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4 TAXATION AND PRIMITIVE
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6 ACCUMULATION: THE CASE
7
8 OF COLONIAL AFRICA
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15 **ABSTRACT**
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17 *In Volume One of Capital, Marx laid out what he called “The Secret*
18 *of Capitalist Primitive Accumulation.” Capitalist accumulation must be*
19 *preceded by some previous accumulation, “an accumulation which is not the*
20 *result of the capitalist mode of production but its point of departure” (1990,*
21 *p. 873). Marx, concentrating on European history, identified the “double-*
22 *freedom” requirement necessary for capitalist production: workers must be*
23 *“free” to sell their labor-power and they must be “free” from the means*
24 *of production. But in this analysis, Marx not only was focusing his remarks*
25 *on Europe, he actually states that the “classic” case is limited to England,*
26 *while the “history of this expropriation assumes different aspects in different*
27 *countries, and runs through its various phases in different successions, and*
28 *at different historical epochs” (p. 876). In the European colonies, land*
29 *expropriation and forced labor were used, but another important means of*
30 *forcing indigenous populations to work as wage-laborers or produce cash*
31 *crops was taxation and the requirement that taxes be paid in colonial currency.*
32 *This paper provides an overview of this method, and documents its historical*
33 *importance, concentrating on Africa. Taxation also played an important role*
34 *in the monetization and commoditization of African economies, and in the*
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1 precondition for the development of the capitalist mode of production” (Marx,
2 1991, p. 444):

3
4 There can be no doubt – and this very fact has led to false conceptions – that the great revolutions
5 that took place in trade in the sixteenth and seventeenth centuries, along with the geographical
6 discoveries of that epoch, and which rapidly advanced the development of commercial capital,
7 were a major moment in promoting the transition from the feudal to the capitalist mode of
8 production. The sudden expansion of the world market, the multiplication of commodities in
9 circulation, the competition among the European nations for the seizure of Asiatic products
10 and American treasures, the colonial system, all made a fundamental contribution towards
11 shattering the feudal barriers to production (Marx, 1991, p. 450).

12 Already in Volume 1 Marx had identified this history as an integral part of primitive
13 accumulation:

14 The discovery of gold and silver in America, the extirpation, enslavement and entombment
15 in mines of the indigenous population of that continent, the beginnings of the conquest and
16 plunder of India, and the conversion of Africa into a preserve for the commercial hunting of
17 blackskins, are all things that characterize the dawn of the era of capitalist production. These
18 idyllic proceedings are the chief moments of primitive accumulation. Hard on their heels follows
19 the commercial war of the European nations, which has the globe as its battlefield (Marx, 1990,
20 p. 914).

21 These insights recognize the role that colonialism and imperialism played in
22 contributing to the establishment of the capitalist mode of production in Europe,
23 but they do not address the processes of primitive accumulation in the colonies
24 and territories themselves. Marx stated that “it is otherwise in the colonies” (Marx,
25 1990, p. 931), but he did not document all the particulars of what might be called
26 “colonial capitalist primitive accumulation.”

27
28 **2. THE ROLE OF THE STATE IN MARX’S ACCOUNT**
29 **OF PRIMITIVE ACCUMULATION IN EUROPE**
30 **AND COLONIAL CAPITALISM**
31

32 Some of Marx’s additional remarks concerning primitive accumulation in
33 European countries do provide hints regarding colonial capitalist primitive
34 accumulation.

35 For example, Marx included the role of the state, including taxation, as part of
36 primitive accumulation in Europe. He wrote that:

37 The different moments of primitive accumulation can be assigned in particular to Spain,
38 Portugal, Holland, France, and England, in more or less chronological order. These moments
39 are systematically combined together at the end of the seventeenth century in England; the
40 combination embraces the colonies, the national debt, the modern tax system, and the system

1 of protection. These methods depend in part on brute force, for instance the colonial system.
 2 But, they all employ the power of the state, the concentrated and organized force of society, to
 3 hasten, as in a hot-house, the process of transformation of the feudal mode of production
 4 into the capitalist mode, and to shorten the transition. Force is the midwife of every old
 5 society which is pregnant with a new one. It is itself an economic power (Marx, 1990,
 6 pp. 915, 916).

7 And, again:

8 The modern fiscal system, whose pivot is formed by taxes on the most necessary means of
 9 subsistence . . . thus contains within itself the germ of automatic progression. Over-taxation is
 10 not an accidental occurrence, but rather a principle. In Holland, therefore, where this system
 11 was first inaugurated, the great patriot, DeWitt, extolled it in his Maxims as the best system
 12 for making the wage-labourer submissive, frugal, industrious . . . and overburdened with work.
 13 Here, however, we are less concerned with the destructive influence it exercises on the situation
 14 of the wage-labourer than with the forcible expropriation, resulting from it, of peasants, artisans,
 15 in short, of all constituents of the lower middle-class. There are no two opinions about this,
 16 even among the bourgeois economists. Its effectiveness as an expropriating agent is heightened
 17 still further by the system of protection, which forms one of its integral parts (Marx, 1990,
 18 p. 921).

18 Clearly Marx recognized the role that the State played, with its “whole series
 19 of forcible methods,” but he “only passed in review those that have been epoch-
 20 making as methods of the primitive accumulation of capital” (Marx, 1990, p. 928).

21 What I am calling here, the colonial capitalist mode of production is similar to
 22 what Clive Y. Thomas has called the “colonial slave mode of production,” in which
 23 the “mode of production was *clearly determined by the colonizing power*, and was
 24 in no way a ‘natural’ outgrowth of the development of the indigenous communities”
 25 (Thomas, 1984, p. 10). In the colonial capitalist mode of production, “the process
 26 of colonization ultimately required the effective concentration of power in the
 27 hands of the colonizing power” (Thomas, 1984, p. 14), and “. . . the local state
 28 developed out of the need for an organizing authority to perform certain ‘common’
 29 functions in the local society and the need to have an ‘on-the-spot’ public coercive
 30 power to guarantee the interests of the dominant local and colonial interests”
 31 (Thomas, 1984, p. 15). Some of these functions “included overhauling existing
 32 land and property arrangements; creating, in place of slaves, a stable labor supply
 33 for commercial agriculture and mining; extending the use of money and exchange,
 34 frequently by requiring the payment of money taxes and land rent” (Thomas, 1984,
 35 pp. 18, 19).

36 A variety of methods were employed by the colonial powers to force colonial
 37 subjects to become wage-laborers. These included forced labor and varieties of
 38 methods to create a property-less class. But creating a landless, property-less class
 39 was not always preferred by colonial governments. Maintaining “reserves” of
 40 some kind was beneficial to capital, for a number of reasons. If labor was seasonal,

1 workers could return to home in the off-season and live off the subsistence base. In
 2 this way, wages did not have to be high enough to support workers and their families
 3 year-round, and profits could be higher. Even without seasonal labor, maintaining
 4 a subsistence base could supplement wages, which again would not have to be
 5 high enough reproduce labor-power. The problem was that if the subsistence base
 6 was capable of supporting the population entirely, colonial subjects would not be
 7 compelled to offer their labor-power for sale. Colonial governments thus required
 8 alternative means for compelling the population to work for wages. The historical
 9 record is clear that one very important method for accomplishing this was to
 10 impose a tax and require that the tax obligation be settled in colonial currency.
 11 This method had the benefit of not only forcing people to work for wages, but
 12 also of creating a value for the colonial currency and monetizing the colony. In
 13 addition, this method could be used to force the population to produce cash crops
 14 for sale. What the population had to do to obtain the currency was entirely at
 15 the discretion of the colonial government, since it was the sole source of the
 16 colonial currency. This method was widespread and important enough to be called
 17 “a secret of colonial capitalist primitive accumulation” (since it was not the only
 18 method, it must be called “a” secret). This practice is extremely well documented,
 19 yet it has hardly ever been mentioned as an important method of primitive
 20 accumulation. If, as Marx stated, “accumulation of capital is . . . multiplication of
 21 the proletariat,” then direct taxation (and the requirement taxes be paid in money)
 22 was, in the colonies, “a secret of so-called primitive accumulation,” especially
 23 because of the other associated effects, including monetization, marketization, and
 24 commoditization.

25 26 27 **3. MARX’S RECOGNITION OF THE ROLE OF** 28 **TAXATION IN PRIMITIVE ACCUMULATION** 29

30 Marx’s understanding of the role of taxation in the creation of wage-labor expanded
 31 during his study of the Russian peasantry and their proletarianization (White, 1996,
 32 p. 247). In particular, he was influenced by his reading of N. Flerovsky’s *The*
 33 *Condition of the Working Class in Russia* (Flerovsky was the pseudonym of V. V.
 34 Bervi), published in 1869 (White, 1996, p. 247). Marx wrote to Engels that “this is
 35 the most important book which has appeared since your *Condition of the Working*
 36 *Class*” (White, 1996, p. 248):

37 Flerovsky made it plain that . . . not all Russian peasants were on the same economic
 38 level . . . While rich peasants . . . could earn their living entirely from the land, the poorer ones
 39 could not because ‘the amount of taxes levied on the peasantry is so great that they cannot pay
 40 it without earning wages’ (White, 1996, p. 248).

1 According to Flerovsky, “The main reason which compels the worker to resort to
2 the capitalist is to pay his taxes” (White, 1996, p. 249). As White reports, “Marx
3 was delighted with Flerovsky’s book and as he wrote to Engels: ‘What I like,
4 among other things, in Flerovsky is his polemic against direct taxes exacted from
5 the peasants’ ” (White, 1996, p. 249):

6 Flerovsky’s book had a lasting significance for Marx’s studies of Russian economic
7 development, because the picture it presented was not contradicted by any of the other sources
8 which Marx used, and indeed, the statistical materials which he consulted served only to add
9 substance to what Flerovsky had said (White, 1996, p. 249).

10 Marx’s extensive study of the *Reports of the Fiscal Commission* “served to
11 substantiate Flerovsky’s opinion that the system of taxation in Russia . . . was
12 responsible for turning workers into proletarians” (White, 1996, p. 249).

13 The influence of Flerovsky seems to be present in Engel’s analysis, inserted
14 in Chap. 43 of *Capital*, Vol. 3, where he refers to “Russian and Indian peasants
15 succumbing to the screws of taxation”:

16 the lands of the Russian and Indian communistic communities, which had to sell a portion of
17 their product, and an ever-growing one at that, to get money for the taxes exacted by a merciless
18 state despotism – often enough by torture. These products were sold with no regard to their
19 costs of production, sold at the price which the dealer offered, because the peasant absolutely
20 had to have money at the payment date (1991, p. 860).

21
22 Later in Volume 3, in Chap. 47, Marx himself makes clear that taxes function
23 to speed up the preconditions for capitalist development. In a discussion of the
24 Mercantile system, Marx argues that the transformation from feudal society to
25 capitalism was in no way “natural,” but was facilitated by the State:

26 We have already noted how the Monetary System correctly proclaims that production for the
27 world market and the transformation of the product into a commodity, hence into money, is the
28 precondition and requirement for capitalist production . . . But it is also a characteristic feature of
29 the self-interested merchants and manufacturers of that time, and belongs to the period of capital-
30 ist development that they represent, that the transformation of feudal agricultural societies into
31 industrial societies, and the resulting industrial struggle of nations on the world market, involves
32 an accelerated development of capital which cannot be attained in the so-called natural way but
33 only by compulsion. It makes a substantial difference whether the national capital is transformed
34 into industrial capital gradually and slowly, or whether this transformation is accelerated in time
35 by the taxes they impose via protective duties, principally on the landowners, small and middle
36 peasants and artisans, by the accelerated expropriation of independent direct producers, by the
37 forcibly accelerated accumulation and concentration of capital, in short, by the accelerated
production of the conditions of the capitalist mode of production (Marx, 1991, p. 920).

38 Clearly, Marx understood the role of taxation in primitive accumulation and the
39 accumulation of capital (see Zarembka, 2000, for definitions of the two notions
40 and their relation).

1 While Marx's interest in the role of money taxes in primitive accumulation
2 certainly deepened as a result of his reading of Flerovsky, there is evidence that
3 this recognition was not new and that he had already understood the importance
4 of these processes earlier. In the *Urtext*, the original draft of *A Contribution to the*
5 *Critique of Political Economy*, written in 1858, Marx emphasized "the way that an
6 absolute monarchy pressures for production for exchange simply by demanding
7 money taxes" (Nelson, 1999, p. 102):

8
9 The absolute monarchy, itself already a product of the development of bourgeois wealth to a
10 level incompatible with old feudal relationships, is – in accordance with the uniform general
11 power which it must be able to exercise at every point of the periphery – in need of a material
12 instrument of that power: the *universal equivalent*, wealth in its constant battle-ready form in
13 which it is completely independent of particular local, natural, individual relations. It needs
14 wealth in the form of money. A system of services and deliveries in-kind tends to impart, in
15 accordance with their specific character, a particular character to their use as well. Money is
16 alone capable of being converted into any particular use value. So the absolute monarchy is
17 actively engaged in converting money into the universal means of payment. That can be done
18 only through forced circulation, which makes products circulate at below their value. For the
19 absolute monarchy, the conversion of all taxes into money taxes is a vital matter (Marx, 1987
[1858], pp. 430, 431).

19 In the *Grundrisse*, Notebook I, "The Chapter on Money," Marx recognized that
20 "Prussia has paper money of forced currency. (A reflux is secured by the obligation
21 to pay a portion of taxes in paper)" (Marx, 1973, pp. 132). Furthermore, Marx
22 viewed this as part of the larger transition associated with money and the role of
23 the State:

24
25 (To be further developed, the influence of the transformation of all relations into money relations:
26 taxes in kind into money taxes, rent in kind into money rent, military service into mercenary
27 troops, all personal services in general into money services, of patriarchal, slave, serf and guild
28 labour into pure wage labour) (Marx, 1973, pp. 146).

28 In the period of the rising absolute monarchy with its transformation of all taxes into money
29 taxes, money indeed appears as the moloch to whom real wealth is sacrificed (Marx, 1973,
30 p. 199).

31 Along the same lines, in Part III of *Theories of Surplus Value*, in a discussion of
32 early capitalist development and the genesis of wage-labor, Marx again highlights
33 the importance of "the conversion of rent into money rent and generally of all
34 payments in kind (taxes, etc., rent) into money payments" (Marx, 1971 [1863],
35 p. 289).

36 For Marx, money taxes played an important role in primitive accumulation, both
37 in terms of "regulating the supply of labour power" and ensuring that "[m]oney,
38 must, in short, be able to command the labour of others" (Harvey, 1982, pp. 51,
39 256): "The growth of mortgage markets, the taxation of land as a financial asset by
40 the state (which forces monetization) and the whole complex history of primitive

1 accumulation and the monetization of landed property relations . . . also play their
2 respective roles” (Harvey, 1982, p. 348).

3 4 **4. TAXATION AND PRIMITIVE ACCUMULATION** 5 **IN COLONIAL AFRICA** 6

7 Colonial administrators at first believed that market incentives and persuasion
8 might result in a forthcoming supply of labor:
9

10 Initially the French imagined that if they would only create new needs for the Africans, the
11 indigenous people would go out to work. When this did not happen, the French introduced
12 taxes so as to make Africans earn wages (Coquery-Vidrovitch, 1969, pp. 170, 171).

13 From the first it was assumed that ample cheap labor was a major asset in Africa . . . Practical
14 experience soon showed, however, that Africans did not, as a rule, approximate to Indian
15 coolies. Few in sub-Saharan Africa had experience of working for pay or outside the traditional
16 subsistence economy, and few had any real need to do so. In course of time monetary incentives
17 might generate a voluntary labor force, but during the first decades after pacification neither
18 governments nor private investors could afford to wait indefinitely for the market to work this
19 revolution (Fieldhouse, 1971, p. 620).

20 A number of methods were utilized to compel Africans to provide labor and
21 cash crops. Among these were work requirements, pressure for “volunteers,” land
22 policy squeezing Africans into “reserves” destroying the subsistence economy, and
23 “contracts” with penal sanctions (Fieldhouse, 1971, pp. 620, 621). But the most
24 successful method turned out to be direct taxation.

25 Direct taxation was used throughout Africa to compel Africans to produce cash
26 crops instead of subsistence crops and to force Africans to work as wage laborers
27 on European farms and mines:

28 In those parts of Africa where land was still in African hands, colonial governments forced
29 Africans to produce cash crops no matter how low the prices were. The favourite technique was
30 taxation. *Money* taxes were introduced on numerous items – cattle, land, houses, and the people
31 themselves. Money to pay taxes was got by growing cash crops or working on European farms
32 or in their mines (Rodney, 1972, p. 165, original emphasis).

33 The requirement that taxes be paid in colonial currency rather than in-kind was
34 essential to producing the desired outcome, as well as to monetize the African
35 communities, another part of colonial capitalist primitive accumulation and helping
36 to create markets for the sale of European goods:

37 African economies were monetised by imposing taxes and insisting on payments of taxes with
38 European currency. The experience with paying taxes was not new to Africa. What was new
39 was the requirement that the taxes be paid in European currency. Compulsory payment of taxes
40 in European currency was a critical measure in the monetization of African economies as well
as the spread of wage labor (Ake, 1981, pp. 333, 334).

1 Colonial governors and other administrators were well aware of this “secret” of
2 colonial capitalist primitive accumulation, although they often justified the taxation
3 on other grounds, some ideological and others demonstrating the multiple purposes
4 of taxation from the colonial point of view. “One Governor, Sir Perry Girouard,
5 is reported to say: ‘We consider that taxation is the only possible method of
6 compelling the native to leave his reserve for the purpose of seeking work’ ” (Buell,
7 1928, p. 331). First Governor General of the Colony and Protectorate of Nigeria, Sir
8 Frederick Lugard’s Political Memoranda and Political Testimonies are filled with
9 evidence regarding direct taxation: “Experience seems to point to the conclusion
10 that in a country so fertile as this, direct taxation is a moral benefit to the people by
11 stimulating industry and production” (Lugard, 1965a, p. 118). Lugard’s belief that
12 “Direct taxation may be said to be the corollary of the abolition, however, gradual,
13 of forced labour and domestic slavery” (1965a, p. 118), acknowledges the role of
14 direct taxation in forcing Africans to become wage-laborers. Lugard was also clear
15 that the “tax must be collected in cash wherever possible . . . The tax thus promotes
16 the circulation of currency with its attendant benefits to trade” (1965a, p. 132).

17 Lugard and other colonial administrators cited a number of other justifications
18 for direct taxation:

19 Even though the collection of the small tribute from primitive tribes may at first seem to give
20 more trouble than it is worth, it is in my view of great importance as an acknowledgement of
21 British Suzerainty . . . It is, moreover, a matter of justice that all should pay their share alike,
22 whether civilized or uncivilized, and those who pay are quick to resent the immunity of others.
23 Finally, and in my judgment the most cogent reason, lies in the fact that the contact with officials,
24 which the assessment and collection necessitates, brings these tribes into touch with civilizing
25 influences, and promotes confidence and appreciation of the aims of Government, with the
26 security it affords from slave raids and extortion” (Lugard, 1965b, pp. 129, 130).

27 The tax affords a means to creating and enforcing native authority, of curbing lawlessness,
28 and assisting in tribal evolution, and hence it becomes a moral benefit, and is justified by the
immunity from slave-raids which the people now enjoy” (p. 173).

29 Taxation was also justified on grounds that it assisted in “civilizing” African
30 peoples: “For the native,” Ponty stated in 1911, “taxation, far from being the sign
31 of a humiliating servitude, is seen rather as proof that he is beginning to rise on the
32 ladder of humanity, that he has entered upon the path of civilization. To ask him
33 to contribute to our common expenses is, so to speak, to elevate him in the social
34 hierarchy” (Conklin, 1997, p. 144). Colonial tax policies were also introduced
35 in the name of the “dignity” of, and the obligation to, *work*, where contact with
36 Europeans again was emphasized:

37 From this need for native labor, the theory of the dignity of labor has developed; this dignity
38 has been chiefly noticeable in connection with labor in the alienated areas. The theory has also
39 developed that it is preferable for the native to have direct contact with the white race so that his
40 advance in civilization should be more rapid than if he remained in his tribal area attending to

1 his own affairs. This is the “inter-penetration” theory in contrast to the “reserve” or “separation”
 2 theory (Dilley, 1937, p. 214).

3 All of these functions of direct taxation may be seen in some sense as part
 4 of colonial capitalist primitive accumulation, whether as assisting in promoting
 5 marketization or serving ideological functions in the reproduction of the colonial
 6 capitalist mode.

7 Several points concerning the role of direct taxation in colonial capitalist
 8 primitive accumulation need to be made. First, direct taxation means that the
 9 tax cannot be, e.g. an income tax. An income tax cannot assure that a population
 10 that possesses the means of production to produce their own subsistence will enter
 11 wage labor or grow cash crops. If they simply continue to engage in subsistence
 12 production, they can avoid the cash economy and thus escape the income tax and
 13 any need for colonial currency. The tax must therefore be a direct tax, such as the
 14 poll tax, hut tax, head tax, wife tax, and land tax. Second, although taxation was
 15 often imposed in the name of securing revenue for the colonial coffers, and the
 16 tax was justified in the name of Africans bearing some of the financial burden of
 17 running the colonial state, in fact the colonial government did not need the colonial
 18 currency held by Africans. What they needed was for the African population to need
 19 the currency, and that was the purpose of the direct tax. The colonial government
 20 and European settlers must ultimately be the source of the currency, so they did
 21 not need it from the Africans. It was a means of compelling the African to sell
 22 goods and services, especially labor services for the currency. Despite the claims
 23 by the colonial officials that the taxes were a revenue source, there is indication that
 24 they understood the working of the system well. For example, often the tax was
 25 called a “labor tax” or “prestation.” Under this system, one was relieved of their tax
 26 obligation if one could show that one had worked for some stated length of time for
 27 Europeans in the previous year (see, e.g. Christopher, 1984, pp. 56, 57; Crowder,
 28 1968, p. 185; Davidson, 1974, pp. 256, 257; Dilley, 1937, p. 214; Wieschoff, 1944,
 29 p. 37). It is clear in this case that the purpose of the tax was not to produce revenue.

30 To achieve its intended effects, it was also important that the direct tax be
 31 enforced, and numerous penalties existed for failing to meet one’s obligation. In
 32 German East Africa, “Sanctions against non-payment were severe – huts were
 33 burnt and cattle confiscated – so tax defaulters were not numerous” (Gann &
 34 Duignan, 1977, pp. 202, 203). All kinds of harsh penalties for failing to pay taxes
 35 have been documented:

36
 37 If a man refused to pay his taxes, the Mossi chief was permitted to sequester his goods and sell
 38 them. If the man had neither the taxes nor the goods, the chief had to send him and his wife
 39 (or wives) to the administrative post to be punished. Sometimes, a man and his wife would be
 40 made to look at the sun from sunrise to sunset while intoning the prayer *Puennam co mam ligidi*
 (“God, give me money”). Other times a man would be made to run around the administrative

1 post with his wife on his back; if he had several wives, he had to take each one in turn. Then
2 his wife or wives had to carry him around (Skinner, 1970, p. 127).

3 Collective punishments were also used widely to enforce the tax. At the very least,
4 failure to “pay could be met, and regularly was met, by visits from the colonial
5 police and spells of ‘prison labour’ ” (Davidson, 1974, pp. 256, 257).

6 Another important element in assuring the smooth functioning of the direct tax
7 system was keeping wages low, which had the additional benefit of keeping costs
8 down for private employers. If wages were too high relative to the tax burden,
9 Africans would only work enough to pay off their tax obligation and the labor
10 supply would remain limited:

11 While taxation is high, wages are very low. It would not do to pay the Natives too much for they
12 would not work a day more than it was absolutely necessary to get tax money. So employers
13 pay the minimum in order to exploit their labourers as long as possible (Padmore, 1936, p. 67).

14 Direct taxation was also used to promote and control migration of wage labor.
15 If wage labor and money for cash crops was not available locally, Africans
16 were forced to migrate to plantations and mines to find money wages (see, e.g.
17 Greenberg, 1987; Groves, 1969; Onselan, 1976; although see also Manchulle,
18 1997, especially p. 8, for a critique).

21 **5. TAXATION AND PRIMITIVE ACCUMULATION** 22 **IN EUROPE AND ASIA**

23
24
25 In arguing that taxation played an important role in primitive accumulation, this
26 paper has focused on the case of Colonial Africa, but this should in no way imply
27 that the process was limited to Africa. Evidence has already been mentioned in
28 passing with reference to Russia and elsewhere. Vries, in a section entitled “Taxes,
29 the Financial Revolution, War, Primitive Accumulation, and Empire” from his
30 article “Governing Growth: A Comparative Analysis of the Role of the State in
31 the Rise of the West” (Vries, 2002), argues that:

32 Praising Europe’s state-system and its mercantilist competition implies, whether one likes
33 it or not, praising taxes. The increase of taxation we see in mercantilist countries may also
34 have been a blessing in disguise. Paying them may have been an unpleasant experience, but
35 it need not necessarily have been a bad thing from a macro-economic point of view. It is not
36 farfetched to expect that ever-increasing taxes forced people to work harder and longer. Since
37 the economy of large parts of early modern Europe was characterized by un(der)employment
38 and under-utilization of the available means of production, there was plenty of room for
39 increased production. Moreover, the fact that taxes were collected in money, led to increasing
40 commercialization. Which in turn could increase government income via indirect taxes (Vries,
2002, p. 75).

1 Despite Vries' view of the process as a "blessing," etc., it is clear that the description
 2 highlights the ways in which money taxes affected labor supply and monetization
 3 in early modern Europe, and even uses the term "primitive accumulation." Later in
 4 the article, Vries reports that, in China, "one finds officials proclaiming that taxes
 5 ought to be raised to force the populace to work harder" (Vries, 2002, p. 95; for
 6 more on China, see Von Glahn, 1996). Vries goes on to report that this development
 7 took place throughout Europe and Asia:

8
 9 When it comes to the way taxes were levied, monetization appears to be the tendency in the
 10 entire Eurasian continent. This process had progressed furthest in Europe. All governments
 11 preferred to get their income in money and to a very large extent managed to do so. In China an
 12 important grain levy continued to exist, but all other important government taxes had gradually
 13 been transformed into monetary payments. In India taxes for the central government had to
 14 be paid in cash. In the Ottoman Empire monetization made the least progress, but with the
 15 increasing weight of *cizye*, *avariz*, and tax farming, here too cash payments were on the rise
 (Vries, p. 98).

16 Additional support for Europe and Western Asia is provided by Banaji (2001).
 17 Evidence for the notion that money taxes force pressures for increased market
 18 activity is provided by the reverse development, namely that a "decline in the
 19 exaction of money taxes brought about a decline in trade" (Hopkins, 1980, p. 116,
 20 quoted in Banaji, 2001, p. 16). Banaji goes on to report that:

21 the relentless pressure for taxation in money would also mean that despite the commercial
 22 decline which is supposed to have occurred in the Mediterranean of the seventh century,
 23 Egyptian landowners and rural communities were undoubtedly forced to meet their monetary
 24 obligations through increased production for the market (or participation in it as wage-labourers)
 25 (Banaji, 2001, p. 158).

26 Additional research is necessary to provide a more comprehensive and detailed
 27 documentation of the role of monetary taxation in monetization, marketization,
 28 and the creation of wage-labor and cash crop production in other regions and
 29 time periods, but it is clear that the historical process was in no way confined to
 30 Colonial Africa. The fact that various aspects of the phenomenon were recognized
 31 by not only Marx, but economists and other social scientists and historians as
 32 geographically, temporally, and theoretically diverse as Adam Smith, John Stuart
 33 Mill, Fred M. Taylor, Philip Henry Wicksteed, Karl Polanyi, and John Maynard
 34 Keynes supports the position that it existed with a great deal of generality (see
 35 Forstater, forthcoming).

36 37 38 6. CONCLUSION

39
40 Direct taxation was used to force Africans to work as wage laborers, to compel
 them to grow cash crops, to stimulate labor migration and control labor supply, and

1 to monetize the African economies. Part of this latter was to further incorporate
2 African economies into the larger emerging global capitalist system as purchasers
3 of European goods. If Africans were working as wage laborers or growing cash
4 crops instead of producing their own subsistence, they would be forced to purchase
5 their means of subsistence, and that increasingly meant purchasing European
6 goods, providing European capital with additional markets. It thus also promoted,
7 in various ways, marketization and commoditization. We have also seen that
8 taxation was related to a variety of ideological aspects related to the reproduction
9 of colonial relations of production. Direct taxation was thus an important “secret
10 of colonial capitalist primitive accumulation.” It appears to have been one of the
11 most powerful policies in terms of its wide variety of functions, its universality in
12 the African colonial context, and its success in achieving its intended effects. Of
13 course, taxation was not the sole determinant of primitive accumulation. But it has
14 certainly been under-recognized in the literature on primitive accumulation. The
15 history of direct taxation in colonial capitalism also has some wider theoretical
16 implications. It shows, for example, “that ‘monetization’ did not spring forth from
17 barter; nor did it require ‘trust’ – as most stories about the origins of money claim”
18 (Wray, 1998, p. 61). In the colonial capitalist context, money was clearly a “creature
19 of the state.”
20

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26

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13 **Uncited references**

14
15 References cited in the text must appear in the reference list; conversely, each
16 entry in the reference list must be cited in the text... The author must make
17 certain that each source referenced appears in both places and that the text citation
18 and reference list entry are identical in spelling and year.

19
20 Amin (1976), Coquery-Vidrovitch (1986), Crowder (1970), Freund (1984),
21 McCracken (1986) and Temu and Swai (1981).
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