

# Open Research Online

---

The Open University's repository of research publications and other research outputs

## Capitalism and Petty Commodity Production

### Other

#### How to cite:

Bernstein, Henry (1986). Capitalism and Petty Commodity Production. DPP Working Paper 3; Development Policy and Practice Research Group, Faculty of Technology, The Open University.

For guidance on citations see [FAQs](#).

© [not recorded]



<https://creativecommons.org/licenses/by-nc-nd/4.0/>

Version: Version of Record

Link(s) to article on publisher's website:  
<http://dx.doi.org/doi:10.21954/ou.ro.00015c20>

---

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online's [data policy](#) on reuse of materials please consult the policies page.

---

[oro.open.ac.uk](http://oro.open.ac.uk)



*dpp*

DEVELOPMENT  
POLICY AND  
PRACTICE

**THE OPEN UNIVERSITY**

Capitalism and Petty Commodity  
Production

by

Henry Bernstein

DPP Working Paper No. 3

Faculty of Technology  
(Third World Studies)

The Open University

Capitalism and Petty Commodity  
Production

by

Henry Bernstein

DPP Working Paper No. 3

# Capitalism and Petty Commodity Production

by

Henry Bernstein\*

The place of petty commodity production within capitalism: its features, dynamics, historical fortunes, and political implications, has been a central preoccupation of Marxian political economy from the beginning. Different views of petty commodity production (PCP) tend to express, explicitly or implicitly, different views of the nature of capitalism itself. Similarly, the class significance of PCP - as one source of petty bourgeois ideology and practice - has been of major practical concern to those seeking to advance the cause of proletarian politics in a variety of historical circumstances.

In recent years there has been a massive corpus of theoretical and empirical research on PCP, mostly in Third World countries, and often stimulated as a radical critique of the models of conventional development economics and sociology. For example, the positive view of the urban 'informal sector' as efficient in its use of resources and its contribution to employment and income generation, associated with the technocratic populism of the ILO (e.g. ILO 1972), has been countered by arguments that the informal sector satisfies the need of

---

\* Formerly Lecturer in Third World Studies, The Open University and founder-member of DPP; currently Director of the External Programme in Agricultural Development, Wye College, University of London, and Honorary Senior Research Fellow, DPP.

The writing of this paper has been facilitated by comments on an earlier draft (Bernstein 1986) by Harriet Friedmann, Maureen Mackintosh, Alison Scott, and especially by the extensive critical commentary of Michael Neocosmos. The work which generated the paper has benefited from correspondence with Harriet Friedman and long discussions with Peter Gibbon, over several years. Appreciation of those named gives extra weight to the customary notice that errors and shortcomings are the responsibility of the author alone. A version of this paper will be published in Rethinking Petty Commodity Production edited by A. M. Scott in the Special Issue Series of Social Analysis.

capital for a reserve army of labour, that it serves to contain the masses marginalised by peripheral capitalist development, and/or that it functions to subsidise capital accumulation through the production of cheap labour power and other cheap commodities, primarily wage goods and services (e.g. Bromley ed. 1978, Bromley and Gerry ed. 1979).

Similar ideological and theoretical currents and disputes have shaped the recent flourishing of 'peasant studies', in which radical critiques of 'development' meet, with various tensions, the classic Marxist concerns of the agrarian question. In this arena, the analogue of 'informal sector' advocacy is a complex of ideas and prescriptions derived from the legacy of Chayanov and feeding into contemporary variants of 'peasantism' (Lipton 1977 is one well-known example; Byres 1979, and Patnaik 1979, inter alia, provide wide-ranging critical discussions of this legacy)<sup>1</sup>.

This paper seeks to elucidate some central issues in the analysis of petty commodity production under capitalism through a consideration of two important recent interventions by Harriet Friedmann (1980) and Peter Gibbon and Michael Neocosmos (1985). Both are concerned to investigate the specificity of small-scale commodity production under capitalism, rather than arguing or assuming that it is a 'form' of production 'in general', that is, also found in pre-capitalist social formations and those in transition to socialism. Both also explicitly reject or otherwise exclude various assumptions and propositions central to most recent debate and which have inhibited its advance (Bernstein 1986: 3-8).

These include

- (i) the idea that PCP is a transitional (if not transitory) category within capitalism;
- (ii) the assumption that PCP necessarily disappears in the course of capitalist development (the 'linear proletarianisation' thesis);
- (iii) the assimilation of the possible specificities of PCP into more encompassing notions of nonwage labour under capitalism, often associated with;
- (iv) functionalist explanations of PCP (and nonwage labour more generally) as productive of 'cheap' labour power and other commodities that 'subsidise' capital accumulation;
- (v) the assumption that small commodity producers are 'exploited' by capital (sometimes expressed as the 'disguised wage labour' thesis);
- (vi) any necessary association of PCP with 'subsistence' (use value) production.

The immediate locus of Friedmann's work is the origins and trajectory of family farming in the 'wheat belt' of the American mid-West. From this she has generated a remarkable research programme linking the analysis of forms of production, national economies, and world wheat markets over a long historical period (Friedmann 1978a, 1978b, 1980, 1982a 1982b). Within this larger project - and its further extension into issues of family and gender (Friedmann in this issue, and forthcoming) - the paper primarily considered here represents her most

systematic theoretical reflection on forms of household production, their conditions of existence and dynamics.

The paper by Gibbon and Neocosmos is an intervention in debates concerning the political economy of 'African socialism', especially in relation to Tanzania. Relations between state and peasantry (mostly conceived within a 'peasantist' problematic) have been a central theme in these debates. Gibbon and Neocosmos acknowledge that state-peasant relations constitute the dominant contradiction in Tanzania, but argue that this itself is determined by the fundamental contradiction of capitalism, that between capital and wage-labour, in particular historical conditions of class struggle. A key step in reaching this conclusion is a critique of 'peasantism' and an analysis of middle peasants within a phenomenal category of petty commodity production specific to capitalism<sup>2</sup>.

Despite - or because of - their very different contexts, the arguments of Friedmann and Gibbon and Neocosmos are notable for their explicit commitment to theorising small-scale commodity production specifically within capitalism, and without resort to the kinds of assumptions and propositions noted above. They are worth comparing because while each seems to express a particular version of 'orthodox' Marxism, they diverge significantly in their mode of argument and their substantive conclusions.

To anticipate, Friedmann constructs a concept of what she calls simple commodity production (SCP) as properly specific to capitalism, which includes some types of small-scale commodity production but excludes many others (notably by 'peasants') on the grounds that they do not exist within generalised commodity production. By contrast Gibbon and

Neocosmos suggest a concept of capitalist relations of production that includes potentially many more types of small-scale commodity production within contemporary capitalism. What will be compared then are the concepts of SCP and PCP, their applications and implications, in order to illuminate some outstanding problems and issues of petty commodity production under capitalism.

#### Capitalism: I Political Economy

Gibbon and Neocosmos (1985:156) define capitalism as 'generalised commodity production founded upon the contradictory relation between capital and wage-labour. Capital and wage-labour are two sides of the same social contradiction and among other things, individually represent functions, class places or class bases indispensable to capitalism'. Nothing in Friedmann's work is incompatible with this definition at the most abstract and general level of the capitalist mode of production. However, her interpretation of generalised commodity production and that of Gibbon and Neocosmos diverge in a manner strategic to understanding the other differences between their arguments, and the substantive conclusions they lead to.

The 'capitalist mode of production is characterised by generalised circulation of commodities, especially labour power' (Friedmann 1980:160). Generalised commodity production/circulation is 'operationalised' by Friedmann to denote conditions of economic activity in which all factors of production are fully commoditised, hence 'mobile' through market (i.e. price) determined allocation. These conditions are necessary for any deductive application of the theory of the capitalist mode of production to the empirical processes and configuration of economic history:



The logic of the market, including markets in labour power, land, and capital, allows for the deduction of conditions of reproduction of all classes of commodity owners in their complex inter-relation. Historical analysis specifies the quantitative relations among prices for products and factors of production, and studies the causes and consequences of changes in those relations, all within the logic of the market. (Friedmann, 1980: 167).

At the same time, since 'most agrarian structures are not strictly capitalist or feudal, the concept of mode of production has proved to be of limited analytical utility' (ibid 158). By this Friedmann means that most agrarian formations, and many types of small-scale commodity production they contain, are not fully commoditised but have (some) conditions of existence that cannot be analysed through the 'logic of the market' alone. As will be seen, this is critical to the formulation of the concept of SCP, and its demarcation of the types of production to which it is or is not applicable.

For Gibbon and Neocosmos, central to the materialist theory of capitalism is the nature of the connection between its essential relations of production and its phenomenal forms. The essential relation is that between capital and wage-labour; its essential categories include those of capital, wage-labour, value, surplus-value, and landed property. Phenomenal categories include wages, prices, profits, classes, the state, and so on (Neocosmos 1986: 9, and 9-15 *passim*).

Essential categories are utilised by Marx in Capital to account for the existence of the phenomena of capitalism which are produced by essential relations. (Neocosmos 1986: 9).

The relationship between phenomena and their conditions of existence - the contradiction between capital and wage-labour - is not an essentialist one because the former are not expressions of the latter (hence their production must be explained) and because the latter do not exist independently of the former. (Gibbon and Neocosmos: 168).

On this basis, and by contrast with Friedmann, Gibbon and Neocosmos (169) argue that

...to suggest that a social formation is capitalist by virtue of being founded on the contradiction between wage-labour and capital is not to assert that all - or even the majority of - enterprises in this social formation will conform to a 'type' in which capitalists and wage-labourers are present, and which constitutes the measure in relation to which all other forms deviate. What makes enterprises, and more generally social formations, capitalist or not, is not their supposed essential features, but the relations which structurally and historically explain their existence. Thus in order to show the capitalist character of African social formations it is not necessary to find sociological categories of capitalists or 'potential capitalists', wage-labourers or 'wage-labour equivalents'. What has to be shown in order to 'prove' the capitalist nature of such social formations, is that the social entities and differences which form the social division of labour in such formations are only explicable in terms of the wage-labour/capital relation. (Emphasis in original).

The link between their general definition of the capitalist mode of production and this statement about the character of social formations is the international division of labour. They admit they are unable to go beyond the above formulation in the absence of a general theory of the international division of labour in Marxism (ibid 170, 178), which would provide means of explaining the global distribution of types of production (capitalist production and PCP) and of 'sociological' (i.e. phenomenal) categories of capitalists, wage workers, and small commodity producers, including the relatively greater concentration of PCP in a social formation like that of Tanzania.

One should also note the ambiguity of 'only explicable' in the last sentence quoted: does 'only' here mean 'exclusively'? The answer is that this is a matter for investigation of the production of such 'social entities and differences': from their phenomenal forms to their conditions of existence (essential relations and categories) as a necessary step to further concrete investigation<sup>4</sup>.

The position quoted has strategic implications. On one hand, the phenomenal categories of capitalism are not exclusively those of class, but are also centrally those of gender relations, and of other social entities and differences. On the other hand, some may well bear a loose resemblance to phenomenal categories of pre-capitalist formations. To 'suggest that a phenomenon historically precedes capitalism is not to suggest that it cannot be theorised as constituting an integral part of the capitalist mode of production' (Neocosmos 1986: 122). This applies, for example, to commodity production itself (ibid), to another category of phenomena equally central to this discussion, namely those of households and household labour (Friedmann in this issue), to certain types of labour process (Gibbon and Neocosmos: 184), and so on.

In sum, the method used by Gibbon and Neocosmos involves a radical rejection of both ideal-typical (deductive) and empiricist (inductive) analyses of capitalism. The relation between the essential and phenomenal relations/categories of capitalism is always complex, requiring investigation and explanation. This will be pursued further below. For the moment, the principal point to carry forward is the contrast between Friedmann's (recognisably 'orthodox') view of generalised commodity production as requiring the full commoditisation of all elements of production, and Gibbon and Neocosmos' view that the conditions of generalised commodity production are satisfied when individuals are unable to exist and to reproduce themselves outside of circuits of commodity economy and divisions of labour generated by the capital/wage-labour relation and its contradictions.

For Gibbon and Neocosmos, Friedmann's 'operationalisation' of generalised commodity production as 'the logic of the market' would

represent a particular version of an 'ideal typical' capitalism, contrary to the materialist method that they propose<sup>5</sup>. That is, Friedmann 'recognises' the essential relations/categories of capitalism - treated principally by her as the operation of the law of value - only by the phenomena of fully developed commodity markets and determination of economic activity by relative prices. The existence, partial existence, or non-existence of generalised markets and price determination establish, in effect, the existence, partial existence (extent), or non-existence of capitalism with respect to any given economy, sector, or form of production (see below)<sup>6</sup>.

#### Simple/petty commodity production

Again, at the most general level, the two positions would seem to be in broad agreement. Simple commodity producers represent 'a class of combined labourers and property owners within a capitalist economy' (Friedmann 1980: 161); petty commodity producers are 'a phenomenal category of commodity producers who possess the means of production necessary to produce commodities, and who engage in production on the basis of unpaid household labour alone' (Gibbon and Neocosmos 1985: 170, emphasis added).

Commodity producing enterprises may consist concretely of a single individual or a 'household'/'family'. Friedmann (forthcoming: 18) notes that 'The unity of property and labour...is contradictory because it internalises within one person or family the structured conflict between property owners and labourers, who are usually related as employers and employees'. While it is theoretically possible, and empirically not uncommon, to have one-person enterprises, the view of the enterprise as a 'household' of a number

of people (related as 'family', and especially across generations) is prevalent, particularly in connection with issues of 'subsistence', sexual divisions of labour, generational reproduction, and so on. Indeed, a major aspect of Friedmann's work (1978b, forthcoming) concerns the double character of SCP as both specialised commodity enterprise and family organisation (see below).

On one hand, then, the distinctiveness of SCP is given by its particular contradictory unity, combining the class places of capital and labour in a single person or 'household' enterprise. On the other hand, it must share certain features and conditions of existence with all commodity producing enterprises in capitalism (including capitalist enterprises). For Friedmann (1980: 167) these are:

1. their conditions of existence and reproduction can be deduced from the theory of capitalism as generalised commodity production (generalised markets in all factors of production, as above);
2. the causes and consequences of changes in enterprises are explained by changes in conditions of competition, transmitted through changes in relative prices;
3. commodities circulate through the enterprise in both directions;
4. there is complete individualisation of enterprises which are related to each other only through the market.

On this basis Friedmann demarcates the categories of enterprises to which the generic concept of SCP is and is not applicable. The latter

comprise all small-scale commodity production reproduced (at least partly) through non-commodity relations, defined as 'direct reciprocal ties, both horizontal and vertical' through which access to means of production and subsistence is obtained.

If access to land, labour, credit, and product markets is mediated through direct, non-monetary ties to other households or other classes, and if these ties are reproduced through institutionally stable reproductive mechanisms, then commodity relations are limited in their ability to penetrate the cycle of reproduction. (163).

Precisely because (i) non-SCP small producers, notably 'peasants', are not integrated or only partially integrated into markets, (ii) the distribution and renewal of means of production (including labour) and subsistence take place through non-market relations 'resistant' to the logic of the market, and (iii) non-commodity relations/'ties' are highly variable, there can be no unitary or deductive theory of the peasantry (as claimed by Chayanov and his followers, for example). Investigation of the conditions of existence and reproduction of peasants always entails specific combinations of structures illustrated by Friedmann (1980: 176-9) with concepts of 'independent household production', sharecropping, and hacienda production.

In effect, Friedmann proposes three categories of production: capitalist, SCP, and other household production, of which only the first two are determinate 'forms of production' which can be conceptualised in general terms (because they are both within capitalism). At the same time, SCP appears a conceptually intermediate form of production - 'specialised commodity production by households is a synthesis of contradictory elements in peasant and capitalist production' (Friedmann 1978b: 95). It shares with the latter full market integration and regulation by competition, and with peasant production family property and labour:

"Household production" refers to a production organisation based upon the ownership and labour of the family, and "simple commodity production" or "household enterprise" to the case where household production exists under conditions of competition in the market". (ibid: 97, note 1; emphasis added).

In practice, then, Friedmann treats SCP as family enterprise, and a major preoccupation in her work - exemplified in some brilliant specific analysis (notably 1978b) - is precisely the double or combined character of SCP as both 'enterprise' and 'family'. As 'enterprise' it is constituted within conditions of generalised commodity production (and through its contradictory combination of capital and labour), as 'family' it confronts the contradictions of systematic fluctuations in labour supply due to the demographic cycle<sup>7</sup>. Recently, Friedmann (this issue) has focussed more on relations inside family enterprises, notably on sexual divisions of labour and gender relations more generally, suggesting that particular types of patriarchy structure and connect both 'enterprise' and 'family'.

The notion of the extent of commoditisation not only specifies Friedmann's three categories of production, but also constitutes them as conceptual 'stages' in a developmental sequence: 'household production' (non- or partial market integration + family labour) — SCP (full market integration + family labour) — capitalist commodity production (full market integration + wage labour). The passage from 'household production' to SCP is charted through full market integration, that from SCP to capitalist commodity production by 'a further intensification of commodity relations within reproduction, so that labour power is mobilised exclusively through the market instead of the domestic group' (Friedmann 1980: 175). Surprisingly, then, SCP is constituted within generalised commodity production and yet is still not fully commoditised.

Empirically, SCP in agriculture is limited to family farms of the North American and Western European 'type', which may also exist in certain agricultural branches of some Third World economies, for example, in Brazil (Goodman and Redclift 1981: 169-74, 182) and Turkey (Keyder 1983: 40-2)<sup>8</sup>. At the same time, 'relations of production in the 'family farm' are analytically identical to those of household commodity producers in non-agricultural branches of production' (Friedmann 1978b: 74; emphasis added).

The significance of this observation is worth elaborating. First, Friedmann argues cogently that there is no coherent nor valid theoretical distinction in political economy between agricultural and non-agricultural production (see Friedmann forthcoming: 2-5). Second, the observation quoted implies that SCP is more readily and generally applicable to non-agricultural than agricultural small-scale commodity production. Why should this be so? The reason seems to be an assumption that 'self-provisioning' or 'subsistence' activities secured through non-market relations are found only in agricultural production (of a 'peasant' kind). That this is not the case (Redclift, 1985) does not pose an insoluble problem for Friedmann's analysis, however - as in the case of different types of peasantry, such activities and relations in non-agricultural 'household production' would fall outside the scope of the concept of SCP (and would require their own specific concepts).

Nevertheless, it is interesting that in practice Friedmann identifies 'petty commodity production' exclusively with peasant, i.e. agricultural, production. The reason may be a latent conception of land as giving unity to agriculture in pre- or non-capitalist formations (while it is rejected for fully commoditised economies and sectors - Friedmann forthcoming: 2).



Friedmann (1980: 179) emphasises land ownership as the principal element in specifying different types of agricultural commodity production outside the conditions of SCP ('in the absence of factor markets'). In the ensemble of means of production employed in non-agricultural commodity production there is, of course, no single, apparently definitive equivalent to the place of land in agriculture.

The primary concern of Gibbon and Neocosmos is to investigate the generation of petty commodity producers within capitalism by the essential relations and categories of the latter, rather than to elaborate their (phenomenal) characteristics. They suggest the following general conditions and features of PCP:

- 1 exchange value production within conditions of generalised commodity production (related to Friedmann's conditions 1 and 3);
- 2 private vs collective production, and relative specialisation (related to Friedmann's 4);<sup>9</sup>
- 3 regulation by the same laws of competition and accumulation as all commodity producing enterprises under capitalism (related to Friedmann's 2).

Within these general (essential) conditions of existence of all phenomenal types of commodity producing enterprises under capitalism, the distinctiveness of PCP is given by its particular combination of capital and labour ('unpaid household labour'). It is important to emphasise that for Gibbon and Neocosmos, this is a phenomenal feature explicable only by the above essential conditions. In itself it cannot provide an adequate grasp of petty commodity production - the

problem of all essentialist concepts and theories of PCP or particular types of PCP ('petty commodity mode of production', 'peasant economy', etc.) which conflate phenomenal features with the relations and conditions that produce them. In an essentialist method such phenomenal features of PCP - characterised as general or specific types of household structure, 'economic logic', patriarchy, etc. - are simultaneously the means of definition and explanation of the phenomena addressed. At the same time, the focus of Gibbon and Neocosmos on the general conditions of existence of PCP does not preclude investigation of its phenomenal characteristics - whether types of family structure, patriarchy, gender and generational divisions of labour, modes of economic calculation, and so on - but suggests a different method for such investigation (that is, as 'social entities and differences' generated within capitalism).

It is crucial to their position that in the sense that petty commodity production is constituted as a (contradictory) combination of capital and labour, this is only possible on the basis of a prior separation of capital and labour (the essential condition of capitalism) - prior both in a theoretical (explanatory) sense and in the historical sense of the formation of a capitalist social division of labour. The combination of property and labour in PCP under capitalism, then, rests on entirely different conditions of existence than combinations of property and labour in pre-capitalist formations.

This marks one critical difference between the position of Gibbon and Neocosmos and that of many others, including Friedmann<sup>10</sup>. It is interesting that Friedmann (this issue) consistently resists the application of this argument to certain types of commodity enterprises (thereby maintaining the distinction between SCP and non-SCP household

production), while seeming to recognise its force in relation to bourgeois vs pre-capitalist family structures (which may have considerable similarities - so-called 'continuities' - in their phenomenal forms, a fact that is pertinent to debates about capitalism and patriarchy).

The limits on the application of Gibbon and Neocosmos' concept of PCP are different from those of Friedmann's SCP (full vs. non- or partial integration in markets). Gibbon and Neocosmos (170) make explicit the assumption that, in terms of their general conditions of existence, petty commodity producers

are capable of reproducing themselves as private producers of commodities without employing wage-labour and without selling (part of) their labour power...the assumption must be that such production alone is capable of reproducing labour at the level socially determined by the law of value.

Applied to the peasantry, these assumptions are exemplified by 'middle peasants'. When reproduction cannot be satisfied by household commodity production alone but requires the regular sale of labour power outside the household, then the proper designation of such 'poor peasants' in this instance is 'semi-proletarian'. (Other 'poor peasants' fully dependent on household commodity production have a petty bourgeois class location, however straitened their circumstances).

The analysis of 'peasant' production is clearly a major test case for the differences between the concepts of SCP and PCP, which are usefully illustrated by the positions of Friedmann and Gibbon and Neocosmos on Chayanovian and other theories of peasant economy. As noted, Friedmann argues that the conditions of existence of peasant production are variable because they include (different types of)

non-commodity relations. This excludes peasant production from the scope of the concept of SCP. Gibbon and Neocosmos, on the other hand, while also rejecting a unitary and essentialist concept of peasant production, incorporate 'middle peasants' at least in the phenomenal category of petty commodity producers under capitalism.

This is because middle peasant enterprises are produced within social divisions of labour generated by the capital/wage-labour relation (see below). Accordingly, they are no more or less 'commoditised' than any other commodity producing enterprise within capitalism in terms of their essential conditions of existence (rather than particular sets of market conditions prevailing in different national economies or sectors, themselves formed within the international division of labour).

In contrast to Friedmann, Gibbon and Neocosmos therefore reject any idea of degrees or extent of commoditisation in the theoretical specification of small-scale commodity production within capitalism:

...once peasants (or anyone else) systematically produce commodities they are all controlled - by definite and precise forms of capitalist regulation which act as the absolute limits of their activity. It is not even meaningful to talk of differential commoditisation if this is meant to imply degrees as opposed to types. There are only two "degrees" of commoditisation; systematic or generalised commodity production (which includes petty commodity production) or occasional and non-generalised commodity production, which is not effectively commodity production at all but part of a different non-capitalist mode of production. (1985: 165)<sup>11</sup>

In principal, the concrete diversity of petty commodity production presents analysis with issues no different from (nor 'greater' than) the concrete diversity of capitalist production (1985: 171). The features of such diversity they point to - including levels of capitalisation, productive forces, labour processes, size of product,

etc. - as well as their reasons, remain, as always, a matter for specific investigation. This also applies to other kinds of diversity indicated above: sexual divisions of labour and family structures, and modes of economic calculation, within processes of production and reproduction under capitalism. That such phenomena (like many types of 'domestic labour') may be outside market exchange does not mean that they exist independently of - are produced 'outside' - generalised commodity production (a recognition that Friedmann's concept of SCP is itself built on but in an unduly restrictive manner).

The approach of Gibbon and Neocosmos to small-scale commodity production generated by, hence specific to, capitalism, is thus applicable to a far wider and larger category of enterprises (and producers) than the highly capitalised and specialised enterprises - North American family wheat farms - 'paradigmatic' of Friedmann's SCP. Petty commodity producers in different branches of production in different places are initially constituted within capitalism at different times, when they are incorporated within the capitalist (international) division of labour, and when the relations and circuits of capitalist commodity economy are internalised in their processes of production and reproduction. Historically, the conditions of this process were completed for most commodity producers in most places with that period of the capitalist international division of labour designated by Lenin as imperialism (Peter Gibbon, personal communication).

#### Why simple/petty commodity production?

To the extent that Friedmann produces any formally stated general explanation of SCP within capitalism, this is found in her historical

work on family wheat-farming in the North American plains (1978a, 1978b) and in her discussions of the determination of enterprise reproduction by conditions of competition. With respect to the latter, for the case of wheat she has emphasised the formation of world market prices, and constructed a periodisation of the world wheat market around the unimpeded operation of comparative advantage on the one hand, and, on the other, the effects on the international market of the state policies of major wheat exporting and importing countries (1978a, 1982b).

As would be expected, Friedmann's explanation of the place of SCP within capitalism rests on certain competitive advantages it enjoys, which stem from its combined character as specialised commodity enterprise/family organisation oriented to satisfying the needs of simple reproduction (1978a: 559-563). First, unlike capitalist enterprises SCP has no 'structural requirement' for profit, absolute or relative. Second, the flexibility of personal consumption allows (as always within limits set by competition) the distribution of net income between immediate consumption, deferred consumption, and enterprise expansion as a result of 'subjective decisions'. The lack of structural requirement for profit and the flexibility of personal consumption are

... competitive advantages over capitalist production, but entail a very strict condition: that technical requirements allow combination of means of production with the quantity of labour on average available within commercial households. (1978a 563).

The competitive advantages of SCP, then, are only realised in certain conjunctural conditions. In any concrete analysis the 'conjunctural superiority' of SCP over capitalist production has to be assessed, which is exemplified in Friedmann's comprehensive account of both

technical and social (market) conditions that enabled SCP to become the dominant form of production for the world wheat market from the 1880s to the 1930s, solely on competitive grounds of comparative advantage (1978a: 563-585. 1982a: 257-8, 1982b: 136-144).

Friedmann's reasons for the competitive advantage of SCP clearly have much in common with those often given for the ability 'to survive' of peasant and other (e.g. 'informal sector') small-scale commodity producers. This reflects a problem in Friedmann's specification of SCP, which is not resolved by her view that the production and reproduction processes (and 'decisions') of peasant households are either not determined by competition, or only partially (and secondarily) determined by competition, or - in effect, the same thing - that competition is mediated (its effects reduced) through non-market mechanisms of resource mobilisation and allocation (1980: 170-4).

The other side of the coin of 'competitive advantage', of course, is the notion of 'self-exploitation' by small commodity producers, which has deep roots both in Marxism (Marx, Engels, Kautsky, Lenin) and in the work of Chayanov. Concepts of self-exploitation have been widely applied in materialist analyses of the peasantry, sometimes fused (and confused) with Chayanovian formulations of an economic calculus geared to simple reproduction (e.g. by Bernstein, 1977, 1979; Boesen and Mohele, 1979)<sup>12</sup>. The familiar processes of self-exploitation in conditions of economic pressure and crisis (manifested as a 'simple reproduction squeeze' - Bernstein, 1977) can include the intensification of labour for constant or diminishing returns, reduction of levels of consumption, indebtedness, and the inability to reproduce means of production (in agriculture particularly the

inability to maintain land at former levels of fertility and productivity).

Some of these processes were exemplified by American SCP farmers in the Depression of the 1930s and are again being manifested in the 1980s. Friedmann's suggestion that the effects of deteriorating conditions of competition are greater for, and experienced more immediately by, SCP than peasant production is unsatisfactory both as an empirical generalisation (i.e. covering all peasant producers)<sup>13</sup> and as a means of maintaining the distinctiveness of SCP as a 'form of production'.

The central proposition advanced by Gibbon and Neocosmos (178-180) to explain PCP is that 'spaces' or 'places' for it within the social division of labour are continuously created as effects of the law of value in capitalist competition, accumulation and concentration (and the technical changes associated with them). This is not the same as Friedmann's analysis of the intrinsic competitive advantages of SCP as a 'form of production', although PCP (in production, trade, transport) may - as a result of locational or scarcity factors, for example - receive a differential surplus profit or rent.

Unfortunately, the suggestive and powerful idea Gibbon and Neocosmos put forward is not carried through sufficiently in considering 'the precise mechanisms (by which) petty commodity production is brought into being under capitalism by the wage-labour/capital contradiction', as they acknowledge. These mechanisms are not theoretically elaborated but only sketched through illustrations, none of which are drawn from peasant production. It is surprising that they emphasise that limits to the capitalisation of certain labour processes create



'spaces' for PCP. Technical limits on economies of scale which inhibit the entry (and concentration) of capital in the labour process, do not necessarily inhibit the entry (and centralisation) of capital in the organisation of the enterprise, as 'classically' exemplified by putting-out systems. In branches of manufacturing where technical conditions allow it, capitalists may move from factory production to a putting-out system when circumstances give the latter competitive advantages (for an Indian example see Harriss 1982:7)<sup>14</sup>.

The answers of Gibbon and Neocosmos and Friedmann to the question 'why SCP/PCP?' are correct in their approach. That is, while possible competitive advantages of SCP and 'places' for PCP may be established in general theoretical terms, their realisation is always contingent on specific conditions, hence 'conjunctural'. (They are also correct in rejecting any idea that SCP/PCP has 'functions' for capital which explain the existence of small-scale commodity production).

Friedmann's answer emphasises the competitive advantage of household vs wage labour in particular market conditions that always have to be specified. Gibbon and Neocosmos are primarily concerned to show how 'places' for PCP are created as effects of the structuring and restructuring of the social division of labour by the dynamics of the law of value. Within these processes, there may be circumstances in which household labour gives particular types of PCP 'competitive advantages', but this does not provide a general explanation of the existence/production of PCP under capitalism<sup>15</sup>.

#### The dynamics and fate of simple/petty commodity production

The dynamics and fate of SCP/PCP within capitalism are strongly indicated by the discussion so far. In presenting the concept of

(agrarian) form of production 'conceived through a double specification of the unit of production and the social formation', Friedmann (1980: 160) suggests that

The social formation provides the context for reproduction of units of production, and in combination with the internal structure of the unit, determines its conditions of reproduction, decomposition, or transformation. (emphasis added)

By reproduction, in the first place Friedmann means simple reproduction, already implied by her view (noted above) that SCP, unlike capitalist enterprises, has no structural requirement nor economic necessity to achieve profits. Second, 'expanded reproduction' in the case of SCP is generational reproduction through 'fission', that is, the formation of new enterprises through resources or savings generated and contributed by a 'parent' enterprise (Friedmann 1978 b: 87-95). Such savings thus have a different purpose from the accumulation entailed by the expanded reproduction of capitalist enterprises, the principle of which is the concentration of capital.

The terms 'decomposition' and 'transformation' correspond to the two sides of the classic concept of differentiation, respectively (ultimate) proletarianisation and the development of capitalist enterprise from SCP/PCP through the accumulation of capital.

Friedmann does not pursue the second aspect of differentiation at all, having located it in the most general way. There are two likely reasons for this. The first reflects the specific historical conditions of the 'form of production' she has studied in such depth - family wheat farming in the North American prairies - which apparently has not exhibited any marked historical tendencies to differentiation through transformation<sup>16</sup>. The possible fates of individual SCP

enterprises in this context are encompassed by (a) simple reproduction, (b) 'expanded', i.e. generational, reproduction through fission, and (c) decomposition. The effects of competition between family wheat farms, and in particular scale effects, may produce fewer and larger SCP enterprises through the decomposition of some without the transformation of others.

The second, theoretical, reason for Friedmann's apparent lack of interest in 'transformation' possibly reflects her emphasis on the 'logic' of simple reproduction, which has much in common with Chayanovian and other formulations of small-scale commodity production as family production. The centrality of simple reproduction tends to make differentiation through accumulation 'anomalous' or at least extrinsic to small-scale commodity production, either an effect of relations and dynamics 'outside' it or of 'subjective decisions' (the latter representing the only explanation of possible accumulation/transformation indicated in Friedmann's work)<sup>17</sup>.

Generally, Friedmann's view of the dynamics and possible fates of SCP hinges on intrinsic competitive advantages it may or may not possess in particular (and changing) conditions of competition. The consideration of the dynamics and fate of PCP by Gibbon and Neocosmos emphasises the distinction between the destruction/creation of places for PCP within the social division of labour and what happens to individual PCP enterprises (a distinction also noted by Friedmann, e.g. 1978b: 97). The former is the site for investigation of particular branches of production containing places for PCP, which are both destroyed and created as effects of the law of value in capitalist competition and accumulation. There are some excellent detailed studies that illuminate these processes, and their specific

conditions and determinations, in metal-working and engineering branches in the industrial city of Bursa, Turkey (Dikerdem, 1980), in carpet-weaving and metal-working branches in the province and city of Kayseri, Turkey, (Ayata, 1982), and in various sub-branches of textiles and garments in Brazil (Schmitz, 1982)<sup>18</sup>.

Within branches where places for PCP exist, the fate of individual commodity producers 'is to divide systematically into capitalists and wage-labourers' (Gibbon and Neocosmos 1985: 178).

The special exaggerated form of instability of the petty commodity producing enterprise under capitalism, it may be suggested, can be seen as the effect of the combination in the concentrated form of the single individual/household of the contradictory class places common to all capitalist enterprises...just as Marx and Engels spoke of the principal tendency of the capitalist mode of production as an ever-increasing division between the classes, so the corollary of this in the specific concentrated form of petty commodity enterprise is for the latter to tend, as individual units, to become differentiated into capitalists or wage-labourers. (ibid: 177)

Several points of clarification and/or elaboration are in order.

First, this central theoretical emphasis by-passes - although it is fully compatible with - the proposition that the fate of individual PCP enterprises can be, and in practice often is, sealed through intense competition with other PCP enterprises in the same branch of production, which may occur through the 'decomposition' of some enterprises and the proletarianisation of their members, without the (capitalist) transformation of other enterprises (as above).

Second, Gibbon and Neocosmos put forward a theoretical proposition about differentiation, not an empirical generalisation. The instability given PCP by its combination of contradictory class places is not manifested in the continuous differentiation of all petty commodity producers into capitalists and wage workers in all places at

all times. Whether differentiation of PCP occurs, the extent to which it occurs, and the specific mechanisms through which it occurs, are always the effects of particular conditions of competition and class struggle requiring concrete investigation. In their 'case study' of Tanzania, for example, Gibbon and Neocosmos argue that the course of class struggle since Independence had as one of its outcomes by the late 1970s the consolidation of the middle peasantry as the (numerically) dominant category of agricultural commodity producers and the (qualitatively) dominant class in the countryside (1985: 194-5).

Third, the rejection of a 'logic' of simple reproduction as a constitutive feature of PCP by Gibbon and Neocosmos, and their insistence on its contradictory combination of the class places of capital and labour, establishes theoretically the possibility of transformation into capitalist enterprises. Thus differentiation through accumulation - when it occurs in particular concrete circumstances - does not present analysis with a 'mystery' that has to be explained (or explained away) by 'factors' external to PCP and its conditions of existence:

...it is only because the producer possesses the means of production that he/she labours for him/herself - because he/she is a capitalist that he/she is his/her own labourer. He/she is thus a capitalist who employs him/herself - a petty bourgeois and not a 'well-to-do proletarian'. (1985: 177-8)

#### Simple/petty commodity production: class relations

The discussion of class relations by Friedmann (1980) is concerned with the economic identification of the class position of SCP, arguing against Vergopoulos (1978) and others that simple commodity producers are not an exploited class. Their location in markets for land,

credit, and other commodities is no different in principle from that of capitalists. The categories of rent, interest, and merchant's profit to which SCP may be subject are the same as for capitalist enterprises, and represent 'exploitation' of the former no more than of the latter (168-70). The rejection of unequal exchange central to this argument is carried forward in considering the class relations of 'peasants' (170-4, also 174-80), and the ways in which particular types of peasantry might be exploited through mechanisms of 'pre-capitalist' rent, labour service, and usury. In these cases exploitation 'is both made possible and limited by the absence of commoditisation' (172), that is, it is characterised by conditions of monopoly (and lack of development of the productive forces) vs the competition definitive of generalised commodity production.

For Gibbon and Neocosmos PCP refers to 'petty-capitalist enterprises' (1985:156), 'petty-bourgeois capitalist enterprises' (187), a particular kind of capitalist enterprise (200), etc. The sense in which PCP is a capitalist enterprise within their view of generalised commodity production is more or less the same as Friedmann's in relation to SCP (indicated in the previous paragraph)<sup>19</sup>. To the petty capitalist character of PCP corresponds the petty bourgeois character of the small producer ('a capitalist who employs him/herself').

Both Friedmann and Gibbon and Neocosmos argue, therefore, that small commodity producers within capitalism are not exploited by another class (a class of capital), and this emphasis has perhaps diverted attention from investigation of class relations - within SCP/PCP. Friedmann's main interest in labour (until recently) concerned how household enterprises secure a regular labour supply in relation to the fluctuations of the demographic cycle, thereby concentrating on

the 'family' aspects of SCP rather than its class character as a commodity producing enterprise. The relatively greater emphasis of Gibbon and Neocosmos on the place of capital than the place of labour in PCP probably reflects the polemical thrust of their argument against the views (a) that small-scale commodity producers under capitalism are a 'disguised proletariat', and (b) that the historical fate of all such producers is inevitably one of immiseration and eventual proletarianisation.

A necessary further step in pursuing the effects of the contradictory relations of capitalism within small-scale commodity production (itself produced by those relations) is to reinforce and consider relations and mechanisms of exploitation. A clue to this is provided by Gibbon and Neocosmos' remarks (1985: 178, 202-3) that the class places of capital and labour might be distributed differentially among social categories within PCP households (as well as combined in the PCP enterprise), notably gender categories. That is, the patriarchal head of household may represent more the class place of capital, and women (and children) more the class places of labour, indicating one channel of exploitation (and possible accumulation) within the household enterprise. More recently Friedmann (this issue, and forthcoming) has begun to investigate the internal relations of SCP as an articulation of class relations (the combination of property and labour) and gender and generational relations (sexual divisions of labour, relations of inequality and patriarchal oppression).

Concepts of 'self-exploitation' have, of course, long been employed in the analysis of household enterprise by both Marxists and followers of Chayanov. Their use is now much less innocent in the light of materialist feminist work which has demolished hitherto residual,

unproblematised, and unitary notions of family and household ('the' family, 'the' household). Small commodity enterprises cannot be treated as a 'black box' (Friedmann, this issue), even though establishing their general conditions of existence remains necessary to any adequate investigation of their specific characteristics, including those of internal relations (Friedmann 1980: 159). The concept of self-exploitation remains unambiguous only in relation to those enterprises in which capital and labour are combined in a single person. The ways in which the places of capital and labour are constituted, distributed and combined within household enterprises, and relations of exploitation structured (often through gender and generational categories, and idioms of kinship - see Brass, this issue) thus suggest a major area of further work on the class relations and characteristics of small-scale commodity production.

In terms of the enterprise as a whole, and its fortunes (reproduction, decomposition, transformation), its distinctive combination of class places can help explain the contradictions petty commodity producers often confront between reproducing themselves as labour (daily and generational reproduction) and capital (maintenance, replacement, and possibly expansion of the means of production). Reducing levels of consumption (and increasing or limiting number of children, according to specific circumstances) in order to maintain, replace or expand the means of production (i.e. accumulation) is an expression of this contradiction<sup>20</sup>. Similarly, the political practices of small commodity producers may, in different ways, accentuate or combine (individual and/or collective) responses to pressures and crises in the conditions of their reproduction as labour and their reproduction as capital<sup>21</sup>. The investigation of such phenomena in terms of the



contradictory pressures of the combination of capital and labour avoids the 'subjectivism' of defining/explaining a category of producers by a given mode of economic calculation. In principle, (self-) exploitation is equally relevant to the 'survival strategies' pursued by many small producers in the face of a reproduction 'squeeze', and in the 'endofamilial accumulation' (Cook and Binford 1985) that enables some of them to become capitalists<sup>22</sup>.

### Capitalism: II Politics

The recent work of Friedmann has begun to present a more political analysis of SCP as (patriarchal) household enterprise in the conditions of the 'advanced' capitalist countries, and to explore how it manifests some of the inequalities and contradictions experienced in the daily life of bourgeois society (Friedmann, this issue).

Gibbon and Neocosmos' theorisation of the general conditions of existence of PCP, and its fortunes, within capitalism is only one element in a densely argued and challenging intervention in debates about 'African socialism', in which 'an effort is made to pose questions of both political economy and politics at a more abstract and general level than hitherto (in these debates, H.B.), as a necessary basis for more effective concrete investigation' (1985: 156). The discussion in this paper has concentrated on their approach to PCP within the framework of political economy, which has also facilitated comparison with Friedmann's (to date, primarily 'economic') theorisation of SCP.

Given a general and welcome concern to advance the analysis of the politics of petty commodity producers (see the remarks of Scott, this issue), it is worth selecting a few considerations from Gibbon and

Neocosmos' abbreviated but illuminating discussion of class politics (192-2) and its application in the analysis of Tanzania (185-90, 192-203).

...capitalism reproduces class spaces or places on the one hand and actual phenomenal forms of a unitary and distinctive kind not corresponding to the spaces and places on the other (e.g. urban/rural dwellers, industrial workers/agricultural labourers, urban craftsmen and women peasants, men/women, mental/manual, young/old, black/white, regional, national and ethnic differences, and so on)... (As) 'classes' are produced phenomenally as groups of owners (and hence as buyers and sellers) of specific conditions of production ('capital', 'land' and 'labour') ... class relations are not simply evident at the phenomenal level.. (190)<sup>23</sup>.

This means both that the fundamentally antagonistic nature of the class struggle is not immediately evident, and that classes in the Marxist sense are, of course, not simply given by capitalist relations, but need to be constituted through a specific political practice. (183)<sup>24</sup>.

In the case of the petty bourgeoisie, the distinctive practices implied are ones which in Marx's terms 'do not get beyond the limits which' petty commodity producers and shop-keepers 'do not get beyond in life', in other words which do not get beyond the contradictory unity, problems and solutions embodied in petty commodity production ... These practices tend to combine collective (i.e. proletarian, H.B) with highly individualised and privatised (i.e. bourgeois) practices. (192, emphasis added).

An agenda for investigation, both theoretical and concrete, of the politics of petty commodity producers within contemporary capitalism needs to be informed by the kinds of issues indicated above. The petty bourgeois class space occupied by small commodity producers, 'peasants' or otherwise, does not mean that they will necessarily form a class nor that they are fated to pursue petty-bourgeois ideology and political practices (themselves highly unstable), any more than those occupying proletarian class spaces necessarily form a working class or pursue revolutionary ideology and politics. It is usually forgotten that in The Eighteenth Brumaire, long cited as evidence of his

'anti-peasant' stance, Marx (1962: 335) distinguished the 'conservative peasant' clinging to the conditions of private production and 'the (revolutionary) peasant that strikes out beyond the condition of his social existence, the small holding, ... the country folk who, linked up with the towns, want to overthrow the old order through their own energies...'.

At the same time, the contradictory unity and problems of PCP generate a search for 'solutions', both ideological and political, though combinations of individualised and collective practices that are petty bourgeois in character<sup>25</sup>. Thus struggles between small commodity producers and (different types of) capital are often struggles (however unequal and uneven) between two kinds of bourgeois property and the class practices corresponding to them, as Gibbon and Neocosmos argue for Tanzania (200). In the course of this process, unified classes can emerge as did the middle peasantry in Tanzania from the confrontations between the state and peasants in the 1970s (194).

#### Conclusion: capitalism and petty commodity production

Among other things, this essay has attempted to demonstrate the initial proposition that different views of small-scale commodity production tend to express different views of the nature of capitalism itself. This has been illustrated by considering two approaches that are comparable, in a negative and critical sense, in their distance from most of the recent Marxist and radical literature on PCP, and in a positive sense, in the seriousness of their commitment to theorising the general conditions of existence of small-scale commodity production within the political economy of capitalism. It should need little emphasis that the partial exposition given here is no substitute for study of the arguments as presented by their authors.

The critical review of the two positions has been closer to the general theoretical understanding of capitalism of Gibbon and Neocosmos, than to that of Friedmann. It has been suggested that she employs an ideal-typical conception of capitalism which 'operationalises' the law of value as 'the logic of the market' via a positivist methodology:

The proposition that commoditisation is a function of mobility of labour, land, and credit is testable. Commoditisation may be measured as the proportion of goods purchased at market determined prices for productive and personal consumption over time. Mobility of labour, land and credit may be measured as the uniformity over time and across areas of wages, rents, and interest rates, allowing for differences in skill, fertility and location, risk, and so on. (1980: 174)

The relationship between the law of value, conceived as the effect of the essential relations and categories of the capitalist mode of production, and its manifestation in (or production of) the phenomenal categories of markets and prices, is itself complex. The reduction of this relationship to the empirical measures suggested by Friedmann can only yield more or less 'pure', more or less 'deviant', economies, sectors and 'forms of production' in the real world of capitalism, which generates the problem of where (and how) to draw the line between what is 'capitalist' and what is not (see note 6).

The emphasis of Gibbon and Neocosmos on the distinction, and problematic relationship, between the essential relations and categories of capitalism and its phenomenal categories and forms, does not in itself resolve many of the issues of the political economy of capitalism. Rather it argues for a particular method for pursuing the questions these issues raise in relation to the immensely contradictory, complex, diverse and fluctuating phenomenal realities and experiences of capitalist society (including those of markets and

prices)<sup>26</sup>. What gives these phenomenal realities their underlying unity is the determination of social existence - whether of Tanzanian peasants or North American farming households - by the conditions of generalised commodity production.

This is not a view of capitalism as everywhere and always identical - an 'expressive totality' (as suggested by Harriet Friedmann, personal communication) - but the opposite including the effects of its uneven development in the different characteristics of national economies, sectors and branches, types of commodity production, divisions of labour, and markets and price movements. One way of distinguishing such differences is by 'levels' of development of capitalist economy related to processes of competition, accumulation, development of the productive forces, class struggle, and so on - but what is being distinguished are forms of capitalist economy, whether 'backward' or 'advanced', whether they have phenomenal similarities with pre-capitalist forms or not<sup>27</sup>.

In its substantive conclusions (the ubiquity of capitalism), the position of Gibbon and Neocosmos seems to converge with that of Andre Gunder Frank and of the 'world system' school (Wallerstein et al). In a sense this is correct but the reason for the conclusions are very different. First, the existence of capitalism is not established by any single phenomenal criterion or set of criteria (e.g. production of commodities for an international market as in sixteenth-century Spanish America; or, as Friedmann suggests, full mobility of all factors of production through market competition) but by explaining the phenomena of capitalism, which Gibbon and Neocosmos have attempted for PCP in general and the middle peasantry in particular. Second, the mode of explanation (which constitutes their method of 'testing')

is not functionalist, as in world-system analysis, but involves investigating phenomena and their characteristics in relation to the essential relations and contradictions of capitalism.

Despite the differences between their conception of generalised commodity production and the (associated) areas of empirical application of the concepts of SCP and PCP, it is worth repeating that Friedmann and Gibbon and Neocosmos share the important position that household commodity enterprises have the same general conditions of existence as capitalist commodity production, and that small commodity producers are not an exploited class<sup>28</sup>. In principle, the mechanisms through which the value of SCP/PCP commodities is distributed between household enterprises and other agents (including landowners, banking and merchant capitals) are the same as for capitalist commodity producing enterprises, hence they do not represent 'exploitation' (appropriation of surplus labour) through an antagonistic relation of production (see note 19).

Beyond this measure of agreement, it is useful to indicate briefly several other areas of issues. The first is that PCP is generally regarded, explicitly or implicitly, as a 'lower' or 'less developed' category of production than capitalist production for two reasons, one stronger and one weaker (the more common). The stronger reason has to do with the social conditions and relations of the labour process: PCP cannot produce 'the collective worker' that some types of capitalist production, with complex technical divisions of labour, socialised labour processes, and extensive cooperation, do.

The ranking of forms of capitalist production by 'levels' of development entails particular social conditions of the labour process

- forms of subsumption and control of labour - necessary to higher rates of labour productivity, of surplus value, and of accumulation, for example, absolute and relative surplus value production in manufacture and machinofacture respectively. While absolute and relative surplus value are also applicable to different types of PCP, the production of relative surplus value in PCP confronts limits due to the constraints on labour supply in household enterprise (Friedmann 1978b) and not on the capitalisation of the means of production (except as limited by the labour constraint).

This is relevant to the second and weaker, reason, reflecting a more technicist understanding of this contrast, namely that the productive forces and productivity of labour are necessarily 'less developed' in PCP than in capitalist production, which is 'read off' from assumptions about economies of scale and levels of capitalisation per worker. Such assumptions are hardly tenable in the face of the micro-chip 'revolution' and the labour processes it makes available to both new kinds of putting-out systems and new kinds of PCP. However, this process has its historical antecedents in situations in which changing combinations of technical and social conditions of production created spaces for PCP able to utilise the 'high technology' of its day. One example is the rise to world market dominance of the family wheat farm (on the new machines it employed and their effects, see Friedmann 1978a: 564-7; there are many analogous instances in contemporary Third World agriculture, including 'peasant' production). Another example is provided by PCP enterprises in certain branches of engineering with a competitive advantage in their flexibility, that is, their ability to move quickly between different lines of production due to their combination of high levels of skill and use of multi-purpose lathes and other machinery (Dikerdem 1980; Ayata 1982).

As indicated earlier, 'levels' of development of the productive forces/powers of labour, related to capitalisation of labour processes, suggest one source of the concrete diversity of PCP, as of the diversity of capitalist production. Another source of the diversity of PCP concerns the structuring of specific 'internal' relations of production and reproduction (labour processes, sexual and other divisions of labour, generational reproduction, systems of property and inheritance, mechanisms of exploitation and possible accumulation). Here it is worth noting a more general issue in conceptualising the 'household enterprise', which is also relevant to investigating the diversity of its phenomenal characteristics, namely the common assumption that as a unit of production and reproduction it combines the following processes:

1. assembling the means of production and labour;
2. combining them to carry out various labour processes;
3. appropriating the income realised from its activities and determining its use.

The issue is that the social relations through which each of these three processes occurs, and through which they are connected, cannot be assumed to constitute a unity. Social categories within households or families may organise these processes through varying combinations of cooperative and individual activity, often along lines laid down by particular types of gender relations and the different claims on - and divisions of - property, labour and income derived from them. In short, a single 'household' may comprise several distinct commodity producing enterprises, which may partly overlap and which may be combined with distinct spheres of subsistence (use-value) production<sup>29</sup>.



It is the concrete diversity of PCP under capitalism which, of course, presents such a critical problem for essential/empiricist attempts to define/explain PCP by its 'most important' (observable) characteristic(s). In addition to diversity, this discussion has also emphasised - following Gibbon and Neocosmos (see also Cook and Binford 1985) - the particularly marked fluctuations of PCP which derive from

1. its vulnerability to the continuous destruction/creation of the places it occupies within the social division of labour as the effects of competition with, and competition between, capitalist enterprises;
2. the effects of often intense competition between PCP enterprises (frequently too many competing for too few 'places' in the same branch of production);
3. the effects of its particular concentration of the contradictory class places of capital and labour in a single individual or household enterprise, that is, its 'special exaggerated form of instability' (Gibbon and Neocosmos: 177)<sup>30</sup>.

One substantive conclusion of this discussion is that petty commodity production will exist as long as capitalism exists. An understanding of the general reasons for this helps rescue the analysis of PCP from tendencies to treat it as residual, whether as a manifestation of incomplete or 'blocked' transitions to capitalism, or as a peculiar feature of 'backward' or peripheral' capitalism, or as the site of inevitably 'backward' or reactionary politics. On the basis of an analysis of the general conditions of existence, and production, of PCP within capitalism (including its processes of uneven development

and the relations of its international division of labour) it should prove possible to advance the concrete investigation of specific types of PCP - their fluctuations, diversity, and differentiation.

Similarly, while the 'contradictory unity, problems and solutions embodied in petty commodity production' suggest one source of petty bourgeois ideology and political practices, a non-reductionist approach to politics would advance the investigation of the practices of small commodity producers in particular conditions of class and popular democratic struggle.

FOOTNOTES

1. Lipton (1984) has moved on to propose a 'family mode of production', which confirms him as the most influential contemporary descendant of Chayanov in the neo-classical branch of the lineage. Significantly, the concept of 'family mode of production' shows that the notorious urban/rural opposition of his earlier work (1977) in fact dissolves into that opposition of large-scale and small-scale production virtually definitive of the history of populist economics (see Kitching 1982). On 'peasantism', see note 2.
2. 'Peasantism' is shorthand for a theoretical (typically essentialist) problematic that, in one version or another, explains 'peasant economy' by a distinct 'logic'. The first part of Gibbon and Neocosmos (1985: 157-167) provides a currently definitive critique of peasantism, taking the work of Bernstein (1977, 1981) as the 'limit case' of a peasantist position. The ideologically negative face of peasantism is manifested in 'development' models of 'the peasantry must be smashed' variety (e.g. Hyden, 1983), its positive face in the many currents of agrarian populism (e.g. Williams, 1976) - this is discussed in Bernstein, 1985, which is being rewritten for publication in the Journal of Peasant Studies.
3. The phenomenal is accessible to, hence can be 'known' by, observation and experience; the essential is not, and under capitalism is systematically obscured by the phenomena it produces (e.g. commodity fetishism, surplus value and the wage form). At the same time, the phenomenal is no less real than the

essential, and the latter only exists through the former. This is of critical importance to class analysis and politics (see below). Useful discussions of the essential/phenomenal relation in Marxist theory include those by Mephram 1979, Sayer 1979.

4. This was the mode of investigation used by Gibbon and Neocosmos, although the mode of exposition in their paper follows the sequence from abstract to concrete analysis (Michael Neocosmos, personal communication).
5. Peter Gibbon, personal communication; this point is strongly indicated in the extract quoted from Gibbon and Neocosmos, rejecting 'type' concepts of capitalist enterprise/formations which constitute 'the measure in relation to which all other forms deviate' - the method of ideal typification precisely summarised. The excellent and wide-ranging paper by Cook and Binford also contains penetrating criticisms of ideal typification as preventing an adequate 'recognition', let alone investigation, of the 'many phenomenal forms of capitalism' (1985: 69).
6. The suggestion of the partial existence of commodity relations (partial market integration) is the tip of a highly problematic iceberg in Friedmann's approach, because the phenomena it hints at are adrift, as it were, between an ideal-typical capitalism and other (in her account, non-capitalist) types of production in conditions of either 'immobility' (1980: 172) or 'limited mobility of factors' (ibid: 173, 174). The lack of any explicit distinction between immobility/limited mobility is no doubt an effect of an underlying notion or 'less than full mobility', i.e.

failing to satisfy the (phenomenal) criterion of an ideal-typified capitalism. Friedmann is certainly consistent in her application of the notion of factor mobility (with all its resonance of neo-classical economics), arguing that the international economy cannot be characterised as capitalist because e.g. despite migrations labour power is not an internationally mobile factor (Harriet Friedmann, personal communication).

7. This point about the demographic determination of family labour supply (emphasised by Chayanov, of course) is similarly applicable to peasant household production. Presumably Friedmann's response would be that it is dealt with through different mechanisms, as the 'options' of peasants households are not regulated/limited by competition to the same extent as those of SCP. For the latter, demographic fluctuations in family labour supply are resolved primarily through access to markets in labour power (Friedmann, 1978b). N.B. However,

cooperation can also solve labour problems of family enterprises, especially where agriculture is extensive. On the Canadian and American prairies, farmers frequently adopt informal and sometimes formal exchanges of labour, in addition to pooling for credit and marketing. (Friedmann forthcoming: 17).

This example of 'direct reciprocal ties' of a horizontal, i.e. communal, kind among SCP farmers provides one index of the difficulty of sustaining SCP as the exclusive concept of the 'form of (household) production' specific to capitalism.

8. Margulies (1985) presents change in Turkish agriculture in the 1950s and 1960s as a transition from peasant production to SCP, charted through the growing uniformity of markets (and prices) for

- agricultural commodities, means of production, and credit. Ironically, having used Friedmann's concept for this purpose, he then confuses and misapplies her analysis by discussing the 'exploitation' of SCP farmers, which she explicitly rejects (1980: 169-70)
9. The meaning here is specialised relative to pre-capitalist production (Peter Gibbon, personal communication). Specialisation is a necessary but not sufficient condition of Friedmann's concept of SCP. It is not sufficient since other (non-SCP) small-scale commodity production can also exhibit high degrees of specialisation (Friedmann 1980: 167-8).
  10. That is, Friedmann employs this argument in the theorisation of SCP but rejects it for peasant commodity production, in which the combination of property and labour is held to be 'pre-capitalist'. The latter view is also expressed in a very important paper by Mamdani (1986), which at the same time highlights some of the historical processes central to the constitution of petty commodity producers within capitalism (incorporation in a capitalist social division of labour, individualisation of household production and reproduction, class differentiation of the peasantry).
  11. The criticism of 'differential commoditisation' in this passage refers to the concept as employed in Bernstein (1977).
  12. Boesen and Mohele (1979) is nonetheless an excellent and unusually rigorous analysis, linking small-scale commodity production of tobacco, state economic apparatuses and policies in Tanzania, and world market circuits of tobacco and tobacco products.

Interestingly, their historical account includes a clear case of a change from capitalist to PCP tobacco production.

13. For example, Friedmann (1978a: 564) herself notes that SCP wheat production for the world market 'replaced both diversified household producers (i.e. 'peasants', H.B.) and specialised capitalist producers located in diverse social formations' (emphasis added).
14. The area of issues implied here concerns the specification of conditions in which relations between capital and wage labour assume the appearance of household production - in (various kinds of) putting-out in manufacturing, and in (some) cases of 'peasant' contract farming.
15. The notion of 'competitive advantage' has an irony similar to Marx's usage of the 'freedom' of wage labour for the many households which continue to produce commodities in conditions of immiseration (see, for example, Patnaik 1979).
16. This generalisation seems most accurate in relation to the 'heroic period' of family grain farming in North America from the 1880s to 1920s, when it achieved and maintained its world market ascendancy solely on grounds of competitive advantage. The Depression and the New Deal of the 1930s established the new politics of farm support programmes in the United States, which continued after the war when the international capitalist economy was restructured under US hegemony, and the export promotion of grain surpluses became an important arm of American foreign policy. The 'heroic period' was characterised by 'generalised exchange'(free trade) in world wheat markets, that from the 1930s onwards by 'segmented

exchange' (Friedmann 1982b); the rise of the 'postwar international food order' and its collapse in the early 1970s under the accumulated weight of its contradictions is the subject of an excellent analysis by Friedmann (1982a).

17. 'Models' of 'household production' to which the 'logic of simple reproduction' is central tend to assume that, other things being equal, differentiation will not occur. When it does it is problematic (so, for example, its cause is to be sought outside the household). This is examined in the discussion by Bernstein (1985) of neo-classical (pro-market) and radical (pro-peasant) populist views of the African peasantry. It is argued that the former, from ideological opportunism, and the latter, from ideological principle and its commitment to a simple reproduction 'logic', both underestimate the social differentiation of many peasantries in Africa and attribute the differentiation that is acknowledged to forces 'outside' the ('essential') small farmer/'peasant' economy.

It is a matter of methodological principle that particular cases of the relative stability of 'household' or petty commodity production have to be treated as a matter for investigation no less than particular cases of instability (whether manifested through differentiation or otherwise). The work of Michael Cowen on Kenyan agriculture provides an excellent example (accomplished with a rare combination of theoretical and historical finesse) of the need to explain the reproduction of relatively stable middle peasant enterprise by the specific conditions of existence of the branches of production they occupy - for references and a very useful discussion of Cowen's work, see Kitching 1985 (137-40). It



should be stressed that Friedmann's work satisfies the methodological principle stated but, as suggested in the text, in the particular case of family wheat farming the issue is reproduction vs. decomposition, and the theoretical possibility (and explanation) of transformation is omitted from the conceptualisation of SCP. By default, the only explanation of accumulation by SCP enterprises would appear to be that it is the result of 'subjective decisions'.

18. Ayata (1982) contains an extraordinary reconstruction from official statistics and other data of the major branches of (non-agricultural) petty commodity production and their location in the division of labour of the national economy of Turkey, which experienced massive capitalist development from the 1950s to the 1970s (some of his findings are summarised in Ayata, this issue).
19. This is not to say, of course, that petty commodity producers might not be subjected to various (sometimes severe) forms of extortion and 'cheating' by different kinds of capital, including state capitalist enterprises. This is a central theme in current debates about agrarian 'crisis' in Africa, which have been marked by a confusing convergence of both left and right populist 'anti-statism' (Bernstein 1985). The consideration of such extortion in the Tanzanian case by Gibbon and Neocosmos (including an important analysis of state capitalist enterprises) is a useful step towards establishing a materialist account of state-peasant relations in Africa that can help counter the ideological reaction and rampant confusion of the current conjuncture. Of course, just as state policies and practices can be sources of oppression of, and extortion from, petty commodity producers, they can also

support and advance the interests of (particular groups of) small producers (see note 16).

20. Relevant here is what Michael Cowen has termed the 'reverse Wolpe thesis', that is, members of PCP households engaging in wage labour not because of the inability of the enterprise to reproduce them (what Gibbon and Neocosmos term 'semi-proletarianisation') but to acquire savings to invest in improving or expanding the stock of means of production at the disposal of the enterprise. I have been unable to trace this reference in Cowen's work; his reference is to Wolpe, 1972.
21. For a brief but interesting example see the discussion of agricultural cooperation in Friedmann, forthcoming (16-19).
22. The paper by Cook and Binford (1985) sheds valuable light on a number of theoretical issues relevant to this paper, and on applying them in concrete investigation. Unfortunately its central argument is marred by an attempt to enlist Chayanov 'up to a certain point' in a project that is avowedly Leninist. That 'point' is exactly the threshold of simple reproduction (for which Chayanov is deemed helpful) and accumulation (for which Chayanov is positively obstructive).
23. The production of such phenomenal unities and differences is demonstrated by Gibbon and Neocosmos (182-5) with respect to agriculture and industry, to explain 'the phenomenal foundation(s) of a unified peasantry' which is itself the basis of essentialist/empiricist concepts of a 'peasantist' kind (see note 2).

24. Wolpe (1985: 102-3) makes similar points in his criticism of the economism of much 'form of production' analysis.
25. In the case of peasants (though not only peasants) ideological and political 'solutions' may take the form of reconstructions of 'community', 'tradition', 'custom', etc., as a means of defence against the depredations of capital and the state (notably where land rights are concerned). The excellent analysis by Mamdani (1986) distinguishes the politics of such reconstructions 'from below' by poor and middle peasants and 'from above' by rich peasants.
26. Joan Smith (1984: 64) outlines a version of 'the essence of capitalism - at least in theory', and continues: 'Yet everywhere we look, the description does not fit. Our homes, the favellas, urban ghettos and working class suburbs, the Bantustans - on and on - belie the classical description of capitalism'. This is certainly true insofar as there is an expectation that the essential relations and categories of capitalism are phenomenally evident; if not, then the phenomena of capitalism require a different method of investigation.
27. A great deal of historical analysis invoking the concept of the 'combined and uneven development of capitalism' is (mis)conceived in this way - 'unevenness' becomes equivalent to some national economies, regions, sectors, 'forms' of production and labour, etc., being 'more' or 'less' capitalist than others, rather than all being equally constituted within capitalism, the distinctive contradictions and dynamics of which are the source of their unevenness.

28. That is, in general terms as distinct from the constitution of class places and specific mechanisms of exploitation within household production, as indicated above. Investigations that reveal class places and exploitation within household enterprises further demonstrate their capitalist character - see the illuminating analysis by Brass, this issue.
29. These observations were stimulated by the excellent discussion in Guyer (1981); see also Redclift (1985).
30. Again, Friedmann's apparent lack of interest in fluctuation and instability as general phenomena of small-scale commodity production probably reflects the specific characteristics of North American wheat farms of the 'heroic period' (note 16): their relative homogeneity, stability, and lack of differentiation.

REFERENCES

- Ayala, S.  
1982 Differentiation and Capital Accumulation: Case Studies of the Carpet and Metal Industries in Kayseri (Turkey), Ph.D Thesis: University of Kent.
- Bernstein, H.  
1977 'Notes on Capital and Peasantry', Review of African Political Economy, 10: 50-73.  
1979 'African Peasantries: A Theoretical Framework', Journal of Peasant Studies, 6: 421-443.  
1981 'Notes on State and Peasantry: the Tanzanian Case', Review of African Political Economy, 21: 44-62.  
1985 'Agrarian Crisis in African and Neo-Classical Populism', paper presented to Postgraduate Seminar on Peasants, Institute of Commonwealth Studies, University of London.  
1986 'Is There a Concept of Petty Commodity Production Generic to Capitalism?', paper presented to Thirteenth European Congress for Rural Sociology, Braga, Portugal.
- Bernstein, H. and B.K. Campbell (ed.)  
1985 Contradictions of Accumulation in Africa. Studies in Economic and State, Beverly Hills; Sage.
- Boesen, J. and A.T. Mohele  
1979 The 'Success Story' of Peasant Tobacco Production in Tanzania, Uppsala: Scandinavian Institute of African Studies.
- Bromley, R. (ed.)  
1978 The Urban Informal Sector, special issue of World Development, Vol.6 (9 and 10).
- Bromley, R. and C. Gerry (ed.)  
1979 Casual Work and Poverty in Third World Cities, Chichester: John Wiley.
- Byres, T.J.  
1979 'Of Neo-populist Pipe Dreams: Daedalus in the Third World and the Myth of Urban Bias', Journal of Peasant Studies, 6: 210-44.
- Cook, S. and L. Binford  
1985 'Commodity Economy and Capital Accumulation Without Social Differentiation? A Critique of Quasi-Chayanovian Marxism', unpublished ms., University of Connecticut, Storrs: Department of Anthropology.

- Dikerdem, M.A.  
1980 Factory and Workshop. An Investigation into Forms of Small-Scale Production in Turkey, D.Phil. Thesis: University of Sussex.
- Friedmann, H.  
1978a 'World Market, State, and Family Farm: Social Bases of Household Production in the Era of Wage Labour', Comparative Studies in Society and History, 20: 545-586.  
1978b 'Simple Commodity Production and Wage Labour in the American Plains', Journal of Peasant Studies, 6: 70-100.  
1980 'Household Production and the National Economy: Concepts for the Analysis of Agrarian Formations', Journal of Peasant Studies, 7: 158-184.  
1982a 'The Political Economy of Food: The Rise and Fall of the Postwar International Food Order', American Journal of Sociology, 88 (Supplement): 248-286.  
1982b 'State Policy and World Commerce: The Case of Wheat, 1815 to the Present', in P. McGowan and C.W. Kegley (ed.), Foreign Policy and the Modern World System, Beverly Hills: Sage, 125-155.
- Forthcoming  
'Family Enterprises in Agriculture: Structural Limits and Political Possibilities', in G. Cox, P. Lowe, and M. Winter (ed.) Agriculture: Policies and People, London: Allen and Unwin (page references in this paper are to the ms. version).
- Gibbon, P. and M. Neocosmos  
1985 'Some Problems in the Political Economy of "African Socialism"', in Bernstein and Campbell (ed.): 153-206.
- Goodman, D. and M. Redclift  
1981 From Peasant to Proletarian. Capitalist Development and Agrarian Transitions. Oxford: Basil Blackwell.
- Guyer, J.  
1981 'Household and Community in African Studies', African Studies Review, 24 (2/3): 87-137.
- Harriss, J.  
1982 'Character of an Urban Economy. "Small-Scale" Production and Labour Markets in Coimbatore', Economic and Political Weekly, Vol.17, 23/4: 1-19.
- Hyden, G.  
1983 No Shortcuts to Progress. African Development Management in Perspective. London: Heinemann.
- ILO  
1972 Employment, Incomes and Equality: A Strategy for Increasing Productive Employment in Kenya, Geneva, ILO.

- Kitching, G.  
1982 Development and Underdevelopment in Historical Perspective. Populism, Nationalism and Industrialisation, London: Methuen.
- 1985 'Politics, Method, and Evidence in the "Kenya Debate"', in Bernstein and Campbell (ed.): 115-151.
- Lipton, M.  
1977 Why Poor People Stay Poor. A Study of Urban Bias in World Development, London: Maurice Temple Smith.
- 1984 'Family, Fungibility and Formality: Rural Advantages of Informal Non-Farm Enterprise Versus the Urban Formal State', in S. Amin (ed.), Human Resources, Employment and Development. Vol.5 Developing Countries, London: Macmillan, 189-242.
- Mamdani, M.  
1986 'Extreme but not Exceptional: Towards an Analysis of the Agrarian Question in Uganda', DPP Working Paper 5; also forthcoming in Journal of Peasant Studies 14(2), 1987.
- Marx, K.  
1962 The Eighteenth Brumaire of Louis Bonaparte, in K. Marx and F. Engels, Selected Works Vol.I, Moscow: Foreign Languages Publishing House.
- Marguilies, R.  
1985 Small Family Farming and the Transformation of Turkish Agriculture: 1950-1965, Ph.D. Thesis: University of East Anglia.
- Mephram, J.  
1979 'The Theory of Ideology in Capital', in J. Mephram and D.H. Ruben (ed.). Issues in Marxist Philosophy, Vol.III Epistemology, Science, Ideology, Brighton: Harvester, 141-173.
- Neocosmos, M.  
1986 'Marx's Third Class: Capitalist Landed Property and Capitalist Development; Journal of Peasant Studies 13(3): 5-44.
- Patnaik, U.  
1979 'Neo-Populism and Marxism: The Chayanovian View of the Agrarian Question and its Fundamental Fallacy', Journal of Peasant Studies 6: 375-420.
- Redclift, N.  
1985 'The Contested Domain: Gender, Accumulation and the Labour Process', in Redclift, N. and E. Mingione (ed.). Beyond Employment. Household, Gender and Subsistence, Oxford: Basil Blackwell, 92-125.
- Sayer, D.  
1979 Marx's Method, Hassocks: Harvester.
- Schmitz, H.

- 1982 Manufacturing in the Backyard. Case Studies on Accumulation and Employment in Small-Scale Brazilian Industry, London: Frances Pinter.
- Smith, J.  
1984 'Nonwage Labour and Subsistence', in Smith, J., I. Wallerstein, H. D. Evers (ed.) Households and the World Economy, Beverly Hills: Sage, 64-89.
- Vergopoulos, K.  
1978 'Capitalism and Peasant Productivity', Journal of Peasant Studies 5: 446-65.
- Williams, G.  
1976 'Taking the Part of Peasants: Rural Development in Nigeria and Tanzania', in P.C.W. Gutkind and I. Wallerstein (ed.), The Political Economy of Contemporary Africa, Beverly Hills: Sage, 131-154.
- Wolpe, H.  
1972 'Capitalism and Cheap Labour Power in South Africa: from Segregation to Apartheid', Economy and Society 1: 425-456.
- 1985 'The Articulation of Modes and Forms of Production', in D. Banerjee (ed.) Marxian Theory and the Third World, New Delhi: 89-103.



The Development Policy and Practice research group was set up at the Open University towards the end of 1986 to promote research on development issues. Its members have a wide range of disciplinary backgrounds (engineering, sociology, economics, education and geography). At present, research is focussed in three areas: food markets - particularly in sub-Saharan Africa and South Asia; the development of finance and banking; and links between small and large scale production.

DPP is a relatively small research group with limited funding. In order to increase our efficacy we are keen to enter into collaborative arrangements with other research groups and development agencies where appropriate. DPP will also be acting as a centre to focus the development concerns of the Open University by arranging seminars and workshops.

DPP can be contacted at the following address:

Development Policy and Practice,  
Technology Faculty,  
The Open University,  
Walton Hall,  
Milton Keynes,  
MK7 6AA  
United Kingdom

Telephone: 0908 652103/2

Development Policy and Practice:

Working Papers

DPP Working Papers are available either to exchange with journals or with other working paper series, or on payment of £2 per paper.

Please make cheques or International Money Orders payable to 'The Open University (Development Policy and Practice)'.

Papers marked by an \* have been published in journal or book form, and are no longer distributed as working papers.

---

<u>Paper No.</u>	<u>Author</u>	<u>Title</u>
1	M. Mackintosh	Agricultural Marketing and Socialist Accumulation: a case study of Maize Marketing in Mozambique.
2	L. Harris	Finance and money with underdeveloped banking
3	H. Bernstein	Capitalism and Petty Commodity Production.
4	B. Crow	US Policies in Bangladesh: The making and the breaking of famine.
5	M. Mamdani	Extreme but not exceptional: towards an analysis of the agrarian question in Uganda.