to the distinction that while political revolutions may disrupt the social order, they stop short of its *reorder*, and so they only replace the personnel at the top of a given social structure or mode of production. Social revolutions, on the other hand, actually involve a change in the social order itself. Political revolutions can have *immense social and progressive changes* (land reform, decolonization, new political freedoms etc.) but that does not qualify them as *social revolutions*. Moreover, all social revolutions begin as political revolutions but none have yet to repeat the achievements of 1917 or the Haitian Revolution of 1804 and instead have taken the form of the Weimar Revolution or the Arab Spring. For more, see Neil Davidson, *How Revolutionary Were the Bourgeois Revolutions?* (Chicago: Haymarket Books, 2012).

<sup>8</sup> David McNally, “Night Lights: Daniel Bensaïd’s Times of Disaster and Redemption,” *Historical Materialism* 24.4 (2016) 107–128.

the Tsarist armed forces prior to the brief socialist revolution in Russia 1917,<sup>9</sup> the U.S. Left remained unable to advance. Instead, the PATCO strike in the US was broken with Reagan's surgical removal of striking workers.<sup>10</sup> Similarly in the U.K., the birth place of neoliberalism before it was exported abroad, Margaret Thatcher built up heavy police forces and coal reserves in preparations for war on laboring miners who were ultimately outmatched and unable to hold out against a new, big and lean neoliberal British state.<sup>11</sup> Sliding to the right, social democracy degenerated into a social-liberalism, as its regulating trade unions waned in strength, their memberships grew more alienated and an increasing upward shift took place in the class composition of its constituency.<sup>12</sup>

As the employers' offensive smashed working class organization and with it the ideological coherence of the Left in the valences of a Gramscian "common sense," the state itself underwent similar processes of reorganization to facilitate the needs of capital accumulation. As the growing surfeit of capital and goods undermined their value and cheapened their market prices, a crisis of global profitability forced companies to overhaul the traditional cost structure of their portfolios. Given the geopolitical complexities of bipolar inter-imperialist rivalry, the wholesale destruction (cheapening or de-valuation) of fixed capital through renewed world war was less attractive than the destruction of variable capital - in other words, the cheapening of workers. The Volker Shock, concomitant with a Federal commitment among multiple sections

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<sup>9</sup> Col. Robert D. Heintz, Jr. "The collapse of the Armed Forces," *North American Newspaper Alliance Armed Forces Journal*, 7 June, 1971

<https://msuweb.montclair.edu/~furr/Vietnam/heintz.html>. Accessed 4/19/18.

<sup>10</sup> Sharon Smith, *Subterranean Fire: A History of Working-Class Radicalism in the United States* (Chicago: Haymarket Books, 2006) 246-7.

<sup>11</sup> Richard Seymour, "Obituary's from Above" *Jacobin*, 2013, <https://www.jacobinmag.com/2013/04/margaret-thatcher-an-obituary-from-below/>. Accessed 4/19/18.

<sup>12</sup> Gerassimos Moschonas, trans. Gregory Elliot, *In the Name of Social Democracy: The Great Transformation from 1945 to the Present* (London: Verso, 2002).

of the state to break the resolve of PATCO workers, raised interest rates, putting a brake on accumulation in order to produce a spike in unemployment levels.<sup>13</sup> A ballooning labor supply undermined the bargaining power of workers exerting a downward pressure on wages. With a weakened labor movement unable to throw up material and ideological obstacles to frustrate the assault from above, capitalist states used falling tax revenues from the developing crisis to justify the amputation of their various managerial structures and their sale on the market as social provisions underwent a familiar transformation that we today know as ‘privatization.’ Growing racialized reserve armies of unemployed, disposable labor demanded militarized police forces and expanded prison infrastructure to manage racialized carceral states. The reserve armies of labor available to national capitals increasingly reached beyond their own state-boundaries, demanding border enforcement regimes mixing permeability and deportability to keep laboring bodies stateless, vulnerable, and above all, cheap to exploit. The state retreated from the social-democratic vectors of social provision and intervened along the brutal vectors of a racialized militarism. The dense result was not only *internal* regimes of surveillance and policing<sup>14</sup> but also the external destruction of neighboring states whose pilfered, displaced and migrant populations would provide the resources for an expanding reserve army of labor. Their wages would participate in the two-fold circuits of the emerging forms of neoliberal imperialism as taxes on migrant wages lubricated the financial flows animating imperial centers while the residual

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<sup>13</sup> Daniel Trilling, “A “nightmare” experience? The Tories’ economic adviser on the Thatcher years,” *New Statesman*, 8 March 2010  
<http://www.newstatesman.com/blogs/the-staggers/2010/03/thatcher-economic-budd-dispatches>, Accessed 2/1/2018.

<sup>14</sup> Keith Feldman, *A Shadow Over Palestine: The Imperial Life of Race in America* (Minneapolis: University of Minnesota Press, 2015).



remittances supported families remaining in neighboring countries of origin, whose previously dominant state-sectors had been recently hollowed out by market forces imposed from without.<sup>15</sup>

The political transformations, under the hegemonic project of neoliberalism, paralleled the global economy's increasing articulation through international financial flows and the expansion of financial instruments. Contrary to misconception, the processes of financialization began within the womb of restriction and regulation, *not after deregulation*.<sup>16</sup> The dominance of the U.S. dollar produced an international financial market in U.S. currency so that by the 1960s, financial flows and instruments began to replace the previous scaffolds of global capital accumulation. Financial deregulation made *de jure* and codified what was already *de facto* and hegemonic as countries raced to the bottom to deregulate in the pursuit of capturing international capital flows. The most visible residues of this process were the transformations and fluctuations in monetary practice and instrumentation. The dollar was famously decoupled in 1973 from its peg to gold, which served as a universal equivalent or anchor for the currencies of competing national capitals. The emergent monetary restructuring produced a peg-less financial system, retaining its center of gravity in the state-backed credit money of the U.S. dollar. Nevertheless, dollars, euros, sterling, yen and Yuan did not merely vary and float with one another but "gyrated."<sup>17</sup> And the implications for the structure of global capital accumulation were profound.

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<sup>15</sup> Justin Akers Chacon and Mike Davis, *No Human is Illegal: Fighting Racism and State Violence on the U.S.-Mexico Border* (Chicago: Haymarket Books, 2006).

<sup>16</sup> David McNally, *Global Slump: The Economics and Politics of Crisis and Resistance* (Oakland: PM Press, 2011) 91.

<sup>17</sup> David McNally, *Global Slump*, 93.

As financial flows became increasingly liberalized, familiar (but often overstated)<sup>18</sup> outsourcing processes restructured production. Moreover, the Taylorist architects of production blueprints sought to spatially dislocate and segment different steps of the assembly of manufactured commodities. While this strategy served the purposes of undermining the power of workers to control production in a new iterative regime of Taylorism and allowed companies to arbitrage between lower wage costs across national borders,<sup>19</sup> this also meant that production costs found articulation on balance sheets in different currencies that were not stable, but *fluctuating*. Undermining the certainties of accumulation, profit margins could fall into the black or into the red if any one of six different currencies articulating a different segment of the manufacturing process moved against the capitalist as they transferred their revenues across borders.<sup>20</sup> As a result, instruments, albeit previously existing,<sup>21</sup> and a market for these instruments that *insured* against unfavorable exchange rate movements, ballooned.<sup>22</sup> The explosion of derivatives markets threw up a newly discovered plethora of raw material for insurance, as concrete phenomena such as natural disasters or political instability, fell under the market metrics of abstract risk, assessed and traded on financial markets.<sup>23</sup>

These transformations together provided an impulse for a renewed analysis of money within social theory. Yet, money occupies a contradictory location within Marxist political

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<sup>18</sup> Kim Moody, *On New Terrain: How Capital is Reshaping the Battleground of Class War* (Chicago, Haymarket Books, 2017).

<sup>19</sup> A process that could be mitigated by international labor organizing across borders – for a structural analysis with mathematical formalization, see Howard Botwinick, *Persistent Inequalities: Wage Disparity under Capitalist Competition* (Leiden: Brill, 2017).

<sup>20</sup> McNally, *Global Slump*, 96.

<sup>21</sup> Tony Norfield, “Derivatives and Capitalist Markets: The Speculative Heart of Capital,” *Historical Materialism* 20.1 (2012) 103–32.

<sup>22</sup> McNally, *Global Slump*, 95.

<sup>23</sup> David McNally, “From Financial Crisis to World-Slump: Accumulation, Financialisation, and the Global Slowdown,” *Historical Materialism* 17 (2009) 35–83.

economy. Given that Marxist theory is a theory of *production* rather than *exchange*, a theory of changing *social organization* rather than changing *private property* (the latter a particular social form of one iteration of the former), money assumes a necessarily epiphenomenal, but not irrelevant, historical character. On the one hand, it provides an anchor and symbol for developing the often-misunderstood concept of commodity fetishism, where capitalist social relations are taken for granted in the imagination of human beings. On the other hand, it is precisely this deceptive appearance and slippery texture of money<sup>24</sup> as a thing rather than a social relation that renders it a treacherous object of historical study. As a result, money has received most of its attention from those trained in neoclassical theory and among social-democratic or reformist schools of economic thought. Their separate analytical starting points are far from trivial and produce contradictory analyses. Their competing frameworks find perhaps their most clear and salient expression in their diverging theories of prices and monetary circulation. While neoclassical economists defend a (very old) quantity theory of money where the volume of monetary circulation determines the overall price level, Marxist economists maintain that the price level determines the quantity of money in circulation since money is not merely a lubricant of exchange but a store of value. Moreover, if the rate of profitability in the economy merely floats above zero, any influxes of monetary circulation from without are *hoarded* instead of *invested* and the price level remains unchanged. Crucial, while, for Marxists, labor and the conditions of production and profitability resting on top of it are *prior* to circulation, the reverse holds in neoclassical political economy. Moreover, it is reasonable to conclude that money's relatively minor role in Marxist political economy, with its grounding and goals in *historical*

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<sup>24</sup> Henryk Grossman, trans. Rick Kuhn et al, *Capitalism's Contradictions: Studies in economic theory before and after Marx* (Chicago: Haymarket Books, 2017) 144.

*change*, flows from its laudable emphasis on the conditions of money's inherently social existence. This, however, has not been without consequence.

The defeats of the radical Left seemed to insist on a re-evaluation of this lacuna, producing a variety of results. The inauguration of floating exchange rate regimes became a projection screen for the many who abandoned Marxist economics, a school whose genesis during the gold standard apparently condemned it to modern irrelevance. In lock step with the turn in critical social theory away from politics towards language, the Derridean worlds that flooded the pages of academic journals, in which capitalism had resolved its contradictions and antagonisms of production through omnipotent credit regimes, turned out, nevertheless, to only rehearse a postmodern iteration of commodity fetishism.<sup>25</sup> Others took the neoliberal reorganization as an opportunity to sharpen rather than abandon the Marxist tradition in a new era of uncertain class struggle, a testament to Marxism's philosophical status as a methodology rather than blueprint, a supple bow rather than rigid dogma. Marx's labor theory of value received new attention, debate and systematization.<sup>26</sup> Theoretical explanations for capitalist crisis found renewed and sharper defense but remain still a subject of controversy today, following the Great Recession.<sup>27</sup> The historical conjuncture produced a variety of responses within the strict context of *monetary theory*. It offered some a creative opportunity to explore the historical and ongoing relationship between *money* and *art* as well as the artistic value of

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<sup>25</sup> David McNally, *Bodies of Meaning: Studies on Language, Labor, and Liberation* (Albany: SUNY Press, 2001).

<sup>26</sup> Fred Moseley, *Money and Totality: A Macro-Monetary Interpretation of Marx's Logic in Capital and the End of the 'Transformation Problem'* (Chicago: Haymarket Books, 2015).

<sup>27</sup> Michael Roberts, *The Long Depression: How It Happened, Why It Happened, and What Happens Next* (Chicago: Haymarket Books, 2016).

money and its political implications.<sup>28</sup> Some Marxist economists, for example, while seeking to preserve Marx's foundational labor theory of value, nevertheless abandoned theories of commodity money for the emerging Modern Monetary Theory, having drawn oxygen from the renewed prominence given to fiat currencies in the neoliberal period.<sup>29</sup> Others have sought out a unitary theory of money by engaging with various bourgeois and Marxist histories of money while simultaneously integrating theories of *space* that gained louder prominence as scholars explored new ways to conceptualize the neoliberal offensive and reorganization.<sup>30</sup> Others have fruitfully explored the role of money in articulating and expanding the powers of imperial domination.<sup>31</sup>

In response to the inflated role of 'derivatives' within the neoliberal phase of capitalist development, some scholars have argued,<sup>32</sup> albeit with questionable success,<sup>33</sup> that 'derivatives' themselves constitute a new fundamentally new form of money. By way of introduction, Rafferty and Bryan pose the provocative question, what distinguishes specifically *capitalist* money from feudal money? In seeking to establish financial derivatives as a specifically *capitalist* form of money, the authors show that derivatives as financial instruments have internalized the two rhythmic structures specific to the capitalist mode of production, namely,

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<sup>28</sup> See, for example, Costas Lapavistas, "Money as Art: The Form, the Material, and Capital" in *Marxist Monetary Theory: Collected Papers* (Chicago: Haymarket Books, 2017).

<sup>29</sup> Fred Moseley, *Marx's Theory of Money: Modern Appraisals* (New York: Palgrave MacMillan, 2005)

<sup>30</sup> David McNally, "The Blood of the Commonwealth," *Historical Materialism*, 22.2 (2014) 3-32.

<sup>31</sup> See Tony Norfield, *The City: London and the Global Power of Finance* (London: Verso, 2016) and Ramaa Vasudevan, "Finance, Imperialism, and the Imperialism of the Dollar," *The Monthly Review*, April 1 2008, <https://monthlyreview.org/2008/04/01/finance-imperialism-and-the-hegemony-of-the-dollar/>. Accessed 4/19/18.

<sup>32</sup> Dick Bryan and Michael Rafferty, "Money in Capitalism or Capitalist Money?" *Historical Materialism*, 14.1 (2006) 75-95.

<sup>33</sup> I side with the arguments presented in Tony Norfield, "Derivatives, Money, Finance and Imperialism: A Response to Bryan and Rafferty," *Historical Materialism*, 21.2 (2013) 149-68.

competition and accumulation. While Bryan and Rafferty remain the most direct in questioning the specificity of different monetary forms, their inquiry falls within the radius of other Marxist political economy. While banks obviously emerged ahead of the full crystallization of capitalism, Costas Lapavitsas, for example, has indirectly shown that credit *money* is also specific to the capitalist mode of production.<sup>34</sup> In fact, Lapavitsas goes so far as to argue that metallic monies or commodity monies constitute vestigial forms of money, hailing from modes of production antecedent to capitalism.<sup>35</sup> His reasoning, however, fails to extend beyond the observation that feudalism bore witness to metallic money as a means of exchange. While all of the authors deserve commendation for calling attention to the relationship between monetary forms and modes of production, they short-circuit their analysis by failing to extend it far enough. Moreover, while they gesture towards capitalism as a social structure, albeit fundamental, they fail to fully appreciate its status as a *totality*.<sup>36</sup> As a result, Bryan, Rafferty and Lapavitsas can only characterize the forms of money today that are not uniquely capitalist as feudal vestiges (for Lapavitsas, everything except *credit* money and for Bryan and Rafferty, everything excluding *derivatives*). But, as a result, they remain unable to explain how capitalism inflects the behaviors of these monetary forms. In the case of Lapavitsas, put alternatively, even if metallic money is only a mere vestige of a prior mode of production how does the vestige behave *differently* under capitalism? Further, in the case of Bryan and Rafferty, how do the monetary forms that *lack* the internalized structures of competition and accumulation respond *under conditions* of competition and accumulation?

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<sup>34</sup> Lapavitsas, *Marxist Monetary Theory*, 37.

<sup>35</sup> Lapavitsas, *Marxist Monetary Theory*, 23.

<sup>36</sup> See Neil Davidson, “The Necessity of Multiple Nation-States for Capital,” *Rethinking Marxism*, 24:1 (2012) 26-46.

In this thesis, we attempt to solve this problem by constructing the argument differently. We will use historical numismatic evidence from pre-capitalist Europe to show that money under feudalism and money under capitalism exhibited fundamentally different behaviors because they mediated fundamentally different social relations. We will show that space is a decisive analytical category since it is an inherently *social terrain* upon which this monetary behavior found expression. Money and space in this framework find themselves both simultaneously *determinant* and *determined* beneath an *over-determining* bedrock of social relations. Social relations form a totality, or dynamic field, integrating systems of production and systems of exchange. The social organization of *space*, we argue, mediates or functions as a transference mechanism from one part of the totality to another, in this case, between the social totality's systems of production and its corresponding systems of exchange. Money and space each forming a part of a whole greater than its sum, we will thereby demonstrate that whereas *capitalist money* is a mediator between the abstract labors and abstract spaces established by the emergence of capitalism, *feudal money* is a residue of the confrontation between the disarticulated concrete labors and concrete spaces of pre-capitalist social relations. This allows us to sharpen the distinction between *feudal space* and *capitalist space*, the latter, understandably though regrettably, having received far more theoretical attention than the former. Moreover, while the tendential limit of capitalist space is an integrated, abstract, and measurable *container* made possible by *abstract, measurable labor* constitutive of *labor markets*, feudal space exhibits a splintered, disintegrated character finding legibility only in a *web* of disarticulated *concrete labors* which confront one another in various forms of exchange. The duality between integration and fragmentation finds expression, on the one hand in the *multiple functions* of a *singular capitalist money* and, on the other hand, in the *multiple feudal monies* with

*differentiated singular functions*. In other words, the transition from the feudal to the modern, from pre-capitalist time to capitalist time, throws up a historical chiasmus of monetary forms and their respective functions.

Our methodology is as follows. Since most of our concrete historical evidence emerges from 13<sup>th</sup> and 14<sup>th</sup> century Europe or before,<sup>37</sup> our first chapter presents a definition of capitalism (not without some controversy) in order to provide the *framework* for an historical periodization within which we situate our evidence. We then present an overview of the famous ‘Transition’ debates within Marxist historiography concerning *when* capitalism emerged and *where*, ultimately defending the particular historical narrative elaborated by Classical Marxism. We will demonstrate that capitalism *converged* in England during the sixteenth century in order to contextualize our historical evidence in the penumbra of a pre-capitalist transition. In the succeeding chapter, we will offer a general framework for Marxist monetary theory and present our evidence for the idiosyncratic behavior of feudal money along the vectors and categories of Marx’s political economy. In the final chapter, we will offer an explanatory spatial framework that integrates money, space and mode of production.

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<sup>37</sup> This, of course, means that further research and analysis of numismatic evidence from Southwest Asia (see, for example, Jairus Banaji, “Islam, the Mediterranean and the Rise of Capitalism” *Historical Materialism* 15 (2007) 47–74.) or South Asia which each developed highly sophisticated monetary economies, would enrich or disprove the conclusions herein.



## **Chapter II:**

### ***Dating the Transition***

Any distinction between pre-capitalist and capitalist money demands dating the transition to capitalism and defining what precisely ‘capitalism’ is. In this chapter, we will situate our historical evidence on monetary behavior within contemporary debates on both the definition of capitalism as well as the transition towards its actualization. We will argue that capitalism crystallized in England during the 15<sup>th</sup> and 16<sup>th</sup> centuries, casting the 14<sup>th</sup> and 13<sup>th</sup> centuries, containing much of our historical evidence, in the penumbra of pre-capitalist transition. The issue of transition has partitioned scholars in the historical materialist tradition, generally, into two camps: Political Marxists and Classical Marxists. The Political Marxists offer a specific spatiotemporal location for the emergence of capitalism: the 14<sup>th</sup> century in the English countryside. The Classical Marxist explanation, while more sympathetic to the historical contribution of towns, dates the birth of capitalism afterwards and locates it within a broader spatial convergence of global forces and resources throughout England as a whole. We will explicate both positions and defend the latter.

### **Defining Capitalism**

As observed in the introduction, ‘capitalism’ stubbornly elides rigorous representation. This is the case not because ‘capitalism’ does not exist but because ‘capitalism’ denotes the living social processes that constitute a concrete *totality*.<sup>38</sup> As a result, identifying this social system’s essential and distinguishing features remains open to contestation by historians,

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<sup>38</sup> Jameson, *Representing Capital*, 6.

sociologists and the wider community of scholars in general. Of this group, many embrace a quotidian, transparent and otherwise popular ‘common sense,’ characterization of this mode of production, seizing upon its most epiphenomenal and immediate features, such as large-scale “trade, finance and violence,” and raising them to the system’s deepest levels of definition and determination.<sup>39</sup> While intuitive at first glance, this approach errs in three respects.

First, this approach seeks and grounds the gravitational centers of capitalism in elements long present before and predating the arrival of the mode of production itself.<sup>40</sup> As a result, it remains unable to explain the epochal *accelerations* of “trade, finance and violence” characteristic of capitalism’s inauguration. Second, this definition obscures how capitalist and pre-capitalist social formations do not just trade in different volumes but also in different content.<sup>41</sup> Moreover, the *changing forms* that constitute and reproduce trade and finance additionally remain less than a footnote under this definition. For example, while finance under pre-capitalist social formations remains fundamentally *unnecessary* to the basic economic metabolism of social reproduction, capitalist social formations *necessarily* reproduce the hoards and idle money that capitalists mobilize in complex financial transactions, without which *continuous* large-scale *production* would not be possible.<sup>42</sup> Third, and at a more fundamental level though, this naïve approach to analyzing capitalism implicitly rewrites changing labor relations such as peasant production for lords and wage labor for capitalists as the *effects* rather than the *fulcrums* about which societies pivot and transform. Marx, however, who insisted that “all science would be superfluous if the form of appearance of things directly coincided with

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<sup>39</sup> Charles Post, “Slavery and the New History of Capitalism,” *Catalyst: A Journal of Theory and Strategy* 1.1 (2017) 173-192.

<sup>40</sup> Post, “Slavery and the New History of Capitalism,” 2017.

<sup>41</sup> This will be developed in a further chapter but suffice it to say that while capitalism trades in socially necessary abstract labor time, pre-capitalist societies do not.

<sup>42</sup> Lapavistas, *Marxist Monetary Theory*, 166.

their essence,” offered a different approach, embraced by many historians today.<sup>43</sup> The latter maintain that establishing the gravitational centers of a *social* system demands a rigorous and historical analysis of the *social* relations that reproduce it.

Even among historians trained in the Marxist tradition, however, the definition of capitalism draws considerable controversy. For Classical Marxists, capitalism characterizes a world system in which production is organized around the antagonism between wage-labor and capital. Fundamental to this school is Marx’s early deductive insight: “labour, such as it is presupposed by capital as its contradiction and as its contradictory being, and such as it, in turn, presupposes capital.”<sup>44</sup> Deprived of the means of production, wage-laborers must sell their labor-time to capitalists, the class of individuals who own the means of production (or who have effective *control* over the means of production). Smuggled into this definition of capitalism is an essential methodological starting point – of production.<sup>45</sup> Marx abstracts from cultural, juridical and political forms and leaves behind only the production relations between laboring bodies. And, these *act* on one another. Therefore, ‘capital,’ while ontologically prior to them, is similar to other concepts like race and gender insofar as they are all best understood as *verbs*.<sup>46</sup> Capital is not a thing like a machine but a *social* relationship with a definitive arrival in human history, the moment where human beings began to exploit others through wage labor to support a ruling

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<sup>43</sup> Karl Marx, trans. David Fernbach, *Capital: A Critique of Political Economy, Volume 3*, (London: Penguin Books, 1991) 956.

<sup>44</sup> Karl Marx, trans. Martin Nicolaus, *Grundrisse: Foundations of the Critique of Political Economy (Rough Draft)* (London: Penguin, 1993) 296.

<sup>45</sup> Neil Davidson, “Is there anything to defend in Political Marxism?” *International Socialist Review* 91, (2013) <https://isreview.org/issue/91/there-anything-defend-political-marxism>. Accessed 4/19/18.

<sup>46</sup> Dr. Snehal Shingavi authored this formulation. Yet, where capital as a social category differs conceptually from race and gender, however, is whereas race and gender denote imposed *experiences of oppression*, capital denotes an imposed and *objective relationship* to the means of production; for more, see the introduction in Adam Hanieh, *Lineages of Revolt: Issues of Contemporary Capitalism in the Middle East* (Chicago: Haymarket Books: 2013).

class. As a result, things such as machines, corn seeds and human beings, which can be organized in a variety of ways, are subordinated under capitalism *in a particular way* - to capital. As a result, their subordination to *capital* transforms them into fixed, circulating and variable capital, respectively. Crucial for Marx and his critique of political economy is that this subordination assumes an inherently temporal character.<sup>47</sup> Since human beings are capable of producing more than is necessary for their own reproduction, capital pays a wage to the portion of the work day spent reproducing the laborer, while holding as profits the output produced by unpaid labor, or the labor unnecessary for the reproduction of the laborer. For clarity's sake, slave labor, where the entire portion of the working day is unpaid, can be understood as an extreme limit of this process.<sup>48</sup> The definition of what is necessary for the reproduction of workers, therefore, is an inherently *social* concept continually open to *political* contestation. While a successfully imposed (unsuccessfully resisted) wage-cut, for example, lowers the amount of necessary labor time, a successful strike by workers raises the amount of necessary labor time. Marx arrived at these abstractions by analyzing capitalism from the perspective of an *alternative* – a socialist one. When human beings organize their society and workplaces democratically to use machines, seeds and human labor to *consciously* meet socially defined

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<sup>47</sup> See Chapter Ten, titled “The Working-Day” in Karl Marx, trans. Ben Fowkes, *Capital: A Critique of Political Economy, Volume 1*, (London: Penguin Books, 1976).

<sup>48</sup> Whether slaves, laboring in conditions in similar to pre-revolutionary Haiti or the Antebellum South, should be understood in analytical models as variable capital or very expensive constant capital remains a question of considerable debate, with compelling arguments on both sides. While I would defend the status of these slaves as variable capital given the ability of slaves to strike (in the sense invoked by W.E.B. DuBois) and rebel, for arguments in defense of the latter, see Charles Post, *The American Road to Capitalism* (Chicago: Haymarket Books, 2006) and for arguments in defense of the former, John Clegg and Duncan Foley, “A Classical-Marxian Model of Antebellum Slavery,” *Cambridge Journal of Economics* 2017, [http://www.academia.edu/34116734/A\\_Classical-Marxian\\_Model\\_of\\_Antebellum\\_Slavery](http://www.academia.edu/34116734/A_Classical-Marxian_Model_of_Antebellum_Slavery). Accessed 2/3/2018.

*human needs* rather than *unconsciously* produce for *profit*, ‘things’ and human beings will transcend their ontological subordination to capital.

This model, sketched in *Capital*, is, of course, a model. Since “every representation is partial,” this model with ambitions to faithfully represent reality fails to correspond isomorphically to any actually existing social formation.<sup>49</sup> Rather, the model is better understood as “the limit [of the process]” in the same way that convergent sequences in higher mathematics converge to a number that is itself *absent* from and not directly observable in the sequence itself.<sup>50</sup> Crucially, the model is the center of gravity around which social formations under capitalism approach and revolve. As a result, the Classical Marxist definition does not entail or require that every subordinate laborer under capitalism is necessarily a waged worker. Many forms of exploitation, such as wage-slavery, chattel-slavery, and petty production, are in fact compatible with capitalist production. Of primary significance is precisely the form of exploitation in which the surplus supporting the *ruling* class is extracted.<sup>51</sup> If a ruling class for its own reproduction, for example, relies upon the surplus produced by wage-labor, then the social formation is a capitalist one. Scottish historian Neil Davidson has developed this formulation, adding that it matters not whether the ruling class *completely* relies upon wage-labor but whether other forms of exploitation, such as slavery or serfdom, could be organized as such.<sup>52</sup> As a result and quite helpfully, this formulation enables historians to situate the plantation Slavery of the

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<sup>49</sup> Jameson, *Representing Capital*, 6.

<sup>50</sup> Karl Marx quoted in Neil Smith, *Uneven Development: Nature, Capital, and the Production of Space* (Athens: University of Georgia Press, 1990) 9.

<sup>51</sup> Geoffrey de St. Croix, *The Class Struggle in the Ancient Greek World: From the Archaic Age to the Arab Conquests* (Ithaca: Cornell University Press, 1981) 52.

<sup>52</sup> Neil Davidson, “Bourgeois Revolution and the US Civil War,” *International Socialist Review* 83, (2012) <https://isreview.org/issue/83/bourgeois-revolution-and-us-civil-war>. Accessed 4/19/18.

antebellum South, for example, as a constitutive,<sup>53</sup> albeit tendentious part, of the broader development of U.S. *capitalism*. This remains central to our study since the development of wage-labor in Europe was not simultaneous with the development of wage-labor elsewhere and was in fact concomitant and dependent on deepening sharper juridically coerced forms of exploitation such as slavery in the U.S. south. Nevertheless, we understand the transition to capitalism in England as inaugurating the development of a *world-system*.

Yet this raises another problem of how an historian or social scientist *identifies* transitions, much less *capitalist* social formations. Banaji argues, in a crucial and influential intervention, that historical modes of production distinguish themselves from one another by their historically specific laws of motion.<sup>54</sup> And by careful observation of these laws of motion, they can perform as heuristics in historical analysis. Whereas feudal “laws” of motion impose themselves politically through “the historically changing consumption patterns of the aristocracy,” the more impersonal, unconscious laws governing the dynamics of capitalism are, quite simply, the “specialisation [sic] of output, technical innovation and accumulation.”<sup>55</sup> The political Marxists, on the other hand, complicate Banaji’s insightfully supple and elegant formulation of historical modality. Charlie Post, for example, undermines Banaji’s thesis not by denying the centrality of modal laws but by tethering those laws to an analytical center of gravity, or in Post’s words, “rules of reproduction.” In order for Banaji’s *laws* of motion to find social *enforcement*, Post posits two necessary conditions. All exploiters of labor and self-exploiting laborers must *depend on* and thus *produce for the market* in order to access the means

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<sup>53</sup> For an opposing view offered by Political Marxists, see Charlie Post, *The American Road to Capitalism* (Leiden: Brill 2009).

<sup>54</sup> Jairus Banaji, *Theory as History: Essays on Exploitation and Modes of Production* (Leiden: Brill 2009) 1.

<sup>55</sup> Charles Post, “Capitalism, Laws of Motion and Social Relations of Production,” *Historical Materialism* 21.4 (2013) 71–91.

of subsistence. As a result, such market dependent *survival* requires all competitors to increase the labor productivity of exploited laborers or themselves through labor-saving technology. The second condition is the elasticity of the production process in response to price movements. In other words, if one exploiter/producer has lower unit costs than another, the latter must be expelled from the supply-side of the market. Ultimately, it is a situation in which inefficient producers cannot survive in the long run since conditions for monopoly power fail to hold. Post's second condition also presupposes the crucial fluidity of labor power. Expelling an inefficient producer, for example, might require *increasing production* and thus the existence of *already available* laborers for hire; similarly, the increasing specialization of *output*, or *new* independent sectors of production requires the fluid *mobility* and *availability* of labor among sectors. Indeed, economic *growth* finds no material basis without the omnipresence of available labor.<sup>56</sup> While Post contributes analytical "rigor" to Banaji's insight, Post sacrifices the conceptual motive of Banaji's origination formulation. Modes of production for Banaji are *complex*, and as a result, resist vulgar definitions that privilege specific relations of exploitation.<sup>57</sup> So, whereas Post delineates *relations*, Banaji calls our attention to *processes*. The latter are "empirically observable" while we observe the former by "observing what people do when they engage in a process."<sup>58</sup> Moreover, in the pursuit of *identifying* transitions and *distinguishing* different modes of production, Banaji's analysis remains stronger insofar as *laws* of motion, no matter their foundation, are more easily observable than their supposed "rules of

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<sup>56</sup> Michael Joffe, "The root cause of economic growth under capitalism," *Cambridge Journal of Economics* 35 (2011) 873–896.

<sup>57</sup> Banaji, *Theory as History*, 5.

<sup>58</sup> Guglielmo Carchedi, *Behind the Crisis: Marx's Dialectics of Value and Knowledge* (Leiden: Brill, 2011) 27.

reproduction,” derived through deduction. This remains crucial for evaluating historical debates about the transition to capitalism, where it happened and when.

## **Political Marxism**

Adherents of Political Marxism maintain that capitalism emerged in the English countryside during the 14<sup>th</sup> century. Decisive for the Political Marxists, was the class struggle between peasants and landlords during the decline of feudalism and outcomes that resulted from them. As English feudalism entered an endogenous crisis characterized by landlords extracting larger and larger rents to sustain expensive luxuries as well as competitive rivalries among the nobility, peasant producers were squeezed. The result was a class struggle between peasant producers and landlords. Far from specific to the English countryside, this struggle found expression in continental as well as Eastern Europe, albeit with decisively different outcomes. In France, for example, peasant struggles significantly weakened the power of landlords who were integrated into an absolutist state that extracted rents from peasants who themselves retained direct access to the land. In Eastern Europe, however, landlords gained the upper hand and decisively crushed the revolts from below, reinstituting a “second serfdom.” Where neither peasants nor landlords found the strength to impose or defend their interests decisively, a third outcome resulted. In England, where the landlords could not impose a second serfdom nor the peasants defend their unfettered access to the commons, landlords introduced a competitive market in land leasing to tenants who themselves then hired wage laborers. The development of a market in leases resulted in a sharper social differentiation of the peasantry. As capitalist tenant farmers competed and lost out to one another and evicted farmers from their land, the



social composition of the English countryside tri-polarized into landlords, capitalist tenant farmers and landless wagedworkers. Landless peasants not absorbed into wage work in the countryside, where agriculture was increasingly organized on capitalist lines, were now integrated into the increasing ranks of vagrants seeking wage-work in towns. The *compelled* innovation in agricultural productivity, as a result of market competition in the countryside, provided a material basis for the existence of an increasing concentration of the population in towns where food production was not taking place. Given different outcomes elsewhere in Europe, the crystallization of capitalist social property relations in England was, for the Political Marxists, the *unintended* and *random* consequence of contingent class struggle.

These capitalist social property relations, albeit in rural, embryonic form, figure prominently in the Political Marxist analysis because they sustain the dynamics and structures that constitute their definition of capitalism. Capitalism, for these scholars, distinguishes itself from previous modes of production neither by the existence of markets, a “monetary economy” nor commerce. Rather, capitalism stands alone by configuring the market as the center of gravity for all social life, using it to organize the access of all social classes to the means of survival and subsistence. Whereas under feudalism, peasants retain direct access to the means of subsistence (land) and are compelled by extra-economic coercion to produce a surplus for landlords, under capitalism producers are deprived of direct access to the means of subsistence and turn to the market. The transition to capitalism, therefore, reorganizes and segments the feudal simultaneity of political and economic denomination into distinct *moments* of socio-historical life. As a result, a bourgeois ruling class arrests a surplus not through kinetic violence but by making subjection in the bourgeois workplace necessary to fulfilling the material *needs* of a *landless* but *laboring* class. On the one hand, landless wagedworkers sell their labor time on a

labor market and buy their means of subsistence on the product market, and on the other hand capitalists must sell the commodities produced by wage-labor on the product market where the capitalists themselves procure their own means of subsistence. Whereas under feudalism, economic growth registers spatially through *extensive growth* (by increasing the land area under cultivation), capitalist social property relations create the conditions for *intensive growth* (through increasing labor-productivity). Since rents derive from profits won through competition, both capitalists and landlords in this arrangement are compelled to enhance labor productivity through technological development that lowers unit costs. Furthermore, capitalist social property relations, characterized fundamentally by universal market dependence, compel the accelerated development of a society's productive forces, as continuous innovation becomes a requirement for survival in the marketplace. The emergence of capitalism, under this perspective, is an isolated, local phenomenon that radiates outward. Neutered from the contributions and exploitation of surrounding societies and civilizations around the world, capitalism for Political Marxists is an economic system analytically separable from a larger social totality including structures such as the world market or the nation-state.

The consequences for *dating* the emergence of capitalism are several. While the rhythms of self-sustaining *intensive growth* or the production of *relative surplus value* failed to articulate itself fully until the sixteenth century, capitalist social property relations in the countryside emerge in the *fourteenth* century. As a result, the crisis of feudalism and the emergence of capitalism are at most temporally contiguous or even identical phenomena. In other words, the political Marxist analysis essentially disappears a distinct *transitional* pre-capitalist period.

## **Classical Marxism**

Classical Marxists differ from the Political Marxists in two respects. First, rather than emerging in the English countryside that staged the class struggle of peasants and landlords, capitalism *converges* in England as a result of both global struggles and resources from abroad. Second, and as a result, capitalism *converges* in the *sixteenth* century rather than *emerging* in the *fourteenth*.

The Classical perspective inherits and develops several key insights from Marx's early writings. The first is that the sophistication of the "productive forces" or "methods of labor", a term of art embracing not simply technological development but the "human capacities"<sup>59</sup> they sustain, places boundary conditions on the kinds of human relationships that a society can reproduce. A social formation employing relatively meager agricultural technology, for example, will be likely unable to produce a surplus large enough to support capitalist wage labor in cities where the bulk of the population is not involved in food production. Furthermore, the existence of capitalist "relations of production" necessarily implies the existence of progressed "productive forces." At the same time, far from remaining static, the productive forces of a society continue to develop and, as they do so, they unleash forces with potentially destabilizing outcomes. When these novel forces no longer simply threaten the existence of prevailing "relations of production"

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<sup>59</sup> Davidson, "Is there anything to defend in Political Marxism?" 2013. Davidson's emphasis on "human capacities" is particularly insightful, given that Classical Marxism draws the frequent "determinist" epithet by Political Marxists and non-Marxists alike. Yet, Marxism is not a revolutionary iteration of technological determinism and in fact explicitly distinguishes itself in its opposition to the latter. Rather, the Marxist impetus is the radical fulfillment of the *humanist* project, inaugurated by the Enlightenment, through working-class revolution. While the transition to capitalism was *overdetermined* by the interaction between productive forces and relations of production, Classical Marxists assign greater weight to the "productive forces" or "human capacities" in the broader contours of history. Human beings continually develop their "human capacities" and thus continually structure and expand the horizons for the class struggles that seek to realize them to their fullest.

but actually raze and replace them, the result is a *social* revolution. It is this conceptual machinery that articulates the classical Marxist perspective on the transition to capitalism.

The world-historic process sketched by Marx in *Capital* is the one that has been defended and developed by classical Marxist historians today:

The different moments of primitive accumulation can be assigned in particular to Spain, Portugal, Holland, France and England, in more or less chronological order. These moments are systematically combined together at the end of the seventeenth century in England; the combination embraces the colonies, the national debt, the modern tax system, and the system of protection. These methods depend in part on brute force, for instance the colonial system. But they all employ the power of the state, the concentrated and organized force of society, to hasten, as in a hothouse, the process of transformation of the feudal mode of production into the capitalist mode, and to shorten the transition.<sup>60</sup>

The expansion and increasing density of world trade sharpened class conflicts within feudalism while also empowering nascent class forces such as merchants and capitalist tenant farmers to challenge the rule of the feudal ruling class. The dynamic between world trade, (largely dismissed by Political Marxists) and the sophistication of the existing productive forces were decisive in explaining the *failure* of capitalist development in the first location Marx mentions: Spain. A powerful feudal state administering the colonial silver extraction from Potosi mines with corvée labor, Spain failed and indeed *could not* take advantage of the inflow of specie into its borders in the way that Holland and England eventually did. Spain's relatively underdeveloped productive forces resulted in its export of its stolen silver specie abroad in order to procure more sophisticated technology while also satisfying the desires and interests of the feudal ruling class.<sup>61</sup> The specie instead made its way to Holland and England where it interacted catalytically with their insurgent bourgeoisies commanding antediluvian but profitable

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<sup>60</sup> Marx, *Capital Vol. 1*, 915-6.

<sup>61</sup> Isaac Ilyich Rubin, trans. Donald Filtzer, *A History of Economic Thought*, (London: Pluto Press, 1989) 22.

forms of capital. The inflow of specie resulted in greater economic power and political influence of the insurgent capitalist class as rising prices depressed wages while raising the profits of emerging capitalists.<sup>62</sup> Decisively in England, representatives of merchants and primordial capitalists secured alliances within the administration of the feudal state, while seeking to shape the intervention of state power and policy in its interests. Characterized by the historian Henry Heller as a “Gramscian war of position,” the cloak and dagger maneuvers of the new class struggle found intellectual expression in the formation of 16<sup>th</sup> century Mercantilist thought and its espousal of strong state intervention to support an adolescent bourgeoisie.<sup>63</sup> The bourgeois offensive eventually provoked the 17<sup>th</sup> century English Civil War, the results of which successfully consolidated a fiscal military state free of any feudal barriers to further capitalist development in England.

The failure to consolidate a political organizing structure for capitalist development within a nation-state explains the failures of capitalist development elsewhere. The decentralized peasant uprisings in Germany already containing significant layers of a bourgeoisie terminated with the feudal landlords preservation of the monarchy. A similar story characterizes the spasmodic movements towards concentrated capitalist development in Italy, restrained, however, and ultimately thwarted by the political disintegration between the south and the north. In Holland, while a bourgeois revolution managed to break through to consolidate a capitalist state, Dutch capitalism enjoyed only short lived dominance as the vagaries of world trade weakened a highly dynamic but internationally hostage mercantile capitalism. English capitalism, on the other hand, deployed Mercantilist policy to transcend the dynamism of Dutch commercial

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<sup>62</sup> Henry Heller, *The Birth of Capitalism* (London: Pluto Press, 2011) 79. The aforementioned book is the source material for the historical narrative offered in this chapter.

<sup>63</sup> Heller, *The Birth of Capitalism*, 136.

capitalism and transform its position in world trade from an exporter of raw materials with a negative balance of trade to an exporter of manufactured products through industry with a positive balance. While the Classical Marxist perspective does not deny the *integral* class struggle in the countryside between peasants and landlords and social differentiation that followed, the Political Marxists are wrong to ignore the increasing concentration and density of world trade that allowed capitalism to be the *result* of those class struggles whose outcomes they stress are random and contingent. Indeed, the capitalist mode of production that became a world-system was possible only because the *world* and not simply the English countryside contributed (often unwillingly) to its development.

For both Classical and Political Marxists, the struggle over the surplus, which sustains the division of class society, exerts a gravitational pull over human history up to our present moment. Yet for Classical Marxists, the productive forces that different classes wield in conflict inflect the global outcomes of these struggles and their possible results.<sup>64</sup> We argue “inflect” rather than “determine” since the outcome of class conflict, as the Political Marxists (over) stress and the Classical Marxists acknowledge, is always “random” or contingent. The Northern industrial bourgeoisie’s victory over the Southern slavocracy during the US Civil War was not, for example, inevitable.<sup>65</sup> On the other hand, if the Northern bourgeoisie had failed to command the industrial machinery capable of reordering US society and its development, its victory would not have been a possible outcome. With the Political Marxists, on the other hand, the relative weights between productive forces and relations of production within Marx’s dialectic are reversed. It is the relations of production, structured by market *compulsion* or market

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<sup>64</sup> Chris Harman, *A People’s History of the World* (London: Bookmarks, 2002) iv, 39.

<sup>65</sup> Neil Davidson, “Bourgeois Revolution and the US Civil War,” *International Socialist Review* 83, (2012) <https://isreview.org/issue/83/bourgeois-revolution-and-us-civil-war>.

*dependence*, that condition the accelerated development of productive forces under capitalism.<sup>66</sup>

Opposing methodological approaches separate the explanations espoused by both historical schools. While Classical Marxists ground their scientific method within the Hegelian philosophical tradition of dialectics, Political Marxism grew from the analytical Marxist tradition that explicitly distanced itself from the tradition of German Idealism during the Cold War in favor of logical positivism and methodological individualism.<sup>67</sup> As a result, the qualitative models offered by Political Marxists express mono-causal *linear* relationships. Yet while analytically lean and powerful, they run into difficulty modeling *emergent* or *convergent* properties irreducible to mechanical causation. Classical Marxist dialectics, on the other hand, seeks to capture the *complexity* of historical change by emphasizing that *quantitative changes* are capable of producing *qualitative transformations*. Therefore, while the Political Marxists insist on a spatially isolated crisis of feudalism, which produced a class struggle in the English countryside, whose outcome created the conditions for self-sustaining capitalist development, the Classical Marxists seek to contextualize these struggles within the increasing frequency and volume of world trade, exploitation of forced labor the world over, and the technological advancements in transportation and production that allowed these class struggles to produce an historical *change*.

This chapter argued that capitalism established itself in the sixteenth century, allowing us to confidently situate our phenomena describing the peculiar features of money in a distinctly

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<sup>66</sup> While Political Marxism initially established itself in opposition to the theoretical expression of political Third Worldism embodied in the work of Immanuel Wallerstein, Brenner and his epigones ironically enough reproduce Maoism's voluntarist reversal of the Classical Marxist dialectic by giving relations of production a privileged role in determining the level of productive forces.

<sup>67</sup> For a critique of Analytical Marxism see Alex Callinicos, *Making History* (London: Brill, 1987).

*non-capitalist* period. Let us, however, suppose for the moment that the Political Marxists are correct: capitalism established itself in the fourteenth century in the English countryside. Our analysis of pre-capitalist money still deserves consideration for two reasons. First, as the founder of Political Marxism argues, self-sustaining *intensive* growth failed to express itself until the *sixteenth century*. As a result, monetary exchange prior to the sixteenth century would likely still bear many vestigial features of its pre-capitalist past. Second, the integrated territorial state so central to sustainable capitalist development failed to establish itself until the late 17<sup>th</sup> century. There is good reason to assume monetary exchange would exhibit some, but maybe not all, of its pre-capitalist behaviors prior to the English Civil War. Therefore, even if our arguments in defense of the explanations offered by Classical Marxism fail to persuade, money still remains a worthy category of social analysis.



### Chapter III:

#### *The Spatial Dynamics of Feudal Money*

In his magisterial work, *The Production of Space*, published in 1974, Henri Lefebvre suggested that historical money relied upon particular spatial configurations of human beings in towns and cities. It was not an argument he developed rigorously nor did he expand on what he meant by the term “money.” It was, however, an effort to call attention to social space, particularly cities, as a kind of *condition* for the existence of “things” like money, which Lefebvre argued contained a spatial vector of urban embedded-ness. It followed that there has never existed “money” in the abstract, a “thing” denuded of the social relations constitutive of its rhythms and laws of motion. This view constituted Lefebvre’s reformulation of *space itself* as not a homogenous Newtonian container but a precipitated, breathing architecture of social processes. As a result and contra classical and neoclassical political economy, money is not a “thing” bearing particular properties such as a) a medium of exchange, b) store of value, c) unit of account and so on, but is better understood as a particular social *rhythm*, most percussive in its incorporation into the moments of capital accumulation. Moreover, “money is not what money does, but, on the contrary, what money does is a consequence of what money is.”<sup>68</sup> This chapter seeks to demonstrate how modes of production form the deep field of determination for the properties, behavior and rhythms of money. We will first present a discussion of Marx’s perspective on money’s emergence as well as money’s historical function. We will then bring this perspective into dialogue with numismatic evidence from pre-capitalist Europe and proceed to demonstrate how feudal rhythms of social life imposed boundary conditions on the behavior of money that reflect feudal barriers to the accumulation of capital. In other words, we introduce

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<sup>68</sup> Lapavistas, *Marxist Monetary Theory*, 54.

social relations as the bedrock of monetary behavior - that the deepest level of determination of money and space are the ensemble of social relations between human beings constitutive of modes of production.

In *Capital Vol. I* Marx presents an endogenous model for the emergence of money.<sup>69</sup> According to this model, money arises from the exchange of commodities. Commodities are things produced not for *use* but for the purpose of *exchange*. In other words, they are use-values but they are produced for their exchange-value in trade. Their trade and repeated exchange with one another over time precipitates a *monopolist* of exchange – a good that realizes its primary use-value in the circulation of commodities. Various models, both theoretical and historical, have been offered to explain how this process might have worked.

In Marx, for example, we find a close reading of exchange. Sellers in this model take an active role and attempt to *initiate* an exchange by offering a commodity they already possess *relative* to a *universal* commodity, which they hope to possess. How the universal commodity eventually establishes itself as a monopolist of exchange remains under articulated in Marx. His explanation is not absent inasmuch as it is partial however. He laudably anticipates the modern notion of *network effects*<sup>70</sup> by arguing that an initial act of exchange influences the behavior of traders in their future exchange relations. The social knowledge, for example, that apples might exchange for not only oranges but also lumber and iron as well, will increase the frequency of many more traders leveraging apples as a medium of exchange. Here, however, we have two problems.

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<sup>69</sup> Karl Marx, trans. Ben Fowkes, *Capital: A Critique of Political Economy, Volume I* (London: Penguin, 1990) 181.

<sup>70</sup> Lapavistas, *Marxist Monetary Theory*, 9.

The first is simple: apples rot and make a particularly poor form of money. As a result, network effects cannot *reliably* support the hegemony of just *any* commodity in exchange. The second is that while Marx demonstrates the evolution of a commodity to the form of money, he fails to demonstrate the *selection process* that isolates the one commodity upon which network effects will exert the most influence. The result, as Lapavitsas observes, is that *every* commodity is a form of *money* or *universal equivalent*.<sup>71</sup>

Another, more recent, approach offers a potential solution. Theoretically, for example, commodity-traders might hold a ‘back-up’ commodity of *insurance*.<sup>72</sup> In case, for example, the primary commodity a trader brought to the market failed to find buyers, this back up commodity could be reliably exchanged in its stead. Crucially, however, only commodities that can be successfully *hoarded* through time can function this way. This explains the strong tendency for *precious metals*, more resistant to oxidation and chemical erosion, or animals, like cattle with healthy life spans, to monopolize the exchange process.<sup>73</sup> Yet while this argument easily resolves the first objection – that apples lose their exchange-value over time, it fails to adequately resolve the second for two reasons. First, because a wide variety of commodities are *durable*, we still require a selection process that isolates the most receptive commodity to network effects. Second, this argument seems to assume what it seeks to explain, begging the question *how* one commodity establishes itself as the commodity of *insurance*.<sup>74</sup> Lapavitsas resolves these theoretical obstacles by granting explanatory power to the concrete historical conditions in which commodity exchange takes place. Commodity exchange takes place within

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<sup>71</sup> Lapavitsas, *Marxist Monetary Theory*, 212.

<sup>72</sup> Kazutoshi Miyazawa, “The Anarchic Nature of the Market and the Emergence of Money.” *Historical Materialism*, Vol. 14:1 (113–128), 2006.

<sup>73</sup> Karl Marx, *Grundrisse*, 166. Ernest Mandel, *Marxist Economic Theory: Vol. I* (New York: Monthly Review Press, 1969) 73.

<sup>74</sup> Lapavitsas, *Marxist Monetary Theory*, 254.

a dense array of specific social customs, and it is these specific social customs that inevitably throw up one commodity as the gravitational center of exchange. Historically, Lapavitsas observes, monopolists of exchange emerge concretely from trade between two otherwise isolated communities.<sup>75</sup> Whatever commodity one community seeks in trade, that commodity becomes the monopolist of exchange within the other community. This phenomenon found historical confirmation in the settler-colonial outposts of New England where the commodity that settlers traded with indigenous tribes eventually hegemonized the circulation of commodities in the colony or by Herodotus' reflections on commodity exchange in ancient Greece.<sup>76</sup>

Marx situates this process of exchange theoretically *not* within the trading of use-values but within the exchange of objectified human labor time. Since labor markets that allow human labor to become abstracted and hence their objectifications open to ordinal comparison did not exist, trades in pre-capitalist social settings are as imprecise as their occurrences are irregular.<sup>77</sup> The transition to capitalism, for Marx, sharpens money's ability express the socially, necessary abstract labor time contained in commodities. In other words, feudal money is merely an underdeveloped form of capitalist money, the latter superior at executing the former's tasks. This explains Marx's precision in delineating the two main features of money's behavior under capitalism, while remaining relatively silent on the behavior of money under feudalism since there is nothing within this framework to develop or explain. The closest Marx comes to detecting a break in the behavior of money in the period of transition is in the relationship ruling classes have with the monopolist of exchange. Indeed, hoard formation becomes constitutive of

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<sup>75</sup> Costas Lapavitsas, *Social Foundations of Markets, Money and Credit* (London: Routledge, 2003) 61.

<sup>76</sup> K-Sue Park, "Money, Mortgages, and the Conquest of America" *Law & Social Inquiry*, Vol. 41, Issue 4, 1006–1035, Fall 2016; Lapavitsas, *Social Foundations of Markets, Money and Credit*, 61-2.

<sup>77</sup> Marx, *Capital*, 182.

ruling class existence and regulates their relationship to the surplus that sustains them. Marx reflects in the *Grundrisse* on pre-capitalist hoards as antediluvian, underdeveloped devices for securing political power:

Among all the peoples of antiquity, the piling-up of gold and silver appears at first as a priestly and royal privilege, since the god and king of commodities pertains only to gods and kings. Only they deserve to possess wealth as such. This accumulation, then, occurs on one side merely to display overabundance, i.e. wealth as an extraordinary thing, for use on Sundays only; to provide gifts for temples and their gods; to finance public works of art; finally as security in case of extreme necessity, to buy arms etc. Later in antiquity, this accumulation becomes political. The state treasury, as reserve fund, and the temple are the original banks in which this holy of holies is preserved. Heaping-up and accumulating attain their ultimate development in the modern banks, but here with a further-developed character.<sup>78</sup>

As a result, the pre-capitalist and/or feudal state hoards the monopolist of exchange in order, typically, to finance public infrastructure, support standing armies and other state-expenditures.<sup>79</sup> Under capitalism, however, this hoard is *capitalized*. In other words, the ruling class residing in the state and its core of capitalists must (1) divest themselves of the hoard by investing it in a production process, (2) objectify it in commodities through the exploitation of labor and (3) sell it with the purpose of expanding the size of their original hoard. This runs in a cycle since capitalists compete with one another and reproduce themselves as a class through the expansion of their respective hoards. As a result, money becomes *a moment* and *driving motive* of the production process,  $M \rightarrow C \rightarrow M'$ , where  $M' > M$  (neither  $M$  nor  $M'$  in fact have to be greater than zero). Flows of money across time and space now represent the movement of

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<sup>78</sup> Marx. *Grundrisse*, 230.

<sup>79</sup> Peacock, Mark. "The origins of money in Ancient Greece: the political economy of coinage and exchange." *Cambridge Journal of Economics*, Vol. 30, No. 4 (July 2006), 637-650. Marx, *Grundrisse*, 1993; Peter Spufford, *Money and its use in Medieval Europe*, (Cambridge: Cambridge University Press, 1988).

capital to the markets least saturated by capitalist competition, as the profit rate of various regions and sectors of production equilibrate.

Space as an explanatory device can be both derived through deduction and arrived at via historical analysis. Money necessarily implies exchange. And therefore exchange implies a division of labor. If labor were undivided, there would be nothing to exchange and little reason to do so. And finally, this division of labor implies, anticipating Lefebvre, a particular spatial configuration of human beings in *towns*. Marx and Engels argue deductively in *The German Ideology*:

“From the first [town] there follows the premise of a highly developed division of labour [sic] and an extensive commerce; from the second [country], the locality. In the first case the individuals must be brought together...In the first case, average, human common sense is adequate — physical activity is as yet not separated from mental activity; in the second, the division between physical and mental labour must already be practically completed. In the first case, the domination of the proprietor over the propertyless [sic] may be based on a personal relationship, on a kind of community; in the second, it must have taken on a material shape in a third party - money.”<sup>80</sup>

There are good reasons to believe this. First, as Marx and Engels primarily through deduction, add:

“The existence of the town implies, at the same time, the necessity of administration, police, taxes, etc.; in short, of the municipality, and thus of politics in general. Here first became manifest the division of the population into two great classes, which is directly based on the division of labour and on the instruments of production.”<sup>81</sup>

Moreover, the spatial integration of human beings within the context of (1) exploitative social relations and (2) low labor productivity *together* demand institutions, forms of governance and politics that require a pacemaker of urban social life, “a material shape in a third party - money.”

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<sup>80</sup> Karl Marx and Friedrich Engels, *The German Ideology*, 1845.  
<https://www.marxists.org/archive/marx/works/1845/german-ideology/>. Accessed 4/19/18.

<sup>81</sup> Karl Marx and Friedrich Engels, *The German Ideology*, 1845.  
<https://www.marxists.org/archive/marx/works/1845/german-ideology/>

Indeed, money becomes an organizer of social life only insofar as human beings remain alienated from the means of production or, in Marx's words, insofar as "social production is not subsumed under individuals, manageable by them as their common wealth." Second, this story remains consistent with what we know about monetary relations as towns began to develop. Indeed, the ruling class of medieval Sweden, for example, found the policy of re-coinage as a form of taxation increasingly inadequate and *unwieldy* as cities and the resulting monetary economy within them increased in density.<sup>82</sup>

Both Marx and Lefebvre focus their analysis on the catalytic *urban* space of towns and cities for antediluvian capital accumulation. Their neglect of rural *monetary* space, however, prevents them appreciating the deeper cleavages between feudal money and capitalist money. It can lead to the conclusion that the transition to capitalism merely involves the accumulation of a thing called "money" that was previously *not* accumulated under feudalism. What we want to argue is that the transition to capitalism necessarily *transforms* money into something that *can* be accumulated. As a result, the social relations underpinning the behavior of money, so often the object of mystical fetishism, remain underappreciated and the obstacles to the development of capitalism unexplored. While Marx acknowledges the profound cleavage of social practices between those of town and country, he fails to consider how these contradictions inflect the behavior of money across feudal space. This may arise from a prevailing assumption, reproduced among Marxist economists, that rural space was essentially a primitive space devoid of monetary activity. This is false.

A distinguishing feature of feudal money is its uneven behavior across physical space, particularly as money catalyzed in urban environments interacts with rural rhythms of production

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<sup>82</sup> Roger Svensson, "The search for seignorage: periodic re-coinage in medieval Sweden." *Scandinavian Economic History Review* 65, no. 2, (2017): 189–205.

and social practice. Rural markets remained temporally constrained, for example, since commodities produced there remained tethered to the rhythms of harvesting and could only be sold in bulk at certain times of year.<sup>83</sup> As a result, money bore a *punctuated, cyclic and periodic* movement into rural spaces as opposed to a *gradual and linear* unitary movement. As a secondary result, therefore, urban and rural feudal spaces demanded *different kinds and amounts of money*.

First, in towns, exchange occurred frequently since production was tied to social and political rhythms rather than the rustic, seasonal beats of the countryside typically punctuated by harvests.<sup>84</sup> This allowed for small denominations of money to become a feature of urban monetary space since purchases did not have to be made in bulk. Rural feudal spaces, on the other hand, required larger denominations of currency since exchanges occurred only occasionally during the year and would therefore be larger.<sup>85</sup>

Second, the accelerated tempo of exchange in urban settings allowed for the emergence of *black money* (composed of a variety of precious and non-precious metals) that, in and of itself, *did not store value* but existed primarily to lubricate the trade and transaction where money was nearly always available.<sup>86</sup> The rural environments of feudalism, in contrast, remained monetarily starved. Land was not a commodity since rural space had yet to be enclosed and alienated from those who lived on it.<sup>87</sup> Most monetary resources arriving there immediately left as peasant producers sold their crops and used the money to purchase what they needed from city merchants

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<sup>83</sup> Spufford, *Money and its use in Medieval Europe*, 382.

<sup>84</sup> Spufford, *Money and its use in Medieval Europe*, 382-4.

<sup>85</sup> Spufford, *Money and its use in Medieval Europe*, 386.

<sup>86</sup> Martha Howell, *Commerce Before Capitalism in Europe: 1300-1600* (New York: Cambridge University Press 2010) 25; Peter Spufford, *Money and its use in Medieval Europe* (Cambridge: Cambridge University Press, 1988)

<sup>87</sup> Howell, *Commerce Before Capitalism in Europe: 1300-1600*, 38.



who would return the money back to the city in a cyclic movement.<sup>88</sup> As a result, the temporal marker of money as the “separation of sales and purchase in space and time”<sup>89</sup> finds remarkably brief and compressed expression in the monetary vacuum of feudal space.

Some money, of course, failed to immediately escape the countryside. Peasants paid a portion to landlords as feudal states reorganized themselves and demanded taxes from vassals in cash. As a result, lords increasingly relied on money payments, rather than rents in kind from serfs and tenants. Peasants also *hoarded* what little they could for dowries and other instruments for securing and passing on wealth.<sup>90</sup> As a result, small rural hoards remained largely free of *black money* and instead demanded money that could more reliably *store* value over time. Even here, precious metals failed to meet the demands of peasant accumulation since precious metals fell prey to rust and other natural processes that eroded their ability to function reliably as stores of value.<sup>91</sup>

But neither was the town a model capitalist foil for a pre-capitalist countryside. The specificity of feudal social relations found expression in the peculiar behavior of money through feudal urban space as well. The emergence of *black money*, for example, emerges from two processes. First, the accelerated frequency of production and exchange created conditions for the emergence of useful forms of money that were themselves incapable of storing value. Second, although cities hosted more frequent exchanges none, were spatially integrated on an exchange market and labor market that together would allow for the prices of one good to affect the prices

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<sup>88</sup> Spufford, *Money and its use in Medieval Europe*, 384.

<sup>89</sup> David Harvey, *The Limits to Capital* (Oxford: Basil Blackwell, 1982) 245.

<sup>90</sup> Spufford, *Money and its use in Medieval Europe*, 384.

<sup>91</sup> Jairus Banaji, *Agrarian Change in Late Antiquity: Gold, Labor and Aristocratic Dominance* (New York: Oxford University Press, 2001) 75.

of others.<sup>92</sup> As a result, transactions exhibited an irregular character that failed to reflect the socially necessary labor time contained in the commodity since socially necessary labor time had not been organized in a spatially integrated labor market. As a result, monies of account rather than stores of value became far more dominant and in fact became the only possible forms in which money could dominate feudal settings. We understand *money of account* here as a particular way of *measuring the value* of a commodity. Third, no single money of account was able to *dominate* feudal markets, which were often lubricated instead by several and varied among regional markets.<sup>93</sup> Prices gyrated unpredictably and transactions required convoluted translations between the money of account in prices and the black money buyers and sellers were actually using. The resulting instability and frustrations of market activity shaped the social lives of traders who as a result built dowries and other hoards of wealth to guard against hazardous and unpredictable price movements.<sup>94</sup> The heterogeneity of feudal space found additional expression in diverging market regulations and laws from town to town, frustrating the smooth movement of money across feudal space and its ability to bound the instabilities of prices.<sup>95</sup> In this environment, the coarse channels of money flows could not endogenously *produce* interest rates. Rather, urban environments offered a magnetic field where powerful merchants could gather to *establish* and *impose* rates by fiat within a limited trading radius beyond their inhabited city.<sup>96</sup> These spatially limited rates, similarly, gyrated in time with the seasonal rhythms that

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<sup>92</sup> Charles Post, "Commerce, Culture and Capitalism." *Historical Materialism* 23 no. 1 (2015): 191-200.

<sup>93</sup> Howell, *Commerce Before Capitalism in Europe: 1300-1600*, 18-25.

<sup>94</sup> Howell, *Commerce Before Capitalism in Europe: 1300-1600*, 23.

<sup>95</sup> Howell, *Commerce Before Capitalism in Europe: 1300-1600*, 22.

<sup>96</sup> Peter Spufford, *Handbook of Medieval Exchange* (London: Offices of the Royal Historical Society, 1986) xlvii-xlviii.

governed the ebb and flow of money between town and country.<sup>97</sup>

Intellectually, this explains why the various theoretical gestures<sup>98</sup> towards a neoclassical price-theory that developed among medieval scholars observing monetary behavior remained, no matter how suggestive, only gestures and could not develop fully until the transformation of social relations in the countryside. The afterlife of money's spatially inflected behavior also finds expression as settler-colonial capitalism struggles to overcome geographic barriers in antebellum North America. As the uneven spatial development of settler-capitalism improvised from the spatial dynamic of petty commodity production, the currency of country banks, for example, lost value the further away they traveled from their rural issues towards more economically dynamic coastal cities.<sup>99</sup> This reflected a more *general* developmental obstacle<sup>100</sup> as banking institutions sought to overcome the spatial dilution of their feudal settings. In the context of *fiat* monies, Marx observed how "the frontier posts of the country" formed the spatial boundaries of their circulation as the "worthless rags of paper" found no home in the hoards of the countryside.<sup>101</sup> In the context of credit money, on the other hand, Marx similarly commented on the differential value commanded by the currency issued from Scottish country banks versus its southern counterparts, observing the greater velocity of exchange as the Scottish highlands were enclosed and commodified.<sup>102</sup> Observe, of course, that the spatially inflected spasms of these nascent capitalisms in crisis did not reproduce the feudal dynamics in an isomorphic, one-to-one correspondence. In fact, they confirm how the spatial unevenness of feudal monetary

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<sup>97</sup> Spufford, *Handbook of Medieval Exchange*, xlv-xlviii.

<sup>98</sup> Howell, *Commerce Before Capitalism in Europe: 1300-1600*, 16.

<sup>99</sup> Sharon Ann Murphy. *Other People's Money: How Banking Worked in the Early American Republic* (Kindle Locations 1712-1713). Johns Hopkins University Press. Kindle Edition. 2017.

<sup>100</sup> Lapavistas, *Marxist Monetary Theory*, 42-3.

<sup>101</sup> Karl Marx, trans. N. I. Stone, *A Contribution to the Critique of Political Economy*, (Chicago: Charles H. Herr & Company, 1904) 157.

<sup>102</sup> Marx, *Grundrisse*, 132-3.

behavior was absorbed and transformed with the inauguration of capitalist social relations.

A spatial analysis of feudal money suggests a number of punctuated moves in the transition to capitalism. Feudal social relations and rhythms imposed barriers on reliable and consistent capital accumulation by peasants in the countryside. It corroborates the historical narrative of the Political Marxists, that in addition to the peasantry adopting risk-averse behavior (in the absence of *compulsion* such as land seizure, taxes, debts etc. peasants will not produce for the market but only for themselves), the spatial dynamics of feudal money prevented reliable accumulation in the first place. Moreover, class struggle, the expropriation of the peasantry from the countryside was integral in breaking the spatial barriers to the development of capitalism in the countryside. This cleared the spatial barriers for the development of a home-market that could be captured by leading landowning and manufacturing capitalists who would form the first nation-state. The integration of town and country, however, required technological advances that lowered transportation costs whose previously high premiums gave life to the spatial alienation sustaining feudal money. The movement from feudal to capitalist money, therefore, corroborates the role of productive forces in dialogue with social relations, consistent with the Classical Marxist account of the transition to capitalism.

The social power of money as a consistent store of value therefore arises from social relations specific to capitalism. The ability to measure and compare commodities based upon the amount of abstract labor *time* contained within them depends upon the spatial organization of human beings in integrated labor and output markets. The social organization of *time* under capitalism, therefore, depends upon the impersonal social configuration of human beings in *space*. Marx suggests at the end of *Capital Vol. 1* that developed instruments of credit (and by extension the modern form of credit money) function to reproduce capitalist social relations

through time by “making the wage-labourer submissive, frugal, industrious...and overburdened with work.”<sup>103</sup> In other words, capitalist credit establishes the *extension* of capitalist social relations into the *future* by freeing up the *capital* of the *present* to lock up the *labor* of the *future*. Capitalist *commodity* money, on the other hand, seeks reliable service as a successful store of value by capturing the abstract labor of the *past* and imposing it onto the *present*. Feudal money, on the other hand, bears none of this inherent power of social regulation. Whereas under capitalism the economic and political means of coercion are separate, under feudalism, the reproduction of peasant subjection to the lord is reproduced extra-economically through political force via knights, mercenaries and other armed groups.<sup>104</sup> Feudal money, therefore, travels unevenly through *space* and as a result remains incapable of capturing and organizing social *time*.

The expropriation of the peasantry from the countryside and their concentration in cities together create the conditions for a greater velocity of production and exchange. Alienated from both the land and the means of production, money for the landless and urbanized working population becomes the direct means for “accessing the goods of life.”<sup>105</sup> The result is a thoroughly *capitalist* money-form, capable of storing value, lubricating exchange and facilitating accumulation. The inability of money to express the law of value that regulates the flow of money and investment into different areas of production expresses money’s deep field of determination in social relations as well as the social relations underpinning the behavior of feudal money.

We have argued that feudal money and capitalist money deserve ontologically separate

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<sup>103</sup> Marx, *Capital*, 921.

<sup>104</sup> Ellen Meiksins Wood, *Democracy Against Capitalism* (London: Verso, 2016).

<sup>105</sup> David McNally at the conference “Crisis of Capital, Crisis of Theory,” convened in 2010 at York University, <https://www.youtube.com/watch?v=I5Cv1GjI7i4>. Accessed 4/19/18.

categories. Since they mediate qualitatively different social relations, feudal and capitalist moneys exhibit significantly distinguished behavior. Two pivotal political implications follow from this analysis of money during the transition to capitalism.

First, it explains the *novel* institutions that come to dominate and mediate the ruling class's management and relationship to money in the transition to capitalism. After the bourgeois revolutions that clear the remaining political obstacles to capital accumulation, ruling classes establish central banks, integrated banking systems and integrate their fiscal states with financial markets trading in debts.<sup>106</sup> These institutions dissolved, for example, remaining elements of diluted feudal space as competing credit monies from spatially disintegrated country issues found a center of gravity in the novel central bank.<sup>107</sup> Moreover, *capitalist* money can therefore function as the money of the *nation-state* in ways that feudal money cannot. The spatially uneven behavior and viscosity of money frustrates the consolidation of the home-market vital to the establishment of national state formations. The result is a set of *isolated*, *disintegrated* and *regional* markets each with cities as their gravitational centers while exhibiting little evidence of *price convergence* among them.<sup>108</sup> The uneven, fractured movement of feudal money found intellectual expression in the dominance of the *church* among medieval literature and debates on a nascent price theory.<sup>109</sup> The search for the "just price" reflected the social conflicts produced by workers, buyers and sellers in disintegrated, highly stratified markets. It is only with the emergence of *capitalist* money capable of integrating the markets of a *nation-state*

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<sup>106</sup> Costas Lapavistas and Matoko Itoh, *The Political Economy of Money and Finance* (London: Palgrave Macmillan, 1998) 157-8.

<sup>107</sup> Lapavistas, *Marxist Monetary Theory*, 42-3. Moreover, the dynamics of *abstraction* rearticulate themselves as "state backing of banknote issue overcomes the banknote's *particularity* and turns it into a *general* means of payment [our emphasis]."

<sup>108</sup> Post, "Commerce, Culture and Capitalism," 191-200.

<sup>109</sup> Howell, *Commerce Before Capitalism in Europe: 1300-1600*, 278-9.

that the phenomenon of *price-convergence* enters the observable universe of scholars and intellectuals. The church, however, gradually becomes unable to play the ideological role it once did in debates where *capitalist money* is at issue, as the bourgeoisie liquidates the landed property of the church whose religious ideological hegemony at the same time finds competition with and is undermined by the nationalism of their liquidators. Whereas feudal money often travelled through the channels of the *church*,<sup>110</sup> one of the few institutions commanding *transcontinental* influence, *capitalist* money flowed through the conduits of novel institutions established by *national* capitalist ruling classes. The distinction between feudal and capitalist money, in the final analysis, highlights the *historical* character of the nation-state, and its secreted nationalism, as specifically *bourgeois*.

Second, this reading emphasizes the *novelty* of capitalist money. It introduces between feudal and capitalist money a leap, break or discontinuity rather than a continuous, gradating or fluid spectrum. And this has contemporary relevance in the context of ongoing convulsions emerging from the crisis of neoliberalism. For those who read capitalist money back into the past or assume money is a trans-historical medium of human interaction, it follows that money will mediate human organization through all political as well as social revolutions. This is the reason why economists and intellectuals like Costas Lapavistas, who have informed and shaped ongoing social struggles from below, project banking, finance and other institutions into not simply the so-called “transition to socialism” but into the very goal of socialism itself.<sup>111</sup> As a result, “socialism” denotes, in the tradition of the ‘Marxism’ espoused by the Second International and Stalinism, a new set of *policies* rather than a new set of *social relations*. If, on the other hand, money as we interact with it today is a *historical* precipitate or residue of

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<sup>110</sup> Spufford, *Handbook of Medieval Exchange*, xxxiv.

<sup>111</sup> Lapavistas and Itoh, *The Political Economy of Money and Finance*, 246-8.

*unplanned* production, then the political and potentially *social* upheavals gyrating the global south and global north offer an alternative path of socioeconomic development towards one free of monetary middlemen. Indeed, the Soviet political theorist and economist, Nikolai Bukharin, briefly stood at the dawn of such a path before it fell under the twilight and darkness of counter-revolution in 1928, allowing him to perceive and speculate, though rather prosaically, in *Programme of the World Revolution* ten years earlier that “money is important only when production is unorganized; the more organized it becomes the smaller becomes the part played by money, and the need for it gradually decreases.”<sup>112</sup> While feudal money was incapable of organizing social time, the novel emergence of capitalist money integrated the past (in commodity monies) and future (in credit monies) to dominate the present. The result was a regime in the political economy of time. A socialist alternative, therefore, eradicates money, abolishing the domination of time over humanity and inaugurating humanity’s conscious configuration of time. If money, moreover, is one moment of human alienation, any alternative that seeks the latter’s overcoming must ultimately overcome the former as well. Indeed, by identifying the *novelty* of capitalist money as an historical *moment* of human social organization, scholarship acknowledges that the struggle for a radical future demands a history that radicalizes the present in order to break with it.

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<sup>112</sup> Nikolai Bukharin, Ch. XV: *The End of the Power of Money. “State Finances” and Financial Economy in the Soviet Republic* in *Programme of the World Revolution*, 1918, <https://www.marxists.org/archive/bukharin/works/1918/worldrev/index.html>. Accessed 2/19/18. Marx, himself a life-long activist and participant in the revolutions of 1848, offered similar theoretical gestures. For more, see Marx, *Grundrisse*, 158-9.



## Chapter IV:

### *Space, Explanation and Transition*

In this chapter, we will offer a spatial heuristic for articulating and explaining the distinction between feudal money and capitalist money. We will, first, develop the category of *space* as an inherently *social* category. Second, we will offer a distinction between *capitalist space* and *feudal space*. Third, we will show how this distinction explains the diverging behaviors of feudal and capitalist monies.

One result of relentless capitalist development is the enlistment of more and more of the world's population under a category described by Marx as 'abstract labor.' All human labor is *concrete* labor, each laboring body and the work they perform endowed with an infinity of differences that distinguish them from one another. In other words, if every human being is unique and different, it follows that her labor (upon raw material equally various) is concrete. In order for capitals to compete, however, labor markets mute these otherwise noisy differences, the elements of concrete reality, through abstraction. Laboring bodies must submit themselves to *comparison* (through compulsion), with some characteristics privileged and others suppressed, under some metric; otherwise, the fluidity of labor necessary among existing and new industries would be impossible. This finds expression in two ways. First, capital transforms human beings further and further into interchangeable parts through the continual *deskilling* of the labor process through time.<sup>113</sup> Second, and more fundamentally, capital abstracts the differences of concrete labors through *cost-portfolios*, necessary for competition, expressed in money. Here, the concrete realities of labor and laboring bodies disappear into a mathematical representation of their costs of reproduction under universal monetary units – wages in money. Far from trivial,

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<sup>113</sup> Harry Braverman, *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century* (New York City: Monthly Review Press, 1998) 220.

this abstraction (from concretion) continues to inform the transformations (and explosions) within international political economy today. The establishment of the European Monetary Union, for example, imposed a *uniform* currency that allowed capital to *measure* labor costs more accurately across national boundaries and arbitrage across their differentials to maximize profits.<sup>114</sup> Concrete realities, however, on the peripheral margins of the E.U. exposed the hubris of this policy abstraction when in 2015, a broad Left party seized electoral power in Greece on the back of working class struggle against austerity measures imposed from above.<sup>115</sup> Both structurally and historically, therefore, capital necessarily competes and reproduces itself through the consequential operation of abstraction, imposing “the ideology of the form on recalcitrant material content.”<sup>116</sup>

Capital performs the same operation on time and space. Although our focus is the latter, it remains useful for exegetical purposes to detail operations on the former as well.<sup>117</sup> The first moments of temporal abstraction arrived with the invention of clocks. Clocks allowed observers a unique vantage point through which to *measure* time while presupposing its division into homogeneous units. As a result, time became absolute-homogeneous time, a Newtonian quantity subject to infinite partition and aggregation. Clocks, of course, arrived far in anticipation of the emergence of capitalism. Yet the emergence of capitalism was necessary for absolute-homogeneous abstract time to become hegemonic and articulate the ‘common sense’ of everyday

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<sup>114</sup> Hans-Jürgen Bieling, “European Constitutionalism and Industrial Relations” in *Social Forces in the Making of the New Europe: The Restructuring of European Social Relations in the Global Political Economy* (New York: Palgrave, 2001) 102.

<sup>115</sup> See Helen Sheehan, *Syriza Wave: Surging and Crashing with the Greek Left* (New York: Monthly Review Press, 2016).

<sup>116</sup> Christopher Arthur, “Deciphering Capital – Alex Callinicos, Michael Roberts and Christopher Arthur” Youtube, British Socialist Worker’s Party, November 12<sup>th</sup> 2014 [https://www.youtube.com/watch?v=oKWdNG7\\_eWM](https://www.youtube.com/watch?v=oKWdNG7_eWM).

<sup>117</sup> The following historical narrative is a summary of Jonathan Martineau, *Time, Alienation and Capitalism: A Socio-Historical Inquiry into the Making of Modern Time* (Leiden: Brill, 2015).

experience – a structure of thought and organizer for social life. Whereas pre-capitalist and feudal time assumes a *relative* character, defined relationally through the *concrete activities* of human beings (the duration *between* repeated rituals, the cyclic movements of seasons, harvests, and all of their associated activities), capitalism inaugurates an absolute time that imposes itself through the bourgeois organization of the workplace. While previously articulated as a relative space *between* activities, time under capitalism finds a linear expression through the needs of competitive exploiters of labor-power. Moreover, the rhythms of capital accumulation and the *length* of the work-day defined by capital supplant the concrete labors, rituals and activities that once served as the centers of gravity for colloquial notions of time. The establishment of an absolute homogeneous temporal system sustains the ability of capitalists to *measure* the *efficiency* of their productive techniques, regulate the supply and docility of labor and ultimately participate and survive the trade winds of capitalist competition. The homogenization of social time or, its subjection to the rhythms of capital accumulation, denotes, however, not a singular event with defined boundaries but the ongoing process of an incomplete project. This assertion finds support not only in capital's relentless expansion which "annihilates space by time"<sup>118</sup> but also in the historical and continuing expression of labor struggles over the *time* laborers spend at work (the length of the work day) subject to abstract *clock-time*.

Capital's need to abstract from the qualities unnecessary or detrimental to the tasks of accumulation ultimately imposes itself on *space* as well. This abstract space finds its most concrete expression in the formation of *urban space*. Capital demands this homogeneous social space or habitat for three reasons. First, labor must be able to move between different workplaces to lubricate the dynamics of competition between different capitals. Second, capital

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<sup>118</sup> Marx, *Grundrisse*, 524.

demands its own mobility not only in order to move but also in order to expand<sup>119</sup> its abstract *field* of operations. Third, the dynamics of competition and mechanization demand an integrated market space in which the prices and activities of spatially disconnected capitals influence one another in competition. While spatial isolation (and their heterogeneous realities) might sustain the relatively high prices of a feudal, relatively inefficient producer, the integrated spatial field of capital accumulation erodes and wears on their longevity in the face of competition.

Historically, capital's abstraction of space demanded the removal of concrete spatial obstacles to accumulation such as communal lands under the collective appropriation of peasants.<sup>120</sup> It, similarly, required the novel political structure of *nation-states* to level and homogenize obstacles to capital accumulation.<sup>121</sup> Moreover, in order for capitalism to develop and expand, it must simultaneously transform a concrete, recalcitrant space into a habitat for accumulation.

Yet this analysis, while correct, tells us little about the object undergoing transformation. We know what the transformed object is – i.e. “abstract space”, a space that is by definition “measurable” for the purposes of capital accumulation.<sup>122</sup> But this no more than begs the question of the status of a function's domain, “pre-abstract space.” The obscurity of the question and, as observed by others, the highly “spatialized” conceptual vocabulary of social theory<sup>123</sup> demands a discussion of space as an explanatory category.

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<sup>119</sup> Joffe, “The root cause of economic growth under capitalism,” 873–896; Paul Sweezy, *The Theory of Capitalist Development: Principles of Marxian Political Economy* (London: Dobson Books, 1962) 31.

<sup>120</sup> Ellen Meiksins Wood, *The Origins of Capitalism: A Longer View* (London: Verso, 2002) 108.

<sup>121</sup> Wood, *The Origins of Capitalism: A Longer View*, 172.

<sup>122</sup> Henri Lefebvre, trans. Donald Nicholson-Smith, *The Production of Space* (Cambridge: Blackwell, 1991) 352.

<sup>123</sup> Stuart Elden, *Understanding Henri Lefebvre: Theory and the Possible* (New York: Continuum, 2004) 186.

There exists a callow, trusting view that posits the Newtonian model of space as abstract void as, itself, an unmediated truth. Since this model is itself a product of social relations specific to the capitalist mode of production, this model's claims to truth extend only so far as the problems with which it can solve in practice. A more sophisticated version of this view was offered by Kant.<sup>124</sup> He argued that the infinitely concrete reality of the *noumena* remained beyond the comprehensive grasp of human understanding. To filter out the blaring noise of the concrete, Kant proposed that *space* and *time* were fundamental, irreducible concepts in which human beings rewrite the world they inhabit. In other words, while Kant does not deny the possible existence of a world without space or a world without time, these un-spatialized and un-temporalized realities are not terribly meaningful for humans and are, thus, simply incomprehensible. Fundamentally, time and space are indispensable conceptual handholds on a treacherous rock face.

Although the subsequent development of modern science has thrown up problems demanding a more complex and involved understanding of space,<sup>125</sup> discarding as a relic Newtonian space as well as Newtonian time, the difficulty with an uncritical acceptance of "abstract space" is more fundamental. First, the unworldly view forgets that all knowledge is a residue of social practice.<sup>126</sup> As a result, it is the problems/questions produced by social practice that select for the conceptual models serviceable to them.<sup>127</sup> Second, it forgets as well that "abstract space" is *produced in the first place* by "abstraction." Abstract space, moreover, is the *output* not the *input* of a conceptual process. Therefore, far from being isomorphic with reality,

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<sup>124</sup> Pavel Maksakovsky, trans. Richard Day, *The Capitalist Cycle: An Essay on the Marxist Theory of the Cycle* (Chicago: Haymarket Books, 2009) xiv-xv.

<sup>125</sup> Neil Smith, *Uneven Development*, 250.

<sup>126</sup> Alex Callinicos, *Althusser's Marxism* (London: Pluto Press, 1976) 33; Carchedi, *Behind the Crisis*, 37-8.

<sup>127</sup> Callinicos, *Althusser's Marxism*, 17-8.

the uncritical view of space smuggles into its own defense a surjective function, mapping an infinite domain onto a finite conceptual area. Kant's model, of course, was unapologetically surjective as it sought to privilege *time* and *space* as concepts that filter a more complex reality. Where we differ from Kant is that whereas Kant took the abstract content of the terms, *time* and *space*, for granted, we understand their abstract content as a residue of a particular historical moment in the history of capitalism. Moreover, our discussion of Kant seeks not to deny the great utility of abstract time or abstract space in solving particular problems, confronted either in everyday life or in some branches of modern science. Rather, it is to insist that *abstract* space and *abstract* time were concepts of a specific character produced to meet the needs of their historically-specific questions (and indeed, the subsequent answers often provoke questions similar to their antecedents in a process known as reification).<sup>128</sup> And as a result, the historian's task of grasping the dynamics of *historical* and *social* change demands a more critical, flexible view of time and space as a sum of material relations and processes. We have, however, rather insisted on this view so far rather than developed it. To do so, we must bring together what the Newtonian conception disaggregates.

The Newtonian supposition of "space as container", while carrying a resonance of common sense with its practical usefulness, also functions as a philosophical Trojan Horse. If humans do not produce space, then humans remain fundamentally alienated from space. And since space is an abstraction from nature, then humans can be disaggregated from their natural environments. Yet, the silent move to alienate humanity from nature remains logically untenable. To exist, humans must labor and in labor, raw materials are reworked to produce

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<sup>128</sup> Georg Lukacs, trans. Rodney Livingstone, *History and Class Consciousness: Studies in Marxist Dialectics* (Cambridge: MIT Press, 1971), 89. For a rigorous defense of these ideas see, Georg Lukacs, trans. Esther Leslie, *A Defense of History and Class Consciousness: Tailism and the Dialectic* (New York: Verso, 2000).

means of subsistence. As a result, the process of human existence is also a process of environmental change, and hence of spatial change. Furthermore, there exists no space or nature that remains unmediated by human interaction. If humans must first produce a space or “container” in order to move one foot in front of the other, then any space is inherently a *lived* space. And indeed, to abstract from space is the intellectual hieroglyph of an action upon an object. As a result, the dynamics of any space will reflect the viscosity of humanity’s struggle to produce its own means of subsistence. And these spaces will assume different characters, will take different forms when the productive forces and the social relations structuring their employ vary over time. Indeed, this conclusion offers an opportunity to extend Althusser’s incantation that every mode of production secretes its own “peculiar time.”<sup>129</sup> For every mode of production also secretes its own ‘peculiar space.’

The secreted modal space of *capitalism* is characterized fundamentally by what Marxist geographer Neil Smith terms, “uneven development.” But Smith bestows upon “uneven development” a quite historically specific meaning. So although the geographical location of some industries often depends on variations in “natural environments,” the gravitational social pull these industries and their subsequent geographical locations exhibit owe their causes fundamentally to social processes rather than “natural” ones. Similarly, while the continual partition and (re)division of the labor process results in an expanding local differentiation within capitalist production, it remains far too isolated to characterize the totality of a *world* system. For Smith, “uneven development” results from the dynamics of capitalist *competition* over *time*. While neoclassical economic theory emphasizes a one-period model of capitalist competition where the arbitrage of capitals between different industries eventually produces universal market

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<sup>129</sup> Louis Althusser and Etienne Balibar, trans. Ben Brewster, *Reading Capital*, (Paris: Librairie Francois Maspero, 1968) 99.

saturation and long run profits of zero for all firms, Marx offers a dynamic model of competition that emphasizes its iterative effect on industrial organization. Competition produces not a democratic ruination of all but successive hierarchies of winners and losers. As capitals compete by attempting to increase what Marx calls the *concentration* of capital (the density of the workplace measured in units of *fixed* capital), the process of victory and defeat transfers capital from losers to winners in a process known as *centralization*. The highly unequal result of one period of competition also establishes the *starting point* of the next, producing an expanding differentiation among an already pre-existing differentiation over time. In other words, Marx's model of competition is uniquely suited to explaining uneven development given its privileging of *history* (starting points). Furthermore, the expanding spiral of *centralizing* competition finds a global register as capitalism inherits the political structures of *states*. The new bourgeois *nation-states* perform dual functions as both dense *centers* of accumulation as well as weapons for dueling national capitals on the international stage.

Pre-capitalist space on the other hand presents an enigma for systematic exegesis. Indeed, its inscrutable ciphers inspire only scholarly suggestions or speculative gestures from Smith who offers "pre-capitalist geographic space...as a mosaic -- a mosaic of exchange spaces (centers and hinterlands)...constituted by a well-developed market system."<sup>130</sup> This characterization seems mostly operational for Smith, who is far more concerned with explaining the dynamics of *capitalist* space. And indeed, Smith captures enough key differences for his purposes, especially by emphasizing, in the term "mosaic," the plethora of disorganized market centers with only ambiguous relationships to one another. Yet we lose in this highly descriptive definition any sense of the *pulsating* social processes of rhythm and production that secrete this

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<sup>130</sup> Neil Smith, *Uneven Development*, 180.



uniquely pre-capitalist space. Indeed, the phrase “a mosaic of exchange spaces” begs the question of what clears in these “exchange spaces.” Leaving the story here, one might reasonably conclude that these “exchange spaces” are nothing more than contiguous, introverted capitalisms, bordering one another in inexplicable isolation. But capitalism is anything but introverted if it is the spiral movement of an expanding process of *abstraction* from *laboring bodies*. While the “exchange-spaces” of capitalism trade in units of *abstract labor*, there is no reason to think that *pre-capitalist* spaces do the same. Indeed, the fundamental dynamic of pre-capitalist space is the viscous space of unprocessed, un-abstracted concrete labors. Insofar as these concrete labors imply a plurality of concrete labors, it is a misnomer to speak of a singular, integrated pre-capitalist *space*. Rather, pre-capitalist geography finds articulation in a *web* of *concrete labors*, throwing up a rugged terrain of spatial *concretions*.

Having established *pre-capitalist space* as a *web* of *concrete labors*, we demystify the behavior of pre-capitalist money as it traverses *pre-capitalist space*. Whereas previously, for example, money appeared to traverse *unevenly* across the coarse division between town and country, we can now explain this movement through the frustrated exchange of different concrete labors - those labors resistant to the measures of abstraction. This explains why coinage from the city failed to remain very long in the countryside. As urban monies traveled further towards the countryside from their emanating towns, their exchange-value increasingly resembled a half-life. First, the metallic representation of urban labor *literally* broke down through wear and erosion as it exchanged hands and was exposed to the natural elements of the environment. Second, since urban labors could more easily exchange with similar concretions than with rural ones, rural sellers used their urban monies immediately to purchase the goods of city producers. The result was a *monetary circuit*; briefly processing (rather than absorbing)

concrete urban labors and then rapidly expelling this urban money back towards their city origins. We can reasonably assume that the cash rents to landlords, representing the urban monies that rural peasants would not immediately expel in limited market exchanges with merchants, also returned money to the towns in a similar urban circuit.

Indeed, far from trivial or restricted to explaining the monetary behaviors of the marginal countryside, the *web of concrete labors* finds new, and entangled, expression in the enigmatic trappings of city-space. Rather than struggling islands of capitalism, sending forth merchants and monetary emissaries to the feudal countryside, cities now find themselves at the *intersection* of the many *concrete labors* of the feudal landholdings over which they dominate. This elegantly explains the corresponding plethora of various and confusing *monies of account* in these feudal urban settings. Whereas Lefebvre might argue that this feudal urban space offered a subversive homogeneity, obsequious to the abstracting measurements of antediluvian mercantile capital, his characterization fails to explain the phantom (in the fantastic forms of money) as well as lived struggles subject to opposing concrete labors to abstract measure. As a result, we capture the inherently *contradictory* dynamics of the urban environments of accelerating mercantile trade, whose tensions would find resolution in the transition to capitalism. Yet since cities are a *web of concrete labors*, we capture the best of the Political Marxist radicalization of feudal urban space while integrating the contradictory and catalytic features of the Classical Marxist analysis of the transition to capitalism.

To bring this analytical journey under dialectical supervision to a close, let's conclude. Our ambition in this paper aimed at specifying the mechanisms by which changes in systems of production are reflected in systems of exchange. This paper configures money as a malleable hieroglyph and mediator of *systems of exchange*. Moreover, as social relations change over time,

the malleability of money will find expression in money's differentiated behavior and function through historical change. We have, of course, acknowledged the relative autonomy between mediators and social relations. Nevertheless, we have at the same time insisted that the behavior of mediators always rests within a set of boundary conditions established by social relations within which it always-already remains embedded. In short, our study is one of analytically partitioning the historically *inflected* behavior of money through changing social relations. As an explanatory handrail, space finds a determinant as well as determined role in our analysis. Our intervention arrives following a particular historical moment, space *and* money having received renewed analytical scrutiny from scholars responding to the neoliberal inauguration of capitalism's latest iterative phase. This found a following, in turn, by many attempts to elaborate the novel features of capitalist *space* and emerging monetary forms. We have sought in this paper to extend these analyses by, on the one hand, exploring the novel features of *pre-capitalist monies* and *pre-capitalist spaces* and by, on the other, gesturing towards a *unitary* theoretical scaffold that brings them together as different moments of a singular process. Building upon a *social* interpretation of space as a process rather than an accomplished fact, we argue that transformations in the organization of *space* transfer changes in systems of production into their corresponding systems of exchange. Since molecular changes in one moment of a totality never remain isolated, but *travel* across the dynamic field, we offer, as a result, an inherently *spatialized* theory of money before capitalism.

In conclusion, pre-capitalist money distinguished itself in two principal ways. First, it differentiated itself through *dispersion* in a plural kaleidoscope of *monies of account* that ultimately failed to *store value*. These monies of account expressed the struggle to *measure value* in a disarticulated feudal space without an organized labor market trading in abstract

human labor. Second, its traversal over physical space remained far from even as it slowed and found itself frustrated upon exchange in rural feudal spaces and remained largely tethered to the seasonal rhythms constitutive of peasant agricultural production. To explain these phenomena, we have sought a spatial framework grounded within the social relations constitutive of pre-capitalist society. While capitalist society produces abstract, measurable spaces founded upon the inauguration of labor markets trading in abstract labor, pre-capitalist society represents a web of spatial concretions, finding concentrated (diluted) intersection in feudal towns (rural hinterlands). As a result, capitalist money is *necessarily* as novel as capitalist space and both are novel moments of a thoroughly historical and potentially transitory phase of human social organization, otherwise known as *history*.<sup>131</sup> Since the social organization of space modulates and aligns the tempos of production and exchange in a totality of social relations, our analysis suggests that peasant labor, wage labor and labor-for-itself (labor-beyond-capital) throw up different systems of exchange and, as a result, different organizations of social space. While our contribution has suggested the contradictions of pre-capitalist *concrete* space, embedded in a web of intersecting concrete labors in urban towns catalytic of antediluvian capital, the next task for theorists is to explore and establish the spatial contradictions of the *abstract* space current to our historical moment. Their resolutions will necessarily find a home beyond *abstract space*, *abstract labor*, and *money* – the three moments of the *historical* present.

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<sup>131</sup> Ibn Khaldun, trans. Franz Rosenthal, ed. N. J. Dawood, *The Muqaddimah: An Introduction to History* (Princeton: Princeton University Press, 1989) 35.

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Godspeed fedayeen.