

Some Uncomfortable Evidence on Slavery and Capitalism*

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ABSTRACTS

Die Sklaverei begleitete, ja förderte den Kapitalismus von seiner Entstehung an und blieb bis in die letzten Jahrzehnte des 19. Jahrhunderts an seiner Seite. Es gilt nun näher zu bestimmen, wie Kapitalismus und Sklaverei miteinander verbunden sind. Bei der historischen Analyse müssen wir uns bei jedem Schritt fragen, mit welcher Art von Sklaverei wir es zu tun haben, und sie in eine ganze Reihe verschiedener Modalitäten von Zwangsarbeit einordnen, die in einer bestimmten historischen Periode existierten. Wir müssen uns fragen, mit welcher Art von Kapitalismus wir es zu tun haben, denn auch der Kapitalismus unterliegt einer Entwicklung. Wenn wir die Sklaverei als Arbeitssystem betrachten, werden wir analysieren, wie dieses mit dem Kapital zusammenhängt und wie (in einer späteren Periode, als „zweite Sklaverei“) die Sklaverei mit dem Kapitalismus verbunden ist. Der Kapitalismus hat manchmal unfreie, unfreiwillige Formen der Arbeit geschaffen, sie manchmal subsumiert, aber immer gefördert. Aber die Sklaverei, als eine sehr spezifische Form der Zwangsarbeit, hat im Rahmen der Hegemonie des Kapitals besondere Merkmale.

Slavery accompanied, even promoted, capitalism from its birth and continued alongside it until the last decades of the 19th century. It remains for us to examine how capitalism and slavery are related. In the historical analysis we have to ask ourselves at every step what kind of slavery we are dealing with and place it within the set of coercive labour modalities that existed in a certain period of history. We have to ask ourselves what kind of capitalism we are dealing with, because capitalism is also subject to evolution. Considering slavery as a labour system, we will analyse the way in which it is linked to capital and (in a later period, as a “second slavery”) slavery is linked to capitalism. Capitalism sometimes created, sometimes subsumed, but always encouraged non-free, non-voluntary forms of work. But, the slavery, conceived as a unique form of coercive labour, has special characteristics within the framework of the hegemony of capital.

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Over the past two years, there have been strikes every week in Myanmar's manufacturing sector, mostly staged by young women reacting against precariousness, labour overexploitation, and the anti-union policies of companies. During the strike at a factory that produces bags for Dell computers, the female workers tried to organize a trade union and in turn were dismissed. On the social networks where they made their situation known, they posted a message announcing their protest with the conclusive sentence: "We are not slaves!" The term is repeated in "the rebellions and resistances that shape a new global, feminised and racialised working class that produces for large capitalist emporiums".¹ Capitalist emporiums, racialized labour, and the motto "We are not slaves!" are elements that, combined with each other, tell the story of the Western world over the last five centuries. Based on this observation, it is useful to delimit the *order of capital*, the labour systems, and the identification of situations in which there is overexploitation and the absence of rights with slavery. Social agents have confused forced labour and bare exploitation at different times: in the nineteenth century, it was denounced by the Asian indentured servants when they were put to work on the plantations of the Caribbean, alongside the African slaves, as well as by the wage earners themselves in the industrial cities of England when they refused to be treated as slaves – a precedent for what we hear in the modern globalized economy. We must distinguish these resilient voices from the persistence of slavery in some countries, the new forms of dependent labour, and the trafficking of female "sex workers", which resembles slavery.²

The wide variety of labour frameworks in worldwide production today contributes to a better understanding of how, in the past, voluntary work and an extensive range of jobs carried out under coercion coexisted in separate geographies and also in the same spaces. During the nineteenth century, in countries with liberal states, the use of direct coercion in the colonies and in Latin America was justified by appealing to local traditions (personal community service), to transitory conditions that served to establish work habits and to offer instruction in useful trades (*enganches*, and forced to find salaried employment), to obligations freely entered into (*peonaje por deudas*, those unable to leave the job until they pay off the debts they have with the employer), or to the weight of the colonial tradition that had given rise to conditions from which it was impossible to escape without falling into financial ruin. Many of these practices continued until the post-Second

1 J. L. Martínez, Mujeres, racismo y capitalismo (I), in: Ctxt 263, August 2020, <https://ctxt.es/es/20200801/Politica/32950/Josefina-Martinez-maquilas-industria-textil-esclavas-Asia-México-huelgas-lucha-obrera.htm> (accessed 1 August 2020).

2 K. Manzo, Modern slavery, global capitalism and deproletarianisation, in: West Africa, Review of African Political Economy 32 (2005) 106, pp. 521–534; K. Bales, Disposable People: New Slavery in the Global Economy, Berkeley 1999; K. Bales, Slavery in its Contemporary Manifestations, in: Critical Readings on Global Slavery, Leiden 2017, pp. 1660–1686; J. Allain/R. Hickey, Property and the definition of slavery, in: The International and Comparative Law Quarterly 61 (2012) 4, pp. 915–938; J. Allain, Contemporary Slavery and Its Definition in Law, in: A. Bunting/J. Quirk (eds.), Contemporary Slavery: The Rhetoric of Global Human Rights Campaigns, Ithaca/London 2017, pp. 36–66.

World War period.³ In all cases, the explanation dissociated these forms of labour from the pressure of capital, under which they had been originated or recreated.

At this point, we can offer a first appraisal: capitalism uses any labour system to achieve its goal of accumulating profits just as it adapts itself to very different political regimes. Hence, if it can choose, capital prefers countries where workers have no or only partial social rights, since rights make the cost of labour more expensive and prevent or limit overexploitation. However, the use of non-voluntary/non-free forms of work – or that is to say, carried out in conditions where the extent to which they are carried out voluntarily is debatable – does not prevent us from assuming the thesis that classical economics deemed to be unquestionable: capital's preference for wage-earning labour, since this adjusts the volume of labour force employed at any given moment (and, consequently, the committed working capital) to the productive needs that are matched with the demand for the goods that are produced. The market in which workers offer their productive force, with more or less steady inflows of labour capacity, allows remuneration to be adjusted in a direct way (either imposed or negotiated) or by resorting to types of contracts that curtail the conventional employee's working hours. This premise has been – and still is – the subject of discussion in recent decades.⁴ Classical economics firmly established it on the basis of two considerations:

(a) The constant trend towards market expansion and commercial logic, which includes not only the exchange of material goods but also the exchange of working capacity converted into tradable goods. This happened at a time when, in Europe, people were detaching themselves from the links that tied them to the territory and to the community, and the increase in population seemed to guarantee an expansive supply of the labour force.

(b) In consequence, economists devoted little attention to the formation of labour markets in a relatively short time, in step with the spread of capitalism. Potential wage earners, employed for a day's work, had no alternatives and would have to value positively a regular and stable income that ensured their own subsistence and that of their families. This trend has been noticeable in Europe since the end of the eighteenth century, following the dissolution of manorial ties and the creation of an extraordinary surplus of agricultural population during the nineteenth century. Part of the surplus population emigrated to America, where they set up similar conditions in the industrial urban centres and agricultural estates of countries, such as Brazil, Argentina, and Uruguay.

3 See W. Kloosterboer, *Involuntary Labour since the Abolition of Slavery. A Survey of Compulsory Labour throughout the World*, Leiden 1960.

4 T. Bass, Some Observations on Unfree Labour, Capitalist Restructuring, and Deproletarianization, in: *International Review of Social History* 39 (1994) 2, pp. 255–275; T. Bass, *Towards a Comparative Political Economy of Unfree Labour: Case Studies and Debates*, London/Portland 1999; T. Brass, *Capitalist unfree labour: A contradiction?*, in: *Critical Sociology* 35 (2009) 6, pp. 743–765; T. Brass/M. van der Linden (eds.), *Free and Unfree Labour. The Debate Continues*, Bern 1997; M. van der Linden/M. Rodriguez Garcia (eds.), *On Coerced Labor: Work and Compulsion after Chattel Slavery*, Leiden/Boston 2016.

The historical process we have mentioned was more complex, and the relationship of capital to labour (voluntary and forced) holds far more sophisticated problems than the free choice of how to exploit labour and to gain the maximum profit from it beyond the workers' resistance to accept it. Capitalism is a specific social way of producing commodities that differs from other known modes of producing commodities because this condition is not exclusive to a particular mode of production.⁵ Considering slavery as a labour system, we will analyse the way in which it is linked to capital and slavery (in a later period, as the *second slavery*) is linked to capitalism.

1. The Historical Roots of Capitalism and the Place of Slavery

For some time now, a number of historical studies have been pointing to an uncomfortable certainty: capitalism came into being and grew on the shoulders of slavery through the trafficking of human beings and slave labour.⁶ The “conquering bourgeois”, the legion of pioneers of the open economy, not only used their effort and ingenuity but also risked their savings and investments to lay the foundations of the industrial society by themselves, even though this is the epic tale that business schools, advocates of entrepreneurship, and the editors of *The Wall Street Journal* like to repeat. The African slave trade had been around since the fifteenth century, and slave labour fuelled the profits of, first, commercial capital and, later, the industrial system in which it was embedded.

By *order of capital*, we are referring to its internal operating logic, origin, evolution, and historical articulation, that is to say everything that endows it with a reality over and above the abstract economic notion. The study of the relationship between slavery and capitalism cannot disregard the historical character of the two concepts and the realities that define each of them nor the economic and social logic that makes them operational. The challenge, in this sense, is twofold. It is not enough to allow ourselves to be led by evidence such as the accumulation of profits and unscrupulous social exploitation unless our aim is to reconstruct the history of greed.

Karl Marx presented slavery in the New World as one of the “fundamental factors in the primitive accumulation” of capital, that is to say the accumulation that precedes the capitalist mode of production. “It may be called primitive”, he says, “because it is the historic basis, instead of the historic result of specifically capitalist production”.⁷ Marx makes a

5 “No matter what the basis on which products are produced, which are thrown into circulation as commodities – whether the basis [...] of slave production [...] or the capitalist basis, the character of products as commodities is not altered, and as commodities they must pass through the process of exchange and its attendant changes of form.” K. Marx, *Capital. A Critique of Political Economy*, New York, 1967, III, p. 222.

6 D. Tomich, *Through the Prism of Slavery. Labor, Capital, and World Economy*, Lanham/Oxford 2004; E. E. Baptist, *The Half Has Never Been Told: Slavery and the Making of American Capitalism*, New York 2014; S. Beckert, *Empire of Cotton: A Global History*, New York 2014; S. Beckert/S. Rockman (eds.), *Slavery's Capitalism: A New History of American Economic Development*, Philadelphia 2016; D. Tomich (ed.), *Slavery and Historical Capitalism During the Nineteenth Century*, Lanham 2017.

7 Marx, *Capital*, I, p. 440.

distinction between a specifically capitalist production system, which can be identified as emerging with the Industrial Revolution, and a long previous stage of social formations, in which forms of production that anticipate capitalism were advanced, without constituting a dominant regime – in the same way that in the mediaeval period, here and there, capital began to create conditions for its development.

In his theoretical and historical exploration of primitive accumulation, Marx refers both to the use of slaves and other forms of subjugated labour in the production of fruit and to the Atlantic slave trade as that colonial system as well as “the turning of Africa into a warren for the commercial hunting of black-skins” – both based on violence, he says – “signalis[ing] the rosy dawn of the era of capitalist production”.⁸ In relation to a second phase, concerning full coexistence between manufacturing works and slave plantations, he warns of the existence of links between the two, which were not accidental but structural and based on reciprocity. The consequences of this relationship were manifested in two aspects: on the one hand, the economic and social, together with the massive supply of cheap materials and with the influence of slavery on the formation of the wage-earning industrial proletariat, and, on the other hand, the influence of the capitalist conception of production on the organization of slave labour, which is why he refers to nineteenth-century slavery as “industrial slavery” to differentiate it from the previous form (which he somewhat inopportunistically describes as “patriarchal”). What Marx does not do is to specify the way in which the slave plantation is integrated into the new system. In several passages of his work, he gives the idea of being before a time anomaly; in others, it can be deduced that the plantation has been subsumed into a wider system, which partly modifies the slave regime and partly preserves it as an exception within a system governed by capital and the exchange of goods. It does not matter how the goods have been produced, he says, which implies the simultaneous existence of a non-capitalist form of production that in no way modifies the placing of goods in circulation and their confrontation in the market where surplus values are realized.⁹ The theses associated with the *second slavery*, coined by Dale Tomich, have provided some of the most pertinent questions and the most convincing solutions regarding this integration in the world economy of the nineteenth century.¹⁰

The classical school of economics, starting with Adam Smith, without exception, considered production based on slaves to be more expensive, less efficient, and contrary to technological innovation and was therefore a hindrance destined to disappear. However, one author of this school, Jean-Baptiste Say, in the first edition of his *A Treatise on Politi-*

8 Ibid., p. 533.

9 Marx, *Capital*, II, p. 291; Marx, *Capital*, III, p. 222.

10 D. Tomich, *The ‘second slavery’: bonded labor and the transformations of the nineteenth-century world economy*, in: F. O. Ramirez (ed.), *Rethinking the Nineteenth Century: Movements and Contradictions*, Westport 1988, pp. 103–117; Tomich, *Through the prism of slavery*; D. Tomich, *Espacios de esclavitud: tiempo/ tiempos del capital*, Valencia 2019; D. Tomich, *La segunda esclavitud y el capitalismo mundial: una perspectiva para la investigación histórica*, in: *Historia Social* 90 (1998), pp. 149–164; R. Blackburn, *Why the Second Slavery?*, in: D. Tomich (ed.), *Slavery and Historical Capitalism during The Nineteenth Century*, Lanham/London 2017, pp. 1–35.

cal Economy (1803), considered that slavery, from an economic point of view, was profitable for the owners. Cost calculations proved that labour was cheaper, and evidence of prosperous estates showed that the plantation owners made high profits when they knew how to supervise the work properly and managed it well. Without making it explicit, Say looks at slave production with the same analytical criteria as he would a capitalist production unit. In doing so, he anticipates David Ricardo and the neo-classical school. Twentieth-century Marxism addressed the question again by trying to explain the simultaneity of social regimes in an era of expansion of advanced capitalism – when large regions were incorporated into the capitalist economy using forms of labour that included extreme dependence and coercion, then defined as semislavery, or dispensing with any “free” contractual relationship, even if a salary was paid. This was followed by interpretations by historians, including neo-Marxists and post-Marxists, who took this diversity back to the past and inserted it into a remote capitalism.

In *Capitalism and Slavery* (1944), Eric Williams argues that the slave trade and plantation of the eighteenth century contributed to the birth of British industry by providing the mother country with capital, foreign demand in Africa, and cheap materials.¹¹ Williams believes the two production systems to no longer be compatible when industry took off and called for free trade policies. His theses shed light on the problem, and his work has not ceased to arouse rereads and criticism of the quantitative contribution of capital formed in slavery to the Industrial Revolution, the economic causes of abolition of slavery, and the direct relationship between the slave trade and capitalism.¹²

Primitive accumulation? An instrument of capitalism or its expression since the Renaissance? Subordination to a dominant system in the modern age or only in the nineteenth century? From a historical perspective, a first question consists in examining the European societies that played the leading roles in the first economic globalization following the “discoveries” and the conquest of America to determine just how capitalist they were. Answering any of the questions posed is just not feasible without first having solved this problem.

A considerable and varied amount of work has been carried out in research on the development of an agrarian capitalism in Western Europe since the sixteenth century and its different evolution. The Brenner debate reported on this four decades ago. Not once does it mention the colonial market or the Atlantic area. But here it is interesting to note another issue: from the controversy, it is clear that only England evolved in the seventeenth century towards a capitalist-based agriculture in which the landowner/tenant concentrated ownership, “freed” surplus agricultural labour, and succeeded in creating an internal market (of which the authors omitted the colonial opening that brought with

11 E. Williams, *Capitalism and Slavery*, Chapel Hill 1944.

12 R. Anstey, *The Atlantic Slave Trade and British Abolition, 1760–1810*, Aldershot 1975; S. Drescher, *Econocide: British Slavery in the Era of Abolition*, Pittsburgh 1977; S. Drescher/E. Williams, *British Capitalism and British Slavery*, in: *History and Theory* 26 (1987), pp. 180–196; B. L. Solow/S. L. Engerman (eds.), *British Capitalism and Caribbean Slavery. The Legacy of Eric Williams*, Cambridge, UK 1987; E. Williams, *The Economic Aspect of the Abolition of the West Indian Slave Trade and Slavery*, ed. by D. Tomich, Lanham 2014.

it a growing demand for processed goods), thanks to the development of a middle class. The Netherlands managed to specialize its agriculture, but its production in the capitalist sense was conditioned by a European market that was still characterized by feudal structures, resulting in the agricultural structures facing a crisis in the mid-seventeenth century.¹³ The retraction of European trade, basically in agricultural products, was accompanied by an extensive crisis that led to very different outcomes: England, thanks to its revolution, took a slow but steady path towards capitalist relations; other Western European countries, with more or less intensity, saw the restoration of feudal obligations. What interests us here is the appearance of the Netherlands, England, and then France in colonial trade in the first half of the seventeenth century and the later consolidation of their positions in the second half, which was accompanied by their participation in the Atlantic slave trade and the founding of plantations growing sugar and other fruit. This coincided with the decline in the volume of trade in ordinary goods in the Old Continent. Extraordinary goods, with high profits, were replacing ordinary goods, even though they were targeted towards a smaller and more select consumer market. Until the eighteenth century, as Fernand Braudel reminds us, “a huge subsistence sector [...] remained essentially entirely outside the exchange economy”, living closed-in on itself.¹⁴ Despite claiming that Immanuel Wallerstein’s views were essentially the same as his own, Braudel rightly points out that there were differences between the two on certain specific points and general ideas. The main difference lay in the use of the notion *world economy*, created by Braudel to explain the existence of more or less centralized and coherent economies, which coexisted and were related to limited exchanges. For Braudel, the world economies that succeed each other in Europe were the “matrices of European and world capitalism”. Conversely, Wallerstein was only interested in the capitalist world economy, which, he says, has appeared and expanded in the world since the sixteenth century: “This system was based on two key institutions, a ‘world’-wide division of labour and bureaucratic state machineries in certain areas.” While economic decisions were oriented by the world economy, policies were oriented towards smaller structures, the nation-states, he adds. Little does it matter that, along with Braudel, he accepts that the new world economy was “vast but weak”, as was the case between 1450 and 1640.¹⁵ What is the international division of labour that has been referred to? Is it slaves on sugar plantations and mining developments in the Americas, serfs on large estates in Eastern Europe who grow grain for the market, or tenants and agricultural wage labourers who produce for the market in Western and Southern Europe.¹⁶ The centre of the world economy assigns functions to each area or makes use of the conditions that can be adopted in each of them. In this way, capitalism becomes omniscient and omnipotent, a new demiurge that assigns functions and distributes forms of production for its benefit,

13 T. H. Aston/C. H. E. Philpin (eds.), *El debate Brenner. Estructura agraria y desarrollo económico en la Europa pre-industrial*, Barcelona 1988.

14 F. Braudel, *La dinámica del capitalismo*, Madrid 1985, p. 49.

15 I. Wallerstein, *El moderno sistema mundial*, 3 vols., Madrid 1979–1999, I, pp. 89 and 94.

16 *Ibid.*, p. 120.

all based on the authority concentrated in small states. Finally, Wallerstein defends a principle that, according to him, does not need to be proved: “the ‘relations of production’ that define a system are the ‘relations of production’ of the whole system, and the system at this point in time is the European world-economy”, which he has previously characterized as capitalist. From this, he deduces the following: “*Free labor is indeed a defining feature of capitalism, but not free labor throughout the productive enterprises. Free labor is the form of labor control used for skilled work in core countries whereas coerced labor is used for less skilled work in peripheral areas.* The combination thereof is the essence of capitalism.”¹⁷ Is it really? Why would it be, in historical terms?

“Labor control” appears in this explanation as the core of the organization of the productive system, with the form that the work takes playing a secondary role. Hence, the social relations of production established by individuals cease to respond to a process backed by active subjects who are conditioned by their means of subsistence and their relationship with the means of production; as a result, they become pawns in a strategy designed by capitalists. Consequently, the enslavement of Africans on plantations developed in the Caribbean between 1640 and 1750 as “the optimal form from the economic point of view for the bourgeois producers who configured, both through the legal system and the market, the basic relations of production in the region”.¹⁸

For Braudel, the European world economy in the mid-seventeenth century “implies the juxtaposition and coexistence of societies ranging from the already capitalist one of Holland down to those based on serfdom or slavery”.¹⁹ If England is then added, few fundamental things change in that scenario if we move into the eighteenth century. Now, following Braudel, the simultaneity of societies (capitalist in the centre, i.e. the Netherlands/England; slave-owning in America; serfdom in Eastern Europe; and a system with few free peasants and imperfect exchanges in the Baltic, Great Britain, and Central and Southern Europe) “reconsiders all the problems at once” because the nascent capitalism lives off this stagger that transfers resources from the central to the intermediate to the peripheral areas. But Braudel adds a consideration that breaks the unidirectionality and calls for a “reciprocity of perspectives”²⁰: the periphery depends on the needs of the centre, and the dependence on the supplies from the periphery led the centre to reinvent slavery in the New World.

2. Slavery: A Historical Social Relationship

Slavery accompanied, even promoted, capitalism from its birth and continued alongside it until the last decades of the nineteenth century. It remains for us to examine how capitalism and slavery are related. We know some of the consequences. Because the enslave-

17 Ibid., pp. 179–180.

18 Ibid., II, pp. 243 and 289.

19 F. Braudel, *La dinámica del capitalismo*, p. 105.

20 Ibid., p. 106.

ment of Africans for so long and until so late was a model of labour and legal racialization and because degrading stereotypes that morally justified or excused their subjugation were created over so much time, slavery became the historical and ideological foundation of modern racism.

As the second uncomfortable revelation, capitalism uses all forms of the exploitation of labour to accumulate capital – a process capitalism calls “growth” – after identifying “wealth” with material goods and their equivalence in money, regardless of the average level of people’s well-being. However, the fact that capitalism uses all forms of production – forms that were created by the system itself, forms that come from previous eras and have been preserved, hybrid forms that have their origins in the degradation of one or the other, or forms that have not yet managed to become established – does not mean that it converts each into capitalist relations or into variants of capitalism. Sidney Mintz reminds us that free and compulsive labour correspond to different production systems and cannot be confused. Neither should slavery be interpreted by capitalism, with which it temporarily coincides, to which it contributes, and to which it is subordinated in the creation of a global market.²¹

If slavery is a distinctive social relationship, then it is also a historical social relationship. Slavery is historical in a double sense. On the one hand, slavery dominated the societies of antiquity and a good part of the American subtropical regions from the sixteenth to eighteenth century (with characteristics different from the earlier one) while maintaining a notable presence in the Middle Ages and the Renaissance in Mediterranean Europe (as a secondary relationship, without being predominant anywhere, sometimes confused with other forms of civil and military captivity), and it played a very important role in the formation of Western capitalism from the eighteenth to the nineteenth century. On the other hand, slavery not only underwent changes throughout history but also played different roles and related in different ways to the societies in which it was present.

In modern times, it cannot be denied that production as a result of slaves on the plantations of Brazil, Cuba, and the United States forms part of the expanded reproduction of capital, typical of stable capitalism, in the same way that, throughout the nineteenth century, the slave trade continued to constitute a source of primitive accumulation of capital for establishing capitalism. In fact, slavery has been preserved and increased, regardless of the fact that it goes against human dignity, because the role it plays has been adapted and because it constitutes an element of capitalist economics. It is not only an important part of the capitalist machinery because it provides cheap goods and lowers the costs of the production of commodities in general but also a piece of the capitalist economy because, at the stage when the Industrial Revolution was taking off and becoming firmly established, it increased average overall productivity and, with it, conditioned labour in the most developed countries, where competitiveness must be increased. Free and slave labour do not compete in the production of the same goods, but those produced by one

and the other are exchanged for equivalent values. For instance, in the border regions between slave and free labour, it was recognized in 1861 in the state of Virginia that the cost of production was regulated by the cost of slave labour and that there was no competition with the white worker.²²

That they were not radically divided labour experiences (independent of each other) any more than the capital accumulated in the slave trade and on the slave plantations was oblivious to the growth of the great British trading houses, later related to lending or to directly investing in industry. The same is true of the Spanish merchants and plantation owners established in Cuba and their subsequent investments in industry, railways, banking, and real estate in the mother country as well as the links with the Spanish slave trade of the New York financiers in the nineteenth century, the shipyards that built slave vessels, and the plantations in the South.

In this historical analysis, we have to ask ourselves at every step what kind of slavery we are dealing with and place it within the set of coercive labour modalities that existed in a certain period of history. We have to ask ourselves what kind of capitalism we are dealing with because capitalism is also subject to evolution. Braudel invites us to distinguish between market economy and capitalism. Since the fifteenth century, he tells us, market economy and capitalism have been on the rise. The market economy, “in full expansion”, covers vast areas but suffers from a lack of density, he adds. Capitalist achievements are brilliant and reach a sophisticated level, but they do not affect economic life as a whole or create a mode of production of their own that tends to become generalized. This capitalism, which Braudel describes as mercantile, is a long way from dominating the market economy. Both groups of activity “were in the minority until the eighteenth century”.²³ On the other hand, the market economy continues to expand and to do so ever more rapidly, connecting economies and markets to each other – the latter by means of some exceptional commodities that reach high prices. In this regard, precious metals play an early and essential role by providing a measure of value in the form of money.

The danger (the historian warns us) lies in confusing the most dynamic aspects of an economy and the market (those that, because of their novelty, have attracted the most attention from scholars) with the vast whole, which, until the nineteenth century, had been little more than a fairly sizable vessel on the ocean of an everyday life largely removed from the market economy and capitalism, although the vessel sometimes guides the course of that life.²⁴ Pierre Vilar also invites us to distinguish between the sign and the trend. Not until the second half of the eighteenth century were the conditions created for the development of a capitalist mode of production as a coherent whole, based on the mass production of commodities and on profits extracted in the form of surplus value, which offers steady growth and distances itself from random speculation on fruits

22 F. L. Olmsted, *The Cotton King. A traveller's observations on cotton and slavery in the American slave states*, New York/London 1862 [1st edn 1861], p. 11.

23 Braudel, *La dinámica del capitalismo*, p. 50.

24 *Ibid.*, p. 52.

coming from isolated and distant markets. Only then does capital become the determining core of the society that can henceforth be recognized as capitalist.²⁵

3. Read the Classics

Since the end of the eighteenth century, contractual ties involving work for pay have been announced everywhere as an unmistakable sign of progress. Adam Smith, among others, theorized this and includes it in his framework of political economy. It is the most rational solution insofar as it implies simplicity (it is based on an agreement), reciprocity (it is merely a mercantile relationship between individuals), and economy. Capital does not have to bear the unnecessary costs of waiting for the worker to become an adult and fully productive, nor does it have to maintain him when demand drops and production shrinks; meanwhile, the worker finds regular employment and income to sustain himself and, in that sense, boosts the demand for consumer goods.

Smith associates wage labour with the convenience of the modern enterprise as more efficient and more profitable than slave labour: “the work done by slaves, though it appears to cost only their maintenance, is in the end the dearest of any.” The interest of the slave, devoid of any motivation to accumulate and acquire property, is only to eat as much and work as little as possible; hence, the only way to extract an effort from him beyond the cost of maintaining him is through the use of violence. It is obvious that Smith underestimates the effects of violence on slaves in order to achieve the intended purposes. He believes that a labour market based on the action of economic and social agents was more advantageous. However, he recognized that on the plantations of the colonies, particularly those dedicated to sugar and, to a lesser extent, tobacco, because of their very high profits, the cost of slaves could easily be sustained.²⁶ Marx’s view of the profitability of slavery is the same, and it is not difficult to find where he gets his reference from: only the huge profits made by the plantations absorbed the large expenses involved.

It is often forgotten that Smith’s work is a historical intellectual product. *The Wealth of Nations* was published in 1776, the year the Thirteen Colonies declared their independence, two years before James Hargreaves patented the spinning jenny, and three years before Samuel Crompton applied steam power to the mule jenny, allowing the spinning wheel to operate 400 spindles at a time. In 1785, Edmund Cartwright invented the mechanical loom, and in 1793, Eli Whitney invented the cotton gin. In just over a decade, the foundations of the modern textile industry were laid, and the boom in slave-produced cotton became the paradigmatic expression of the Industrial Revolution and the most burgeoning capitalism. In 1805, the United States accounted for 70 per cent of the world market for this fibre, whereas in 1784, it did not even export it. Here, too, the extraordinary profits made it possible to pay for slave labour, in Smith’s conception. The

25 P. Vilar, *Capitalismo*, Barcelona 1988, pp. 12 and 31.

26 A. Smith, *Investigación sobre la naturaleza y causa de la riqueza de las naciones*, Mexico 1987 (5th edn), pp. 78–79.

Scottish economist overlooks coffee production in Saint-Domingue and was unaware of how it developed in Cuba. Nor was he able to evaluate the level of importance that sugar was to reach in Cuba and Brazil. The increase in demand and the rise in coffee prices after 1815 stimulated plantations in the Rio de Janeiro region; by 1835, Brazil was the world's largest coffee producer, and most of the labour on the plantations was carried out by slaves. Slavery did not decline as the capitalist industrial economy advanced and wage labour developed, but grew with it, was used in production for industrial or private consumption in the most advanced societies, and was embedded in the economic, mercantile, and financial structures of capitalism.

In the 1850s, Marx became interested in American slavery (and virtually ignored that of Brazil and Cuba), while working on the *Capital: Critique of Political Economy* and earning a livelihood writing for the *New-York Tribune*. When he took the subject up again, the crisis between North and South was on the rise and was to lead to the Civil War in 1861. But in no way were his views the result of any specific research. So there is no systematic explanation, and some of his notes contradict each other. However, slavery is present in different passages of *Grundrisse* (1939) and in *Capital* about primitive accumulation, the circulation of goods, and the formation of wage labour. There are three brief fragments in which he expresses his views on the relationship between slavery and capitalism. In the first, he acknowledges the contradiction between slave production and capitalism in the nineteenth century but then points to the link between two production systems in which capital is predominant: “*Negro slavery* – a purely industrial slavery – which is, besides, incompatible with the development of bourgeois society and disappears with it, *presupposes* wage labour, and if other, free states with wage labour did not exist alongside it, if, instead, the Negro states were isolated, then all social conditions there would immediately turn into pre-civilized forms”,²⁷ he says. But he then goes on to specify that the conditions in the slave states are subordinated to the existence of “other free states with wage labour” alongside “that slavery”,²⁸ which implies the demarcation of systems even if they condition each other. Slavery in the South was an industrial form of labour, viable – precisely – in relation to the regions of the country where slavery was not in use and even of other non-slave countries, that is to say of national and international capitalism. In another passage, he alludes to the role of the cotton industry, which gave “a stimulus to the transformation of the earlier, more or less patriarchal slavery, into a system of commercial exploitation”.²⁹ Lastly, he is more explicit, although he does not develop the idea at all: “The fact that we now not only call the plantation owners in America capitalists, but that they *are* capitalists, is based on their existence as anomalies within a world market based on free labour”.³⁰

27 K. Marx, *Grundrisse. Foundations of the Critique of Political Economy*, Martin Nicolaus (trans.), London 1973, p. 223; <https://www.marxists.org/archive/marx/works/1857/grundrisse/ch04.htm>.

28 Ibid.

29 Marx, *Capital*, I, p. 538.

30 Marx, *Grundrisse*, p. 464; <https://www.marxists.org/archive/marx/works/1857/grundrisse/ch09.htm>.

An anomaly? A deviation in time? Marx, like his predecessors in the classical school, considers slavery to enshrine a system that was inefficient, unprofitable, and opposed to the development of technology and productivity because it rested upon an unmotivated worker whose main incentive was to avoid punishment and not to ensure increased production for his own benefit. Slave plantations were costly for several reasons: they required a permanent supply of workers both at sowing and harvesting times and during “downtime”. More importantly, slaves represented the immobilization of a significant part of the capital needed to produce, thereby altering the organic composition of capital. This was due to the fact that the variable capital item related to the cost of labour being charged as constant capital, which was more burdensome because the slave represented the largest item, above the cost of land and technology.

Unlike intensive agriculture, which is based on capital investment and the worker’s intelligence and energy, writes Marx elsewhere, “[t]he cultivation of southern export goods – cotton, tobacco, sugar, etc. – by slaves is only remunerative insofar as it is carried out with large numbers of slaves, on a large scale and over vast areas of naturally fertile land, which require no more than simple labour”.³¹ It is in this text that we can see that the thinker has only partially understood the nature of modern slavery because he does not perceive the importance of capital investment in communication networks and in the mechanization of certain productive processes of the plantation.

The high profits of the plantations absorbed the high costs, says classical economics. But how could profits be so high if the work was inefficient and expensive? The explanation usually given is the high external demand for the products and, in the case of cotton, the situation of a near-monopoly. But in actuality, the prices of cotton, sugar, and coffee fell in the nineteenth century, and yet slave production did not stop growing until the middle of the century. The key seems to lie in the introduction of technology at certain stages of production and in the cheaper land and sea transport network – which appears to be linked to a considerable increase in transport capacity (from carts to railways), the consequent increase in the size of plantations, the organization of work in an “industrial” sense, and also, in short, the effective cost of labour.

Around 1843, for example, the average price of a plantation slave in Cuba was 450 pesos. A salaried black carpenter with three assistants, earned around 1,500 pesos a year.³² Deducing that the salary of the specialist accounted for half that amount (or perhaps reached 800 pesos), the slave would have more than offset this outlay in two years, and giving him an optimal working life of 15 years, not counting his sustenance, would have generated benefits equivalent to the cost of hiring 26.6 salaried workers. Bearing in mind that we have compared a specialized worker and common labour force and that the average working life of a slave working the fields was 20 years, the equivalent in working capacity would be around 40 salaried workers.

31 K. Marx, *La Guerra Civil norteamericana*, Die Presse, 25 October 1861, in: A. Lincoln and K. Marx, *Guerra y emancipación*, ed. by A. de Francisco, Madrid 2013, p. 141.

32 A Physician [J. G. F. Wurdeman], *Notes on Cuba*, Boston 1844, p. 152.

The second advantage was their availability: nothing guaranteed that day labourers would show up for the next harvest or would do so for the same wage, whereas the slave constituted a permanent reserve of labour power. Admitting also that yields were lower in slavery, the difference is still so great in favour of slavery that this alone explains its continuity, provided that the conditions for it were met. And such circumstances exist in those economies that are integrated within the capitalist system.

4. The Formation of Labour Markets and Coercive Labour

Classical economics omitted the historical process of establishing labour markets based on the exchange of working capacity for a wage within a framework of regular obligations; such an approach took it for granted in the short or medium term, as this was how it was shown by the European experience as was indicated by the logic of economics and the survival of those deprived of other means. Slavery and other forms of coercion would gradually fall back on the logic of profit provided by the model described above. Marx welcomed this explanation and took it further by associating it with his labour theory of value and the creation of surplus value.

In dealing with modern colonization and drawing conclusions from it about the wage-earning worker in industrial countries, Marx explains how in the colonies where means of production abound and are “available” for occupation the immigrants avoid being tied to a wage and disengage themselves from the obligations that have brought them there in order to embark – as far as they can – on the adventure of independent production. We can see that the origin of coercive labour in America is inseparable from the subjection of the native population (enslaved, *encomendada*, *tributaria*, and *mitaya*) and from voluntary (indentured servants and apprentices) or forced immigration (enslaved Africans) in tasks (agriculture and mining) that required a certain workforce, in volume or in a position to be employed in specific activities that did not allow for any delay. This need was met in some countries by voluntary work, where possible, for example in mining.

In Latin American countries where slavery had been abolished, in the nineteenth century, different variants of *enganche* (wage labour committed for a number of years under the authority of the contracting party) were commonplace modes of working. These included *conchabo* in Argentina and Uruguay, *cuadrillas* in Venezuela, *peonaje* in Mexico and Central America, and the extensive system of indentured servants that was to be practised with Asians (Indians, Chinese, and Indonesians), shipped not only to the Caribbean but also to California, Central America, Peru, South Africa, British West Africa, Réunion, and other European domains. In Puerto Rico, the *libreta regime* was introduced in 1838. This consisted in a document that stipulated that peasants were hired as day labourers for a certain number of days in order to promote compulsory labour. In Peru, the indigenous “Service to the Republic” was established for community works. This was a form of service (similar to *corvée*), also existing in other countries until the early twentieth century, including some municipalities in Spain, in which those who

were exempt from taxes due to their poverty were obliged to participate. The system of compulsory labour in the Dutch East Indies largely outlasted slavery in the strict sense, whereas the forced plantation system generated indirect piecework, exercised by free agricultural workers deprived of any choice and subjected to the double extraction of compulsory production for export and high tax burdens. From the late nineteenth century, with European expansion in Africa, compulsory labour and forms of semislavery became widespread, and they remained so until after the Second World War. One of the characteristics of non-voluntary work in the nineteenth and twentieth centuries is its racialization: the fact that it was performed mostly by “non-Caucasians”.

Capitalism sometimes created, sometimes subsumed, but always encouraged non-free, non-voluntary forms of work. And thanks to this, in each of these regions, it obtained extraordinary rates of profit, that is to say higher than the average rate of return on capital in each era. Slavery, conceived as a unique form of coercive labour, has special characteristics within the framework of the hegemony of capital.

The coexistence of forms of work that presuppose alternatives is a fact whose persistence and extension question the association between capitalism and wage labour as an unequivocal model. At the same time, this coexistence opens the door to the interpretation of an economic system that favours a certain labour system (waged labour) without renouncing the use of previously existing systems in those regions where they are established and makes it possible to preserve those systems in the most convenient productions. The relationship is so extensive and long-lasting that it even makes it possible to discuss the premise that we have written earlier: it is up to capitalism to promote “free” contractual labour, with the new system having no absolute preference unless certain conditions are met.

Rosa Luxemburg first questioned the thesis of the exclusive practice of free labour in capitalism in *The Accumulation of Capital* (1913). There, she dealt with world overproduction, relative capitalist underconsumption, and the role of non-capitalist economies in the process of the expanded reproduction of capital – aspects that, in her opinion, had not been well resolved by Marx in volume II of *Capital*. Capitalism extended its markets into the world, she says, because it is the consumption in non-capitalist countries that provides a basis for European industrial expansion. For the purposes of the (expanded) accumulation of capital, the realization of surplus value cannot be limited to a society with only capitalists and workers. With its expansion, capital also contributes to displacing pre-capitalist forms of production and integrates their economies, while supplying itself with goods it does not produce and benefiting from their lower production costs. By shifting the continued growth of capital from production to effective demand, the expanding market was not just the only way to make this possible, through the creation of incentives for investment abroad. The market also provided an opportunity to examine the relations between capitalist and non-capitalist economies. In *Imperialism and World Economy* (1915), Nikolai Bukharin relates the exportation of capital and the narrowing of areas of influence by the industrialized countries to the international division of labour, which is a variant of the social division of labour known in national economies that

takes into account the difference in “culture” and in the development of the productive forces.³³ The notion of the international division of labour had been advanced in *The Accumulation of Capital* but received very little attention.

Although Luxemburg holds that imperialism, the last stage of capitalism, is a new phase due to the role it grants to the continuous exchanges between capitalist and non-capitalist areas, she does not find any barriers between capitalism in its classical stage and imperialist capitalism or between the former and the primitive accumulation of capital. The development of capitalism includes non-economic factors (violence as a vehicle of the economic process) both in the phase of primitive accumulation and in its extended reproduction, which is one of its constants throughout history. Thus many of the characteristics that should be unique to the most recent phase – on which the study focuses on and to which the few specific (economic, social, and historical) mentions contained in the work refer – are transferred to the characteristics of capitalism and more particularly to the goods, investment, and labour market, conceived in a global dimension.³⁴

The history of accumulation and capital shows that the means of production and consumption were not made exclusively in a capitalist process of production, Luxemburg says. We often find that the material elements of capital accumulation take place in “non-capitalist spheres”. In fact, she continues, “[f]rom the very beginning, capitalist production, in its forms and laws of development, has been destined to comprise the entire world as a storehouse of productive forces.” Consequently, it tends to mobilize all the productive forces of the planet for the production of surplus value, but in zones “where the white race cannot work” and other races can, these workers “are almost always chained to pre-capitalist forms of production”. In such cases, “real variable capital is not the means of subsistence of the workers, but the living labour force for whose reproduction those means are necessary. Therefore, among the fundamental conditions of accumulation, there is an increase in living labour which is suited to its needs, and which is set in motion by capital”. She thus explains the strange mixed forms of labour, ranging from modern wages to primitive systems. But, as it turns out, the process is controlled by capital and by the achievement of surplus value. As indicated earlier, this would be the case in the stage of primitive accumulation, to which Marx refers as the genesis of capital, but it is equally true in the full maturity of capitalism, according to Luxemburg. In short, “capitalist [primitive and expanded] accumulation requires for its movement to be surrounded by non-capitalist areas [...] and can continue only so long as it is provided with such a milieu.”³⁵

33 N.I. Bukharin, *La economía mundial y el imperialismo, Siglo XXI*, Mexico, 1977 (4th edn), pp. 34–44.

34 R. Luxemburg, *La acumulación del capital* [1913], <http://grupgerminal.org/?q=system/files/AcumulacionCapital.Luxemburg.pdf> (accessed 16 August 2020).

35 *Ibid.*, pp. 168–178. To contextualise the analysis, see: T. Kowalik, *Notas sobre la teoría luxemburguiana de la acumulación*, in: *Materiales, Extraordinario 3* (1977), pp. 155–165; G. F. F. Murua/T. F. Franco, *Las contribuciones de Rosa Luxemburgo al debate del imperialismo*, in: *Cuadernos de Economía Crítica 3* (2016) 5, pp. 15–36. Aspects of Luxemburg’s thought on capital were incorporated by Trotskyism and taken up again in the 1960s and 1970s by neo-Marxism and the new anti-imperialist thinking that accompanied the decolonization of Africa and the discussion of post-colonial development models. Luxemburg inspired several of the issues addressed

Luxemburg breaks away from Marx with regard not only to the process of the expanded reproduction of capital, which other authors of the time also considered unsatisfactorily explained in *Capital*, but also to a characteristic aspect of the core of Marx's thinking: the production of surplus value and the labour theory of value. She also distances herself by including subjugated workers in variable capital instead of regarding them as fixed capital, as all the economists who address the subject do.

Marx pointed out that the availability of work was (historically) the result of the separation of the peasant population from the means of production and subsistence. The "free" worker thus appears as an indispensable condition for the exchange of commodities (labour force exchanged for money/capital, which is an expression of value) to take place once the labour force has produced value above the value invested in the process of production of the commodity. It is through the purchase of labour power with wages that the capitalist acquires the worker's surplus labour; in the process of circulation of the commodity, the additional value created is transformed into surplus value. In slavery, surplus labour is retained with the ownership of the worker.³⁶ Both systems produce goods, and in both cases, the latter realizes surplus value. The difference lies in the way in which surplus labour is expropriated from the direct producer: this is what, according to Marx, distinguishes slave-based, socioeconomic formations from that grounded on wage labour, namely capitalism.³⁷

To what extent is the worker's "freedom" a requirement in the ordinary deployment of capital? For Marx, the autonomy of the parties is inherent in a mercantile society in which wage earners and capitalists are confronted with the objective conditions of production as capital. In the moment the owner of the means of production, of subsistence, and of money (expression of value) pushes the button that initiates production, it shows itself as capital. The same is not true of the worker. Moreover, he adds, the existence of free labour is not enough, although it is a *sine qua non* for the recognition of a "*historically determined* mode of social production".³⁸ It is the freedom of the worker that makes it possible to equate human labour with heterogeneous products, whose equivalence is established – and taken into account by those who exchange them – when they calculate "how much of another's product they will get for their own product"³⁹ whether they are things or the measure of the value of labour.

The mediation of the price of labour in the exchange process, however, conceals the form of the value of labour that characterizes a particular type of social production.⁴⁰ This concealment is characteristic of the capitalist system. The form of the wage – the price of

by Bukharin and Lenin, and in recent times Wallerstein (an organizing core that uses and firmly establishes an international division of labour to produce surplus value), but neither of these authors cites the Polish-German Marxist.

36 K. Marx, *El capital*, P. Scaron (trans.), 8 vols, Madrid/Mexico 1975–1981, I, vol. 2, pp. 651–659; III, vol. 6, p. 34.

37 Marx, *El capital*, I, vol. 1, p. 261.

38 *Ibid.*, p. 93.

39 *Ibid.*, p. 91.

40 Marx, *Capital*, I, pp. 50–53.

labour expressed in money – masks the difference between socially necessary and surplus labour. Marx points out the differences by considering other production systems, in particular slavery, where the work of the slave all day long, including the time during which he works for himself and supplements his means of subsistence, appears as work for his master: the slave's work for himself is incorporated into the property relationship.⁴¹

In capitalism, the exchange of goods takes place between owners who, through an act of will, “have a mutual desire of their owners to *alienate* them”.⁴² However, as a commodity, labour power is sold for a certain period of time (including piecework), not for all of it. The bonds of reciprocity are regulated by legal, extra-economic formulas, but the relation of production and extraction of surplus value belongs to a strictly economic sphere, the process of production. This is a central issue in the theory of capitalism developed by Marx. For the commodity to be transformed into capital, it is necessary “that two very different kinds of commodity-possessors must come face to face and into contact”: on the one hand, the owners of the means of production and money, and on the other hand, “free labourers, the sellers of their own labour power, and therefore the sellers of labour. *Free labourers* in the double sense that neither they themselves form part and parcel of the means of production, as in the case of slaves [...], nor do the means of production belong to them”. The process by which the relation of capital is created is the process of the divide between the producer and the ownership of his working conditions, that is to say the means of production, which turns the direct producer into a wage earner who manages his working conditions himself – the premise for the process to become capital.⁴³

The references we have taken from Marx throughout our exposition do not claim to establish the “true” Marx or to set a canonical interpretation of capitalism according to its most illustrious theoretical (and critical) interpreter. It is not a question of seeing who interprets Marx better and sets his accurate Marxist arguments against more or less erroneous uses of his ideas. This had some value in the past and can be seen in the controversy between Edward P. Thompson and Perry Anderson, as acknowledged by the former. The best interpretation of Marx, the one that overcomes the interpreter's lack of systematics in dealing with this issue of slavery and finds an explanatory logic that is based more on his method than on his words, will not be a sufficient source of authority to address the issue. It is, firstly, due to the fact that, as indicated, Marx's thinking on the matter is not unique and coherent but instead a succession of considerations. Secondly, the empirical knowledge we have about modern slavery is infinitely superior to that of the Rhenish thinker. Something different occurs with his criterion on capitalism.

41 Marx, *El capital*, I, vol. 3, p. 657.

42 Marx, *Capital*, I, p. 61.

43 Marx, *El capital*, I, vol. 3, pp. 892–893 and 951–952.

5. Slavery and Tropicalized Capitalism

In the transition from the eighteenth to the nineteenth century, political economy made a contribution that readjusted the principles that had just been formulated by “classical economics”, that is to say the economic theory that advocated and explained the nascent modern capitalism. Francisco de Arango y Parreño was a patrician from the island of Cuba and a member of a family of landowners and civil servants, promoted to the position of representative of the Havana city council at the court, secretary of the Royal Consulate of Agriculture and Commerce, alderman of the *cabildo*, landowner, and royal official. While working as the writer of reports and memorials to the king, between 1789 and 1816, he went a step beyond the duties usually required by his position and produced a body of texts in which he detailed a model for a plantation worked by slaves that was in line with the type of economy that he calls the most advanced – which can quite readily be identified as capitalism. In *Discurso sobre la agricultura de La Habana y medios de fomentarla* (Discourse on the agriculture of Havana and on the means to promote it, 1792), he begins to define the creation of wealth through the use of the labour he considers most appropriate on the tropical plantation, namely slave labour.⁴⁴ He starts out from the consideration that the colonies had a specific economic constitution that, on the one hand, should participate in the general “impulse of the laws” that led to the freedom of trade and, on the other, should use labour that is best suited to the most profitable production. This double foundation corresponded to a rational action inspired by making a profit that benefited the government itself, which is why the state regarded its protection to be one of its most sacred duties.⁴⁵

Shortly afterwards, an economist of the classical school, the Frenchman Jean-Baptiste Say, published his *A Treatise on Political Economy* (1803). Through this work, Smith’s economic theory was disseminated and translated into everyday language with unique contributions that were to be highly influential in the nineteenth century and also in the marginalist neo-classical theory of the twentieth century: productive capital (work, or remuneration of the worker for his maintenance, materials, and instruments) is also a product. When we acquire products, we are exchanging them for other products.⁴⁶ The later critique of political economy (Marx) claims that the mere exchange of goods of

44 F. Arango y Parreño, *Obras*, La Habana 2005, I, pp. 148–198.

45 G. García Rodríguez, *Ensayo Introductorio. Tradición y modernidad en Arango y Parreño*, in: Arango, *Obras*, I, pp. 1–56, at 3. For further information on Arango’s economic thinking, in addition to this text, see: D. W. Tomich, *The Wealth of Empire: Francisco Arango y Parreño, Political Economy and the Second Slavery in Cuba*, in: *Comparative Studies of Society and History* 45 (2003) 1, pp. 4–28; J. A. Piqueras, *Francisco Arango y Parreño: De la economía práctica sobre el comercio y el trabajo esclavo a la economía política de la esclavitud*, in: J. A. Piqueras/J. von Grafenstein (eds.), *El pensamiento económico del reformismo criollo*, Santa Marta/Ciudad de México 2020, pp. 221–264.

46 J.-B. Say, *Traité d’économie politique ou simple exposition de la manière dont se forment, se distribuent et se composent les richesses*, Paris 1803. (We have used the first Spanish edition, which is not the most accurate but was released early on in the Spanish Antilles: *Tratado de economía política. O exposición sencilla de cómo se forman, se distribuyen y se consumen las Riquezas*, J. Queipo de Llano [trans.], Madrid 1804, 3 vols, 1805 and 1807, vol. I, p. 147). *Catéchisme d’économie politique*, Paris 1815, A. Pascual (trans.), Madrid 1822, p. 241.

equal value would prevent the accumulation of wealth, that is to say the accumulation of capital that capitalists pursue rather than simply satisfying consumption. But it follows from Say's thesis that free labour and slave labour are comparable insofar as they are exchanged for income – wages in the first case and means of subsistence in the second. The difference boils down to their utility and annual cost (in the case of the slave, adding the annual amortization of his or her purchase price). For Say, contrary to the opinion of his masters Jacques Turgot and Smith, it was impossible to deny that the slave produced more and at a lower cost than the free worker: the cost of replacement was assigned to those of the plantation as the costs of instruments and machines, which implied assimilating it to fixed capital and its erosion.⁴⁷ Also for Marx, the price paid when buying a slave “is nothing but the anticipated and capitalised surplus-value or profit to be wrung out of the slave”. And he adds, “It is capital which the slave-holder has parted with, it is a deduction from the capital which he has available for actual production”.⁴⁸ In this sense, the slave “plays the role of the money-form of the fixed capital” and “is but gradually replaced as the active period of the slave's life expires.”⁴⁹

For Say, the issue of slavery is reduced from an economic point of view to a matter of utility. And, since in his theoretical framework utility is the value-creating function, there would be no difference in the agricultural work performed by a free labourer from that performed by an enslaved person. By sticking to constant timeless categories, unconnected to any particular economic system, Say's theory lays the foundations for its replacement without affecting the nature of production. Say considers that the slave also participates in the profit of production: “what his master can no longer take from him [...] the sum of what he consumes” is the most miserable of all incomes, he says. But here the replacement costs are maintained at the expense of the masters, who pay the expenses “that arise from the maintenance of the slaves, like the capital with which they have bought the transported negro”.⁵⁰ The problem was that imported slaves were cheaper than those brought up in captivity until they could be useful, at the age of ten, but this could be corrected by treating them in a fatherly way that would offer the advantage of a slave acclimatized to the estate from his childhood.⁵¹

We should add that in 1818, a year after free trade was decreed in Cuba, the Royal Patriotic Society of Havana founded a chair in political economy at the Royal Seminary of San Carlos and San Ambrosio, where Say's treatise was used as a textbook. It was the first teaching centre of its kind in the Americas and was the first to transcend the sphere of boards of trade and other corporations.⁵² Juan Justo Vélez de Elorriaga, the first holder

47 Say, *Tratado de economía política*, I, pp. 286–297.

48 Marx, *Capital*, III, pp. 586.

49 Marx, *Capital*, II, p. 291.

50 Say, *Tratado de economía política*, III, pp. 123–124.

51 *Ibid.*, p. 125.

52 The treatise was adopted in 1807 in the chair for civil economy and trade of the Royal Aragonese Economic Society and in 1814 in the chair for political economy of the Barcelona and Malaga Boards of Trade. See J. M. Menudo/J. M. O'Kean, *La recepción de la obra de Jean-Baptiste Say en España: la teoría económica del empre-*

of the chair, on finding that there were not enough copies of Say's work for the many students interested in studying the subject, decided to write a *Compendio del Tratado de Economía Política que escribió Juan Bautista Say* (Compendium of the Treaty on Political Economy written by Jean Baptiste Say). Arango, as the director of the Royal Patriotic Society, encouraged the writing of the compendium, and everything points to the fact that he was also the promoter of the creation of the chair. Vélez, who was familiar with the work of Smith and Say, summarized the original quite freely and adapted it with examples from the island of Cuba.⁵³ Vélez seems to have based himself on the translations of Say's work carried out in Spain, as can be seen from the terms chosen in the versions meant for the audience in the Iberian Peninsula. For example, where Say writes *ouvrier*, the Spanish translator used *operario*; this is the same expression used by Vélez, with the advantage that the Spanish *obrero* refers to a salaried factory worker (something almost unknown in Spain in 1803), whereas *operario* is neutral and could be applied to designate the slave.⁵⁴ In his inaugural speech for the chair, Vélez made a twofold appeal. On the one hand, he asked for the introduction of the principles of economic management in agriculture and industry. On the other hand, he requested the application of the rules governing modern capitalism as taught by Say.

The owner of an *ingenio* (sugar mill) will always proceed blindly if he does not know how the capital invested, for example, in land, in factories, in workers, in machines, and in supplies contributes to production; what roles the natural agents play in production; how much his industry and his work are worth; and how these agents come together to produce the rich sugar that he exchanges for other values that he uses to conserve and restore the farm he manages. Neither will he be able to appreciate the work done by machines and the savings in hand that they allow, nor will he be able to calculate exactly how far his unproductive or reproductive consumption extends or the influence that they have on his prosperity or ruin.⁵⁵

Political economy, Vélez argues, teaches the way in which wealth is produced and therefore takes advantage of the capitalist, the owner, and the trader, that is to say all the economic stakeholders who are in a position to accumulate wealth, from which free workers

sario, in: *Revista de Historia Económica/Journal of Iberian and Latin American Economic History* 23 (2005) 1, pp. 117–142, at 125.

- 53 J. Vélez, *Compendio del Tratado de economía Política que escribió Juan Bautista Say*, Havana 1818 (reprinted in 1830 by the Sociedad Económica in one volume). It can be consulted in G. Chailloux, *La ciencia económica en la Ilustración habanera. La primera Cátedra de Economía Política (1816–1824)*, Havana 2019, pp. 133–300; G. Chailloux, *Los inicios del pensamiento económico cubano*, *ibid.*, pp. 15–123. The Havana edition – or its early incorporation into teaching in Cuba – does not appear in the meticulous work by J. M. Menudo/J. M. O'Kean, *Ediciones, reimpressiones y traducciones en español del 'Tratado de economía política' de Jean Baptiste Say*, in: *Revista de Historia Económica/Journal of Iberian and Latin American Economic History* 37 (2019) 1, pp. 169–192.
- 54 At the end of the compendium, Vélez included the *Epítome de los principios fundamentales de la Economía Política de Say*, which had been published in Madrid in 1816 and translated by Manuel Antonio Rodríguez and Manuel María Gutiérrez. Both versions of Madrid and of Havana coincide, which allows us to confirm the sources used by the former.
- 55 J. Vélez, *Discurso pronunciado por el presbítero licenciado don Justo Vélez, el día 14 de octubre de 1818, en la apertura de la Cátedra de Economía Política, en el Real y Conciliar Colegio Seminario*, in: Chailloux, *La ciencia económica*, p. 132.

and slaves are obviously excluded. The compendium does not contain one single reference to slavery. But both in the inaugural speech of the chair and in his compendium, he introduces the relationship between modern political economy and the plantation: “What could we not say about the influence of this science on the manufacturing industry? If I were not afraid of being a nuisance, I would briefly make apparent the effects of the division of occupations, of the labour savings produced by machines which, while useful to the manufacturer, are even more so to the consumer”.⁵⁶ The ideas set out and the teachings delivered from then until 1824 were not offspring of the Enlightenment but of the practical convenience of the slave plantation owners. Not in vain, the chair was financed with contributions from the Royal Consulate of Agriculture and Commerce, an expression of Havana’s plantocracy, and by several of the island’s principal estate owners.⁵⁷

Could this thinking, based on the foundations of capitalism and oriented towards the management of the capitalist enterprise, be applied to slavery?

Various authors have not only found it to be accurate, albeit with some adaptation, but also indeed perfectly adequate. From here, however, the explanatory lines diverge in three perspectives. (1) There are the economists and economic historians who, from the postulates of neo-classical theory, use timeless categories and analyse the plantation, disregarding the characteristics of slavery that could condition the system. The best known work in this sense, among an extensive list of other works, is *Time on the Cross* (1974) by Robert W. Fogel and Stanley L. Engerman,⁵⁸ which has since become a classic.⁵⁹ (2) The next perspective (which we have summarized) includes those authors who believe that capitalism was implanted in America during the sixteenth to eighteenth century and, consequently, on the periphery of the system – labour was subsumed under capital so that slavery would be at the service of capitalism from its beginnings as an expression of capitalism itself. The most emphatic version of this conception states that slavery is a bare form of savage capitalism. (3) Lastly, there are authors who consider that slavery transformed its nature towards the end of the eighteenth century and became something different from what it had been, that is to say it became a particular version of itself, integrated into capitalism.

In this last interpretation, two aspects are still unresolved: to what extent it is transformed, or what does this transformation consist of, and in what way is it linked to capitalism, from both the macro-economic and the social points of view. Regarding the second aspect, when referring to slavery we should never forget that it is not only a production system but also essentially a social relationship. The answers are again varied: (3.1) for some, slavery becomes capitalist with the peculiarity of employing slaves. In this

56 Ibid., p. 131.

57 A. Bachiller y Morales, *Apuntes para la historia de las letras y de la instrucción pública de la isla de Cuba*, La Habana 1859–1861, vol. I, pp. 79–80.

58 R. W. Fogel/S. L. Engerman, *Time on the Cross: The Economics of American Negro Slavery*, New York 1974.

59 See the critique in D. Tomich, *Slavery in Historical Capitalism: Toward a Theoretical History of the Second Slavery*, in: Tomich (ed.), *Slavery and Historical Capitalism*, pp. 37–65.

case, as in explanations (1) and (2), we must overlook the labour theory of value in the sense of Marx (or its neo-Ricardian rectification by Piero Sraffa, or the neo-Keynesian, neo-Marxist amendment by Joan Robinson) to return to Say and his theory of the utility of the commodity. According to this theory, value is determined by demand, understood as global demand in relation to supply and with an added subjective element – the common estimate made of that value according to its needs (confusing exchange value with use value), which gives the merchandise a price. As far as supply is concerned, the value is established by the utility of the land, capital, and labour. For the purposes of reward, the salary would be of little importance, as would the consumption provided by the slave owner, which, as we have seen, includes the costs of replacement and the first years of the child born into slavery.⁶⁰ From this conception, the fact that the worker is the property of the entrepreneur – like the land, the buildings, the animals, the factory, and the utensils – does not change the fact that he produces goods for the world capitalist market. The difference with respect to the free worker would be limited to the means of remuneration: salary in one case, means of subsistence in others, since both are subject to strict discipline and are achieved in one case by means of contractual formulas that force the acceptance of labour regulations, whereas the second is wrenched from him by means of direct violence.

(3.2) In another interpretation (the one we identify with), the slave-based social regime conserves its particularity, that is to say the slave formation is not altered and neither are the social relations between owners and slaves modified, but it metamorphoses into two aspects. (a) It is integrated into the industrial capitalist system (not only the commercial one, as it was before) and becomes one of its core – not peripheral – components, taking up industrial forms of production to the point that it experiments with coordinated systems of labour (in which even general and individual productivity is measured), which are then transferred to manufacturing in the industrialized countries. (b) Its relationship with more dynamic capitalism introduces into the largest and most modern plantations management methods that are characteristic of capitalism, including asset diversification, which leads to the export of capital and investment in distant economies that can without doubt be described as capitalist.

Years before Say wrote his work, the plantation owners of Saint-Domingue kept an exact calculation of the productive and unproductive consumption of their estates, and in some cases, they evaluated and had control over the capital invested “in the land, in the factories, in workers, in machines”. The most active Cuban plantation owners followed this direction soon after, but in many *ingenios* there were accounts of this kind. Even in the 1860s and 1870s, the purchase of slaves was not recorded in the books as an investment but as an expense, and its amortization was calculated only roughly. It was, in fact, more common for it to appear in the texts of economists and publicists, who calculated the theoretical costs of abolishing slavery to draw attention to the large compensation

60 Say, *Tratado de economía política*, II, pp. 338–350.

it would represent. At the same time, the private documents of some large plantation owners who were also involved in various international operations reveal calculations and a language that leaves no gaps between the management of their businesses in the capitalist sphere and the management in the internal sphere of the *ingenio*. This is how we have seen it in the works by Francisco F. Ibáñez Palenciano, which we have begun to process. Palenciano belonged to the last generation of Spanish immigrants to reach the top among the sugar magnates. Around 1880, he was one of the first to promote the separation of cultivation from manufacturing in *centrales* and to foster farming by *colonos* in agriculture, aware of the adaptation required in the process of transition to plantations without slaves because he had previously participated actively in the importation of hired Asians.

In short, the second slavery has internal dynamics that generate new situations in parallel to the development of capitalism, which, in the 1850s, grew far more than in previous decades, and even in the transition to free labour, it took on hybrid forms, with a growing weight of rented slaves, coolies, and wage earners. Until the extinction of slavery, however, the plantation retained distinctive features that did not resemble those of a capitalist enterprise nor were social relations subsumed by capitalist relations. The devil is in the details. Careful analysis of the historical processes should help us to understand this.