Market Dynamics as the Engine of Historical Change

Randall Collins


Stable URL:
http://links.jstor.org/sici?sici=0735-2751%281990023%298%3A2%3C111%3AMDATEO%3E2.0.CO%3B2-5

Your use of the JSTOR archive indicates your acceptance of JSTOR’s Terms and Conditions of Use, available at http://www.jstor.org/about/terms.html. JSTOR’s Terms and Conditions of Use provides, in part, that unless you have obtained prior permission, you may not download an entire issue of a journal or multiple copies of articles, and you may use content in the JSTOR archive only for your personal, non-commercial use.

Each copy of any part of a JSTOR transmission must contain the same copyright notice that appears on the screen or printed page of such transmission.

*Sociological Theory* is published by American Sociological Association. Please contact the publisher for further permissions regarding the use of this work. Publisher contact information may be obtained at http://www.jstor.org/journals/asa.html.

*Sociological Theory*
©1990 John Wiley & Sons, Ltd.

JSTOR and the JSTOR logo are trademarks of JSTOR, and are Registered in the U.S. Patent and Trademark Office. For more information on JSTOR contact jstor-info@umich.edu.

©2003 JSTOR

http://www.jstor.org/
Thu Oct  2 10:15:35 2003
MARKET DYNAMICS AS THE ENGINE OF HISTORICAL CHANGE

RANDALL COLLINS
University of California, Riverside*

Let us try an exercise in theoretical imagination. Suppose Marx and Engels were on the right track regarding the main historical types of social structures and their engines of transformation, although their formulation is too crude. But let us assume there is something workable in their classification: primitive communism; slave economy; feudalism; capitalism. Imagine, however, that the leading sector in each is not a mode of production and accumulation, but a particular type of market; and that it is because of market dynamics each form of social organization undergoes growth, crises, and transformation into another type.

My argument is deliberately unserious in the following respect. I would not suppose that markets, even in imagination, are the only important dynamic in world history. Other agents of change are possible, including geopolitics, population and ecological pressures, and organizational structures. But let us see how far we can go with an omni-market model.

Some Principles of Market Dynamics

Schematically, let us hypothesize that all markets have the following characteristics:

1) Each form of market exchange is based upon a particular kind of property. Something must be appropriated in order to be exchanged, and exchange consists in transfer of the rights of appropriation.

2) Markets vary in their openness. A given market is not necessarily open to all potential buyers and sellers. Full information on the terms of trade is not necessarily or usually widely available. Typically market participation is stratified, either because of ecological access or because of deliberate political controls from above or within. As was argued by Harrison White (1981) and earlier by Max Weber (1968 [1922], pp. 144–50, 341–43, 638), the ongoing construction of noncompetitive niches or monopolies may be the essence of markets (see also Murphy 1988). Hence there is always some tendency (not necessarily constant) towards unequal exchange and economic inequality.

3) Markets as social structures tend to expand over long periods of time so as to include more people or goods or relationships, and especially to become extended geographically. Expansion in these respects may go on at the same time as restriction in the openness of participation, especially for producers and sellers as against laborers and consumers.

4) The structural expansion of markets mentioned above results in economic and organizational growth, by increasing the volume of goods and stimulating innovations in production. The sheer volume of trade has different meanings depending on whether it is extensive growth, in Eric Jones's (1988) terminology—merely keeping up with population and its geographical spread—or intensive growth in per capita production. Of course stagnation or downturns are possible in either or both respects (Curtin 1984). The important point is there are very long periods in which the up side of the dynamic prevails.

5) Markets for a particular item of exchange tend to give rise to superordinate markets trading upon the terms of trade themselves. Future and long-distance exchanges become commodities that can be traded in their own market. Superordinate markets may be pyramid ed upon one another. Money, debts, mortgages, stock ownership, rights of purchase, licensing, and other media of exchange can become objects of superordinate media traded in yet further markets.

6) Markets tend towards long-term crisis.

* I am indebted for comments and suggestions on earlier drafts of this paper to Michael Mann, Arthur L. Stinchcombe, John A. Hall, Charles Tilly, Jack Goldstone, Alexandra Maryanski, Joseph M. Bryant, and Albert Bergesen.
(This tendency is in addition to short-term cyclical swings, which also may be present.) Such crises include a slowing or reversal of growth of the market’s principal form of production, the severe limitation or destruction of its principal form of market exchange, and the transformation of social organization into a structure based on a different form of property.

These propositions leave vague the mechanisms by which these processes occur, especially lateral expansion, growth, and crisis. The dynamics will become clearer when we have examined the major historical types of market systems. Let us consider here the central Marxian issue: why such structures undergo crises. One might say that there is a contradiction between the character of markets as stratified participation structured by protective niches (Principle #2) and their tendency to expand laterally (#3) and in volume (#4); in addition, the rise of superordinate markets (#5) helps to fuel the crisis.

Braudel (1977, pp. 51–53, 62) characterized two kinds of markets: relatively localized, face-to-face exchanges in which custom and surveillance enforce a “fair price” and keep profits and exploitation low; and long-distance and future-oriented exchanges, in which capitalist brokers manipulate conditions to achieve large profits. Capitalism exists at the level of superordinate markets; the tendency of such markets is towards monopolization and exploitation. Schumpeter (1939, 1962 [1911], p. 126) agrees insofar as he defines capitalism as “enterprise carried out with borrowed money,” and speaks of the banks as “the headquarters of the capitalist system.”

One might argue, then, that market crises occur because superordinate markets become increasingly concentrated and ultimately restrict the market to the point of strangulation.

Yet although superordinate markets are stratifying, it does not follow that they must produce stagnation or ever-narrowing concentration. Both Schumpeter and Weber viewed superordinate markets as dynamic, and up to a point, as the sources of growth and change. For Schumpeter, markets for financial instruments remove resources from the self-reproducing flow of existing exchanges and recombine them into new forms of organization, thereby opening new product markets. Weber (1968 [1922], pp. 144–50) noted the tendency for any given market is towards monopolization, but that appropriation on one level (e.g., medieval seigneurs monopolizing land, capitalists expropriating workers from their means of production) makes possible a superordinate market with its own dynamics (e.g., loans secured by private property in land, stock certificates). This higher-order market outflanks the original monopolizers by subjecting them to competitive pressures on the means of monopolization, such as inflation of the currency.

Schumpeter argued that monopolies favor economic expansion by protecting profitability in risky ventures, whereas full-market competition drives profits down towards zero. But only an optimal level of monopoly formation should have this expansionary consequence: too little monopolization means lack of profit; too much means stagnation due to strangulation of demand. As both Arthur Stinchcombe and Jack Goldstone have pointed out [in personal communications to the author], higher-order markets in instruments controlling the terms of trade are futures markets—hedges against uncontrollable contingencies or investments in the long run. If futures markets are inherently risky, the greatest risk is in those superordinate networks of political power which uphold the fundamental mode of property. Crises in these superordinate structures are capable of bringing down the whole system of exchange.

Politics and warfare are themselves competitive markets for material inputs; they stimulate the production of weapons, fortifications, and military transportation, and the material means of civil administration. These too are superordinate markets, from which the success of political alliance making or military expansion feeds back into stimulating lower-level production markets. By the same token, the cost of political and military investment can outrun its returns and set a crisis reverberating throughout the system.

Add to this yet another superordinate market sector: the production and circula-
tion of cultural goods in the form of religion, education, entertainment, and personal display. These can be called status goods, since they easily become visible emblems of group membership and individual ranking. Here again we sometimes find hotly expanding markets. When production of status-impregnated objects such as clothing, home decoration, religious icons, or musical instruments expands, it sets in motion a process of adjustment in social relationships. Any new material inputs that expand the sector of priests, church buildings, schools, entertainers, and other symbol-circulating specialists will mobilize concerns about status identities throughout society. Growth in material wealth imparts a marketlike dynamic to the interpersonal relationships mediated by such symbolic goods, whether this dynamic takes the form of competition over religious display or a succession of styles of adornment and consumption. Higher-order markets for social status in turn feed back into demand for material goods to support the status-goods sector. Here again, we have a superordinate market stimulating material production. But just as political and military sectors, operating in a steamed-up market mode, can increase the level of conflict and even of physical destruction, so can mobilization of cultural competition absorb more in costs than it puts back into the material economy.

Our line of approach, then, is that stratifying and cost-accelerating tendencies within markets, particularly in superordinate markets at their most politicized pole, periodically bring market systems into crisis. At their outermost sweep, these crises are the turning points of history, bringing about the end of one system of property exchange, and its replacement by another.

Kinship Markets, Slave Markets, Agrarian-Coercive Markets, Capitalist Markets

Here, then, are my candidates for systems of market dynamics in world history. First, in kin-based societies, the central market is the kinship system itself: the market for alliances made by intermarriages. Instead of Marx and Engels’s primitive communism, characterized by collective property, we have sexual property as the mode of appropriation. One might call this the “Lévi-Straussian” market, culminating in the “kinship revolution” which destroyed the kinship-based structure and replaced it with the rise of the state.

Second, I will treat slave markets as a dynamic system. The major instances, as in Marx and Engels, are ancient Greece and especially, ancient Rome. Here I depart from Marx-Engels in treating slavery not as a form of production, but as a form of exchange. Slaves are not primarily producers but commodities in this system; the productive class instead is the military, and structural crisis occurs when military slave production ceases to pay for itself. A variant of this type is the market for slave soldiers which became prominent in medieval Islamic societies.

Third, I treat the market systems of the medieval agrarian societies organized by patrimonial households—“feudalism,” in Marxian terms. Market structures here center on land rent, typically in struggle with another structures taxation. Perry Anderson proposes a crisis of feudalism based on the struggle over rent and on the expansion of the market for land and its produce. I add another candidate market here: the rationalized corporate properties of the monasteries, which constituted the leading edge of medieval capitalist development both in Christian Europe and in Buddhist China. Both property structures, that of the landed military aristocracy and that of religious corporations, eventually were expropriated in the crisis of agrarian-coercive markets.¹

Finally, I will comment briefly on modern capitalism and its proliferation of superordinate markets, including its capacity for undermining socialist enclaves within a capitalist world system. The final question must be whether omnicapitalism too contains a built-in trajectory towards its own structural crisis and transformation.

¹ Generally speaking, slave markets are a subtype within agrarian-coercive societies. I treat them first because it is convenient to deal with Rome before medieval Europe and China.
It will be noticed that my thought experiment is a Weberianization of Marx. To be sure, all societies are structured by social arrangements of control over the means of production, by which surplus is accumulated. The question is whether such relations have a dynamic that explains the major structural crises and changes across human history. I submit that this has never been shown, and that most efforts to do so slip away in the direction of market relationships. Roemer (1982, 1986), in reformulating Marxism to present a technically defensible model of class exploitation in each historical mode, abandons the criterion of extraction of surplus labor at the point of production. For Roemer, a class is exploited if it would be better off by withdrawing from existing market relations, and an exploiter if it would be worse off by withdrawing. Although Roemer's is not a dynamic model of crises and structural change, it underlines the centrality of markets to property relationships. We have no theory showing how crises in modes of production operate as the driving force across kin-based/stateless, ancient/slave-owning, feudal/agrarian, and capitalist societies. Most efforts (such as Marx's own) have dealt with the emergence of early capitalism or the dynamics of mature capitalism. Perry Anderson's *Passages from Antiquity to Feudalism* (1974a) is the most comprehensive effort to date to explain earlier transitions, but it diverges in precisely the direction of market dynamics that I emphasize here. The same is true of Sahlins (1972) and others who attempt to specify a Marxian dynamic of band and tribal economies.

A materialist theory of markets does not stand or fall on the question of class agency, and still less on the issue of class consciousness. It is structures that have dynamics and undergo crises; the expansion of a particular kind of market system, and the difficulties that flow from its crisis, wash over everyone in a society. It is not necessary that the main opponents in political struggles be slave owners versus slaves, capitalists versus landowning aristocrats, or again capitalists versus workers. Nor does the lack of explicit class consciousness so often noted (Runciman 1983; Ste. Croix 1984) prevent a market dynamic from taking its course. The important point is that a crisis of a particular kind of market system makes the continuation of that system costly or impossible. Insofar as its political organization needs material inputs, politics too will undergo crisis when the exchange system does. Some persons inevitably appear in these times of shake-up who seize new political and economic opportunities. The differentiating feature in how they act is not their class background but the new class positions that they create from the structural possibilities open to them. In this sense, a structural model of world history like that put forward by Marx and Engels still may be our best guide to understanding long-term changes.

**A Caveat: Ideal Types and Empirical Combinations**

My thought experiment is argued in terms of ideal types. I propose simplified models of several types of market dynamics; any particular society may include several of these forms. Tribal societies may include both the kinship dynamic and a slave dynamic, just as societies dominated by the slave dynamic include some of the agrarian-coercive property dynamic; and into agrarian-coercive markets may intrude elements of kinship dynamics (as in the Germanic and Scandinavian invasions of medieval Europe) as well as features of capitalism. The overall trajectory of each historical formation results from the combination of its component dynamics.

Any particular society also may include sectors that are not market structures at all. Most societies existing before modern capitalism contain major areas of local autarky, where subsistence and reproduction of unchanging structures go on. Such self-reproducing structures may be quantitatively by far the largest part of that society's activities. Although the market sectors may be small, they are disproportionately important if they alone are the source of dynamism. These minority sectors are likely to be the main source of material resources for the state and for other nonproducers, and thus to be especially fateful for the growth of a superstructure. This is equally true in a
kin-based society, where most kinship systems may be Lévi-Straussian short-cycle exchange, but where the growth of political power comes from those few "entrepreneurs" who invest their marriages in long-cycle exchanges. The majority of the population in ancient Mediterranean stood outside the market relations of the military/slave economy; the rationalized religious economies of Cistercian or Buddhist monasteries were only part of the European or the Chinese economies of their day. But if markets inherently expand their scope (at least up to the point of crisis), such leading sectors are where the action is for major structural change.

This is not a theory of a sequence of stages. The kinship revolution does not automatically lead to a slave market economy; the growth of medieval monastic capitalism (as in China) does not necessarily culminate in modern all-encompassing capitalism. I will follow the classic Marx-Engels ordering of types, but largely to remind ourselves that they are the baseline from which my reformulation departs. It would be more useful to envision, between kin-based economies at one end and capitalist economies at the other, several variants within agrarian-coercive economies. In this "middle" segment of world history, the massive slave-market economy of Greece and Rome was an unusual variant, but it happens to be the background of the European social structure which eventually burst out into modern omni-capitalism. The ancient Mediterranean slave market, as well as the Islamic slave-soldier market, are special kinds of subordinate markets within the coercive rent-and tax-extracting forms of agrarian societies. An additional variant is corporate religious capitalism, again emerging within agrarian-coercive societies and giving at least two of them—Europe and China—a special capitalist dynamism.

This brings us into a frontier area of historical sociology. Only recently have we come to appreciate that the breakthrough into capitalist markets was not a monopoly of the West. (On this point compare Braudel 1981 [1979], Vol. 2, pp. 93–112, 519–34; Vol. 3, pp. 417–61; Elvin 1973; Jones 1988; Collins 1986, pp. 45–76; Abu-Lughod 1989). It appears that there were two or possibly three breakthroughs, which ended up competing within the gradually closing world system. The Eastern break-through in T'ang through Sung China subsequently stagnated in the Ming and Ch'ing; but it is arguable that it laid the base for the takeoff in Muromachi and Tokugawa Japan which structurally underlies the upsurge of Japan in the twentieth century. The Mediterranean Islamic societies also contained a combination of market structures which had considerable dynamism for a time before entering a period of stagnation. Though there is much more to be understood, none of this should be occasion for surprise in an explanatory theory of market dynamics. What follows is a sketch of its principal forms.

KINSHIP MARKETS

In stateless societies, the principal form of property is sexual property. Rights of sexual access and all that goes with it are appropriated and exchanged. These rights are accompanied by propagation of legitimate children and hence of inheritance channels, as well as by residence obligations and hence shared household goods and activities. The right of permanent and exclusive sexual access constitutes marriage; the accompanying rights and obligations make up the full-fledged kinship system.

In a society in which the only important organizational structure is kinship, marriage alliances are simultaneously military, political, economic, and religious. Kinship-based societies vary a great deal in their complexity and stratification. These variations are related to the amount of surplus produced by existing technology—hunting and gathering, horticulture, fishing, pastoralism—and by relative environmental abundance or scarcity (Lenski 1966; Johnson and Earle 1987). But any development of stratification must be organized as a version of kinship, since there are no other organizational forms. As Lévi-Strauss (1969 [1949]) put it, the appropriation of women by males and their exchange among groups creates alliances; the type of
exchange system determines the size and shape of mutual obligations and hence the structure of the society.

Such societies are relatively egalitarian in the sense that there may be little material surplus and little difference in its distribution. Traditional social science glossed over this point by reference to "stratification only by age and sex." But these are the essence of a system of property: in its more extreme forms, males holding property in females and the aged holding property in the young, whom they dispose of in marriage alliances. A wealthy man, a wealthy family, is rich in daughters or perhaps in sisters; by investing them, he (and they) can become richer still in sons and allies, and in the material gifts and military support that they can bring to him. "Kinship capitalism" is investment in relatives.

We might say that men and women, as well as the old and the young, are the principal social classes in kinship markets. There are wide variations in their "class" privileges and in the intensity of "class" mobilization and conflict. In some kinship systems women have considerable degrees of power, or at least resistance to male domination. Even so, women maneuver within the system of sexual property exchange that makes up the surrounding alliances. Men tend to dominate sexual property because they control this political/military network. Women are relatively autonomous when the alliance structure is weak (as in hunting-and-gathering bands); they exert the most power when political and ecological conditions make sexual property and economic subsistence center on female lineages and residence patterns (Blumberg 1984; Chafetz 1984; Collins 1986, pp. 271-321). The expansion of the kinship market tends to trap women increasingly in a male-centered system of sexual property.

There is no accepted theory of the dynamics of kin-based societies. Lévi-Strauss (1969 [1949]) proposed that the important difference among kinship systems is the extensiveness of alliances implied in their marriage system. Some systems of rules produce short cycles: these take the form of two or a few groups constantly intermarrying, braiding back and forth their sons and daughters across the generations. These systems create local ties and reproduce a static structure. Other marriage rules are long-distance: kin group A marries with B, which marries with C, which marries with D... eventually coming back to marry with A. Such long-cycle forms (which Lévi-Strauss calls generalized exchange, in contrast to the restricted exchange of the short-cycle forms) produce larger alliance networks; hence these groups tend to become politically and militarily more powerful. Successful investors in kinship capital reap increasing numbers of obligatory ties bringing in wives and producing children, resulting in a spiral of increasing resources.

In Lévi-Strauss's model, the split between kinship speculators who follow the long-cycle route, and those who follow the conservative short-cycle strategy, eventuates in a kinship revolution. The former becomes a rich and cosmopolitan upper class, lording it over a localized and resource-poor lower class. Eventually the top groups invest directly in military power, thereby establishing the state and breaking entirely with kinship society. Lévi-Strauss's model is parallel to that of Marx-Engels on capitalism: the kinship market leads to class polarization and to a crisis that overturns the property system, giving rise to a new form of property.

Lévi-Strauss's model, although worked out in detail for some kin-based societies, is schematic and incomplete. Lévi-Strauss confined himself to systems of rules that positively prescribed particular kinds of marriages (such as between matrilateral cross-cousins). He did not extend his analysis to bilateral and cognate lineages or to

---

2 "Generalized exchanged seems to be in particular harmony with a society with feudal tendencies... One comes to the conclusion that generalized exchange leads almost unavoidably to anisogamy, i.e. to marriage between spouses of different status; and that this must appear all the more clearly when the cycles of exchange are multiplied or widened; but that at the same time it is at variance with the system, and must therefore lead to its downfall... The disorder... is inherent in the system, viz., the conflict between the egalitarian conditions of generalized exchange, and its aristocratic consequences" (Lévi-Strauss 1969 [1949], pp. 265-67).
systems in which particular kinds of marriages are not prescribed but only prohibited. It is reasonable to suppose that these forms also contain distinctions between those which tend to localize or randomize kinship alliances and those which tend to reap growing returns from kinship investments. Generalizing beyond Lévi-Strauss, we may expect a dynamic within all kinship societies, based on the growth of alliances through certain strategies of marriage politics and on the eventual dominance of the "kinship capitalists" over the "kinship proletariat," which fails to make such investments.

Lévi-Strauss's model has been criticized as overly idealized. The kinship rules may say that a man should marry his mother's brother's daughter, but what if there is no mother's brother's daughter—if she was never born, or died, or broke the rule and married someone else? What if there are too many sons and too few daughters, or vice versa? The Lévi-Straussian model proposes that all such contingencies are random and have no structural effects. They slow down the working of the kinship dynamic, but they substitute no alternative dynamic. In the long run, the families that consistently follow an expansionary or a static investment strategy reap the results accordingly. Although demography is full of accidents, it also is subject to structural pressure. A family that brings in many wives for its sons, and thus pursues favorable opportunities for political expansion, will be motivated to have many children. We may hypothesize that the long-and the short-cycle forms will have different demographic consequences, respectively fostering population growth or stasis. Thus kinship markets may cause population to press upon ecological resources, with fateful consequences for productive and social organization.

As the market for alliances heats up, groups sometimes leap ahead by creating kinship ties by fiat. As Weber pointed out (Collins 1986, pp. 272–76), a group of armed men may form an organization and legitimate it by inventing common ancestors. This enables these new pseudo-kin to enter the kinship market with existing kin groups and to build further marriage alliances. The varieties of kinship systems thus appear to be connected to the level of competition in family geopolitics; kinship rules are strategies constructed in response to the external pressures and opportunities of the tribal "world system." Lévi-Strauss's distinction between restricted and generalized exchange foreshadows a more basic distinction between conservative kinship market strategies, which reproduce local ties, and aggressively expansive strategies of marital investment. We should recognize here that kinship markets, like all kinds of markets, tend to expand laterally to new territory and new relationships. Existing kinship alliances create military power and pose impressive models for others to emulate. People tend to jump on the bandwagon by allying themselves with already successful groups; even in opposing them, one imitates their organizational forms. Searle (1988) describes in this fashion the spread of what she calls "predatory kinship" in Viking Normandy.

Is there any sign of the other patterns I have hypothesized: growth in volume of production and the spread of subordinate and superordinate markets spinning off from the primary kinship market? Kinship societies were not totally stagnant in material production. They brought about several of the great economic transformations in world history over a very long period: the development of horticulture, metallurgy, and animal husbandry, the harnessing of animal power, an eventually the urban revolution. These developments may have been connected to the expansion of kinship markets, which resulted in population growth and extension of intergroup networks. Marital exchanges were channels for material gifts and countergifts that constituted early forms of trade. As patrilocal and patrilineal forms came to dominate in the proto-civilizations of Europe and Asia, women were the primary commodity that circulated among communities. Material wealth tended to follow. Lévi-Strauss regarded women as the medium of this system of exchange. Women functioned as money in yet another sense, as stores of value and as producers of children, and hence of the long-term fate of the family.

Women often were the principal workers
in material production. In hunting and gathering and in primitive horticulture, women produced most of the subsistence. A male kinship capitalist who was rich in women was thereby rich in whatever material goods existed. As herding, fishing, and heavy-plow agriculture developed, primary production was taken over by men, and women became economically important primarily as producers of sons. The growth of production that accompanied the shift from hunting and gathering to horticulture, and again from horticulture to agriculture, appears to have been powered by a concentration of labor forces that became available as some kinship capitalists made good on their investments.

The Kinship Revolution and the Rise of the State

In this Lévi-Straussian model of kinship dynamics, the state emerges because of a revolutionary split between the alliance-rich and the alliance-poor. This split is a not a Marxian revolt by the “working class” of this system, namely the women; rather—and this may be more common in historical transformations—a split occurs within the dominant, property-owning class, in this case the males. As evidence, Lévi-Strauss (1969 [1949], pp. 234–68) suggests that the proto-state was emerging in this way in highland Burma, and he inferred some such development from the data on early kinship in India and China. Historical evidence related to this view of the transition from kinship-alliance structures to the state are available for Heian Japan, for archaic Greece and Italy, and for the early Norman state.

The customary theories of the rise of the state have stressed some combination of military conquest, technological innovation, and ecological caging, giving rise to new organizations—armies, states, priesthoods, cities—which transcend kinship ties. Yet are these explanations really alternatives to a kinship revolution? In many instances, a militarily organized group (typically pastoral nomads from the periphery of settled cultivation) arrived as conquerors and thus created a two-class system. Even so, the conquerors had to become organized among themselves, and it is likely that at the roots of such military alliances were cosmopolitan, aggressive investments in kinship alliances. Conversely, settled populations most vulnerable to conquest would be those whose kinship systems were short-cycle and local, supplying little power even for defensive alliances.

The same principle may apply to peaceful transitions to the state through the establishment of temple-based religious or redistributive centers. How was this surplus of wealth, which could be used for redistribution, produced in the first place? Economic transactions in kin-based societies were organized by the circulation of ceremonial objects as proto-money, facilitating trade of mundane objects (Mauss 1967 [1925], 1969 [1914]). Some highly competitive exchanges in rich environments constituted superheated potlatch systems, which stimulated production and the accumulation of wealth. Mauss’s description invites comparison to capitalism in a kin-based context. Sahlins (1972) argued that the “intensification of production” in this “domestic mode of production” was due to politics, specifically the status competition among “big men.” The dominance of the “big man,” however, is itself produced by a wealth of kin ties. One might say: kinship investments result in accumulating not only power but wealth, which is invested further in the politics of status competition. This is the dynamic by which stratification expands within kinship-based societies until it reaches the point at which the kinship structure breaks down.

3 Stinchcombe (1983, p. 252) estimates that in a patrilineral, patrilocal mixed herding/gardening economy, women are exploited objectively in terms of the appropriation of surplus value from their labor.

4 On Heian Japan see Lévi-Strauss (1984) and Collins, “Courtly Politics and the Status of Women” in Collins (1986); on Greece and Italy see Fustel de Coulanges (1980 [1864]); on the Norman state see Searle (1988). Searle (1988, p. 8) claims that the Vikings’ “predatory kinship” was a longer-surviving version of an older kinship dynamic found throughout the Germanic world.

5 This was a long, slow process. As Mann (1986, pp. 34–72) shows, primitive peoples evaded the state, time and again increasing the scale of organization and
MARKET DYNAMICS AS THE ENGINE OF HISTORICAL CHANGE

After this point kinship-alliance markets continue to exist, but they are no longer at the leading edge. In state-organized societies, that role is filled by slave markets or agrarian tax/rent systems. Such societies retain an element of kinship politics. Their primary unit is the household, whether the small peasant's or craftworker's home or the large fortified households and palaces of the lords. This is the structure that Weber called "patrimonial." Each household is the home and property of family, but it also includes nonkin. The number of the latter, comprising servants, soldiers, retainers, and guests, determines the power of its head. The limits of economic, military, and political structure in such societies are due to the fact that large-scale organizations are links among households. This structure is thus a mixture of kinship and nonkinship forms. Marriage alliances remain important for maneuvers within the property-owning class, but vertical relations among nonkin classes are the basis of the overall structure. The Lévi-Straussian dynamic no longer exists; the leading edge of market dynamics is elsewhere. Not until the triumph of modern capitalisms, in conjunction with the bureaucratic form, in which organizational property is separated from family household property, is this vestigial kinship-alliance market reduced to triviality.

SLAVE MARKETS

Slavery takes a variety of forms in many different kinds of societies. It includes incidental bondage in kin-based societies; the debt slavery of early Greece; military and administrative slavery (especially in Islamic societies); agricultural slavery in conjunction with serfdom or other exploitation of peasants (especially in medieval Korea and also in Russia); slave plantations in full-scale capitalist societies (e.g., the U.S. South); and omnipresent slave labor penetrating all aspects of life, most notably in Rome (Patterson 1982, 1987; Crone 1980; Hellie 1982). Slavery was the leading market dynamic primarily in ancient Greece, ancient Rome, and their Mediterranean contemporaries such as Carthage. I will concentrate on this, the Marx-Engels "slave mode of production," with a glance at the "slaves on horses" of the Islamic world.

The central form of property in a slave-market system consists of the slaves themselves. Hence it is a mistake to regard the slaves as the primary producers. It is the military who are the producers of this commodity; their productive labor is the fighting that captures the slaves. In Rome this military "working class" was very large: under the Republic it consisted of half of all citizens, and under the early Empire it included 20 percent of Italian freeborn men (Runciman 1983, p. 168).

The dynamic of the military/slave system was expansionary. This has several aspects. Inside the core state areas, warfare had a cumulative effect on the production of slaves. A victorious state grew richer in slaves, thereby increasing its internal resources, which in turn increased its military power. The early local power of Sparta was due in part to its helots (although they were closer to serfs than to chattel slaves), who freed the citizen population for full-time military mobilization. Rome is a more impressive example of cumulative military success; in particular, the enormous influx of slaves won in the wars with Carthage set in motion a geopolitical juggernaut. Such a cumulative dynamic, if left to itself, would result in total concentration of military resources in one state; this process is limited because other geopolitical factors also determine military expansion (see Footnote 12 below).

The military/slave dynamic expands not only internally but geographically. Some of the wars are directed against barbarians on the periphery of state-organized societies. The immediate causes of hostilities may be barbarian incursions, but these kinship-based groups become organized as large-scale military coalitions, in part because of the extension of slave markets outside the
boundaries of civilization. Once a market for slaves captured in internecine wars exists inside civilization, barbarian entrepreneurs have an incentive to supply slaves on their own, usually from the outback (Finley 1982, p. 103). In this way slaves came into Greece from Thrace and the Scythian steppes, from the interior of Asia Minor, and from Upper Egypt and Ethiopia. Roman slave networks extended first into Gaul, then into Germany and Britain. Slavery appeared in the Scandinavian external area when that area was incorporated as a periphery of the Roman world system; Scandinavian slavers in turn sent Finnish and Russian slaves to Byzantium.

Slaves were among the earliest and most important commodities flowing through the trade network as external areas successively appeared in the orbit of the historical civilizations. Slavery was not necessarily created by the civilized traders or by their tribal contacts on the growing periphery; many kinship-based societies had indigenous forms of slavery, although usually not in the form of a chattel slave market (Patterson 1982). Expansion of the slave market was not without geopolitical cost for the core. The growth of market structures increased political/military organization in the periphery and probably also stimulated population growth, thus bringing on the barbarian threats that eventually turned the military balance against civilization.

If the slave market is the dynamic sector, we should expect it to produce innovations. This is indeed the case. Classical antiquity is regarded as a period of technological stagnation, often attributed to the disincentives due to slavery. But if we see the military as the productive sector, it makes sense that this is the area in which technological innovation did occur. There was a long series of innovations in military hardware: bronze and then iron weapons and armor; siege engines and engineering of fortifications; and naval warfare, which went through a full-scale arms race eventuating in multi-tiered galleys mounted with catapult artillery (Foley and Soedel 1981; Adcock 1957, pp. 58-61). These were implements of destruction, but they must have stimulated production by armors, shipbuilders, and the construction industry. As Mann (1986, pp. 272-80) emphasized, the Romans’ legionary economy spilled over into the civilian sector through road building and city founding.

The slave-producing sector was the most important source of growth in Roman society. Market growth occurs both laterally (as we have seen), expanding the geographical scope of markets, and qualitatively, as more kinds of activities and goods are brought into market transactions. The slave market shows a strong pattern of pyramiding superordinate upon subordinate markets, which I have hypothesized for markets generally. Slaves are first of all commodities, but they are also easily mobile and capable of stimulating other economic activities. Slaves were used in agriculture, especially for market production; in mining, large-scale fishing, and forestry; in crafts, above all in their proto-industrial concentrations; and in transport and commerce. As the slave economy spread in Greece and especially in Rome, virtually all economic activities came to be dominated by slaves and ex-slaves (Runciman 1983). Slaves also made up the bulk of the administrative personnel of the Roman Empire, at least until 200 AD. The only important activities not dominated by slaves were military service, which was in the dynamic sector, and subsistence farming, which was not. Slaves were never the majority of the labor force; even in Roman Italy at its height (the first century BC) they

---

6 This is a second dynamic, in addition to the kinship alliance market already described, by which state organization has arisen among stateless peoples. The two dynamics may overlap in any particular instance. The indigenous dynamic of kinship markets apparently is much slower than the external tentacles of the slave market.

7 As Patterson (1982) has shown, manumission was an essential part of the incentive system of slave labor. This constituted a self-reinforcing loop: slaves could amass money to buy their freedom, and thus had an incentive to enter the monetized market economy. Rather than undermining slavery, ex-slaves themselves became handlers and petty owners of other slaves because this was the labor force usable for entrepreneurial production.
made up no more than 30 to 40 percent of the total population, and elsewhere accounted for a lesser proportion (Mann 1986, p. 260). But structurally, slavery was the sector that made the difference.

All of the above-mentioned areas of production were subordinate markets, over which the slave market was superordinate. Hence one might speak of sub-pyramiding markets throughout ancient society as slavery expanded. Superordinate markets also appeared above the level of the slave market. A superordinate market is an investment in long-distance and future activities, a purchase of media that eventually can be cashed in. This superordinate market emerged first in Roman politics. If the army was the instrument of production, entrepreneurship took the form of investment in military expenditures. After the citizen-armies of the Punic wars brought in the first great wealth of slaves, generals and politicians increasingly became investors. Troops were paid privately; the general recouped his costs from the spoils of victories. Julius Caesar, himself a successful military entrepreneur, was backed financially for large-scale campaigns by wealthy investors (Runciman 1983, pp. 170–71).

In the great expansive period of Roman military power and of the slave economy (notably from 130 BC to the end of the Republic), investment in military expenditures was financed by a particular class. Weber (1961 [1923], p. 247) commented, "In all antiquity there was but one capitalistic class whose rationalism might be compared with that of modern capitalism, namely the Roman knighthood... The capitalism of this class was entirely relative to state and governmental opportunities, to the leasing of the ager publicus or conquered land, and of domain land, or to tax farming and the financing of political adventures and of wars." Military campaigns, such as Caesar’s in Gaul, may be regarded as the flow of labor and capital to areas of greatest return. In the earlier period of heightened competition among Mediterranean city-states (Greek, Italian, and Phoenician) and subsequently among the Hellenistic empires, mercenaries moved in response to anticipated payoffs, which in turn depended upon booty, mainly slaves.

The military-driven slave market, together with the ancillary inputs of slaves from the entrepreneurs on the periphery who were drawn into this market, was the main dynamic for the commercialization and commodification of ancient society. To be sure, large sectors of the ancient economy were not commodified; because of the low efficiency of overland transport, the market layer existed primarily in a strip along the coasts and navigable rivers. But in its monetized sector, Rome became perhaps the most commodified society in world history. An unprecedented range of things came to be for sale (Runciman 1983, pp. 157–64): human beings, in the form of slaves; sex, as open prostitution; votes—less legitimately but very widely; and even applause of speeches in the law courts, for a recognized fee. The Roman state itself, like the army, was largely a set of profit-making enterprises until the Diocletian bureaucratic reforms after 285 AD. Government contracts were let for tax collection and army provisioning; licenses were sold for exploitation of forests, mines, and fisheries.

9 Finley (1973) and Polanyi (1977) criticize the idea that any substantial market economy existed in the ancient world. Trade was carried out on traditional terms, not according to market-responsive prices; long-distance trade (especially of grain supplies) was part of the international politics of cities administered by compulsion or alliance. Polanyi (1977, pp. 228–51) argues that a true market, in which goods moved in response to price differences, existed only in the eastern Mediterranean from ca. 325 BC to the time of Augustus, when grain traders in Rhodes collected information and directed ships to ports where payoff was highest. This is an overly restricted view of markets. The dynamics I listed at the beginning of this paper apply to exchange systems even when information is restricted; nor do they require the existence of a market-clearing price. Neither Finley nor Polanyi includes the slave market in their generalization about the lack of markets in antiquity. Slaves had the advantage of being a self-transportable commodity, and hence circumvented the limitations of land transport which Finley stresses as a restriction on markets. The price of slaves varied with supply and demand, and investment in slaves was often subject of calculation.

8 Weber overstates the identification of the equestrian order ("knights") with the capitalist class. Runciman (1983, pp. 167–68) points out that the senatorial aristocracy and the equites, although political rivals, overlapped considerably in their economic activities in landowning, money lending, and investments.
and for disposal of public lands and war booty. These superordinate markets gave rise to still further pyramiding by private societates that subtended these contracts. Among the urban poor, tickets of entitlement to the imperial corn dole became heritable and salable. This omni-commodification of the core of Roman society, I contend, was the result of the slave market. Slavery was the cutting edge of the penetration of a money economy; its spread into subordinate (slave-worked) and superordinate (politically speculative) markets constituted the dynamic of economic growth. Morally, slavery broke symbolic barriers; if people could be bought and sold, so could everything else.

The Crisis of the Slave Economy

The successive changes and crises of ancient society were transformations brought about by the military/slave market. The producers in this system, the soldiers, became alienated labor. The original democracy of the city-states had developed when free peasants found the economic means to arm themselves and to participate in collective organization of phalanx-like formations or war galleys (Weber 1961 [1923], pp. 237, 240; Bryant forthcoming). In the Roman Republic, the soldiers eventually were alienated from the means of production—in this case, the material means of violence—insofar as they no longer supplied and owned their weapons. Marius’s reforms of 108 BC, whereby an army of propertyless proletarians was equipped by the general and paid in wages, set the pattern for military entrepreneurs whose civil wars eventually brought down the Republic. At the same time, the disappearance of the self-equipped, economically independent soldier undermined the basis of popular citizenship. Another alienation occurred in parallel. Roman soldiers, conscripted from rural smallholders, often lost their land while absent for long periods of war; this brought about the massive transformation of Roman society between 300 and 100 BC (Ste. Croix 1983, 1984, p. 106). These displaced smallholders had no alternative but to become full-time professional soldiers, or else to join an urban proletariat living on patronage. Moreover, the earlier soldier-landholders were displaced by agricultural slaves, working land which had fallen into the hands of the entrepreneurial class who also financed the wars. This transformation has all the qualities of a Marxian alienation: the (military) producing class was subjugated by the products of their own labor (the slaves), which now circulated in a commodified system of exchange.10

The slave economy reached its height in the late Republic and the early Empire, after which the market for slaves dried up. The slave economy coincides with the great expansion of trade, coinage, and other indicators of economic growth after 200 BC, with a leveling-off during the first century BC, and with economic contraction after 200 AD (Hopkins 1980). The stabilization, or at least the end of intensive growth in the early Empire, goes along with the end of the ending of the military slave-production dynamic. At this time Rome already was undergoing the structural change that constituted the downfall of its mode of production. In this perspective, the “fall of the Roman Empire” in the conventional military-political sense was not the structural revolution. The property and market system already had been destroyed by its own contradictions; the military collapse was merely an aftershock in the superstructure.

Weber (1976 [1909]) made the classical form of the argument, and the main points were taken up by Perry Anderson (1974a): As military conquests ceased, the supply of slaves dried up, and with them the economic system based upon slavery. Weber (and Anderson), however, still view the slaves as producers, especially in agricultural labor; hence when the slave supply ceased, agricultural slaves were reorganized.

10 In Greece a similar outcome was reached by a somewhat different route. Smallholders survived as a rent-and tax-paying peasantry, in the eastern much more than the western Mediterranean. The spread of the slave economy and the replacement of citizen-soldiers by mercenaries nevertheless came to dominate, resulting in an organization of the upper classes much as in Rome and in the downfall of Greek democracy, as Ste. Croix (1983) has stressed.
into families and eventually into a depend-ent peasantry. 11 In my reformulation of the slave economy model, the military production of slaves is the fulcrum of investment, commodification, and the host of super-ordinate and subordinate markets. Thus the decline in slave production and exchange resulted in the collapse of the central form of exchange relations. The economy limped along for a while, supported by government extraction of taxes from the richer provinces, to pay for the armies stationed on the frontiers (Hopkins 1977). But this was a circulation without an expansionary dynamism, which left the system passive as production subsided into local subsistence.

The Weber model makes geopolitics the ultimate cause of change. The reason the system collapses is theoretically external to the exchange system, although predictable from geopolitical considerations. State expansion always comes up against limits. 12 In my expanded model of military/slave production, increasing geopolitical difficulties are created by the dynamic of the market itself. As we have seen, the expansion of core slave markets turns, the

“barbarian” external area into a periphery. Here appear native slave traders, military contractors, markets for mercenaries—in short, the commodification and political organization of those societies. Such now-incorporated areas of the “world system” turn to exploiting market relations (especially slave markets) with yet more remote areas. The area of geopolitical organization expands outward, upgrading external areas into peripheries. In this manner political, economic, and military organization spread to Scandinavia, eastern Europe, and central Asia. The effects of this expansion, probably including demographic stimulation, were found in the clashing bumper-cars of wars and migrations, the Völkerwanderung that eventually brought aggressive incursions into the Roman Empire itself. The military/market process created semi- peripheral powers (in Wallerstein’s sense) out of former peripheries, and shifted the geopolitical balance of resources in the ancient world system.

A transformation of the military/market system occurred simultaneously outside, inside, and at the frontier. Beyond the limes, Germans were organizing into pro- and anti-Roman factions according to their exchange links as mercenaries, slave traders, and allies (Borkenau 1981, pp. 131–288). The border troops themselves had come to consist largely of Germans (a phenomenon not paralleled in the eastern Mediterranean, where the slave market had not displaced the peasantry to the same degree). These German/Roman legions should be regarded as the mediating portion of Rome’s links with the outer mercenary/slave markets, reminding us that geopolitical “borders” are a broad zone of exchanges rather than a sharp ceremonial-legal line.

The invasion of the Germans and the

11 Weber (1961 [1923], pp. 247–48), however, saw the ending of political investment capitalism by military entrepreneurs as the major transformation of the later Roman Empire. “The freedom of the cities was swept away by a bureaucratically organized world empire within which there was no longer a place for political capitalism. In the beginning the emperors were forced to resort to the financial power of the knighthood but we see them progressively emancipate themselves and exclude the knightly class from the farming of taxes and hence from the most lucrative source of wealth... The provision for the economic needs of the state was taken care of through compulsory contributions and compulsory labor of servile persons instead of competitive contracts. These would have been contracts for suppliers of slave labor—R.C.]... This development means the throttling of ancient capitalism. A conscript army takes the place of the mercenaries...”

12 Geopolitical principles (Collins 1978, 1986, pp. 167–209) include cumulative growth of resource advantage in relation to neighbors, and its negative counterpart, cumulative disadvantage; geopoisional advantage or disadvantage (marchland vs. central locations, determining the number of enemies to be faced); and overextension, the logistical and political strains that increase as armies operate farther from home base. For Rome, the point of sharply diminish-

ing returns and accelerating costs was reached at the German frontier. In addition, cumulative resource advantages build up for rival states as military powers consolidate in different parts of the globe; such states eventually destroy the smaller intermediaries until these giants confront one another directly at locations where neither has a decisive advantage. That is what happened in the long, expensive stalemate between Rome and Parthia/Persia in the centuries after 40 BC.
collapse of the Roman army's loyalty were parts of the same process. They represent the revolt of alienated military laborers, taking their revenge at last on the system that subordinated them. More accurately, the Germans were the structural inheritors of the long-since-alienated military labor of the Mediterranean, now largely vanished into servile proletarians and quasi-serfs. The Roman system of production become a temptingly soft target for invaders because the entire military-based economy had fallen. It no longer provided incentives for adhering to old structures.

This revolt of "military workers" is equivalent to Marx's and Engels's projected revolt of factory workers under the final crisis of industrial capitalism. But although the Roman Empire could be conquered, it could not be taken over structurally except by invaders who fit into its current form as a collapsed market system. Thus although the German conquests of the Western Roman Empire brought a renewal of the slave supply between 400 and 600 AD, there was no revival of the slave-market dynamic (Wickham 1984, p. 31). The slaves were quickly settled on the land as peasant rent-or tax-payers, not resold or circulated in subordinate markets. The structural transformation already had taken place, and new form of relations, the agrarian-coercive, was now dominant.

Islamic Slave-Soldier Markets

The military slave-production dynamic is a Western pattern, in which must be included not only the European states of the Mediterranean but the Islamic states as well. In Asia, slave markets played no such significant role. In China, India, and elsewhere, slavery for the most part was relatively small in scale; large-scale chattel slavery linked to military expansion never took hold. This particular market dynamism was absent in the East.

The Islamic military/slave system differed from the Roman in short-circuiting the investment of slaves in the economy. Slaves were used above all in the military itself, and as government administrators; agriculture remained in peasant rent/tax forms, and crafts and commerce were in the hands of free classes. Slave armies appeared after 800 AD in the disintegrating Abbasid caliphate as princes attempted to avoid losing military power to feudal clients (Crone 1980; Pipes 1981). The pattern expanded in the Ayyubid regimes of Egypt and Syria when princes vied for power by using slave soldiers personally loyal to themselves (Garcin 1988, pp. 116–20). A revolt of the Mamluk slave-soldiers brought the Mamluks into power in Egypt between 1250 and 1500. Here former slaves recruited slaves of their own because the children of these now-dominant soldiers were free and were excluded from the system of rule. Successive sultans purchased new slaves as the basis for their personal armies. The development of slave-soldier markets was based on internal conflicts promoted by central power holders, who were struggling against feudal decentralization within the military class.

In contrast to Rome, the army itself was not in the business of capturing slaves. Slaves were purchased on international markets, since it was desirable to bring slave-soldiers from distant cultures to prevent them from having local ties. The Mongols' conquests in the 1200s made large numbers of slaves available; Christian slave traders, especially Genoese merchants, were instrumental in keeping Islamic slave-armies supplied. The market for slave-soldiers gave a strong impetus to the spread of world markets and helped to focus the states of the Islamic Mediterranean on the international trade described by Abu-Lughod (1989). In order to pay for slave imports, the Egyptian and Syrian military lords became capitalists. State-owned land was assigned to officials for tax farming in order to equip troops; corvée labor on this land was turned to commercial crops and manufacturing, including textiles, paper, and sugar refining (Abu-Lughod 1989, pp. 216–35). The slave market stimulated many other areas of market production. This growth was attended by the development of credit instruments, accounting,

---

13 Slaves also were used in harems, both as concubines and as eunuch guards (Hodgson 1974, pp. 143–4). In this case slavery was a form of luxury consumption rather than production.
and banking; successive layers of subordinate markets included reselling of credits (Goitein 1967; Udovitch 1970). Once again we see a market dynamism that did not depend upon a powerful bourgeoisie; state officials spearheaded market growth and acted both as the major producers and as the largest customers.

The downfall of Islamic slave-soldier markets brought a decline in market relations throughout the eastern Mediterranean. A slave market depends upon military conditions and is vulnerable to geopolitical limits. The Middle East developed its slave economy in part because of its middleman position in world trade patterns and in part because of its access to reservoirs of slave manpower from the nomadic and tribal regions that surrounded it. This geography also put the region on the defensive against military incursions from all directions. The use of slave armies for internal power struggles added further burdens; the ratio of the military to the population size in Egypt was two to three times higher than in contemporary France (Garcin 1988, pp. 124–25). When the region's resource base was undercut by recurrent plagues after 1350 (themselves a result of closure of world trading networks; McNeill 1976), the system no longer could be sustained. The economy appears to have been trapped between increasingly costly slave imports and lower productivity of export goods with which to pay for them. We should not regard this result as accidental. A market that depends upon geopolitics inevitably meets reversals as the costs of military power become overextended in relation to the resistance encountered. Who lives by geopolitics dies by geopolitics.

The far-flung slave markets of Western societies may be regarded as the first structural tendency toward capitalism, permeating Roman and then Islamic societies and giving impetus everywhere towards widening market structures. Within the military/slave mode, market structures reached their limits and fell back, but they left a residue of market institutions that later could be fateful. Not least important was the geographical extension of economic and political structures to the peripheries of the Mediterranean. The slave trade, together with the market for mercenary soldiers, shaped the rise of German and later of Scandinavian states to the north of the Roman Empire, while in the Islamic orbit the same process was repeated with the rise of coastal slave-trading states in Africa between 1700 and 1850 (Wallerstein 1988, pp. 143–47, 164–66). It is not surprising that with the upsurge of modern capitalist world economy, slave market structures at least initially should play a part in its expansion.

AGRARIAN-COERCIVE EXCHANGE

I will use the term "agrarian-coercive exchange" for the generic type of society based upon agricultural production and a militarized state. Following Wickham (1984), we can say that this society has two main subtypes, rent-coercion and tax-coercion. In both, the main form of property is land and the attached labor; whether the laborer is a free peasant or a serf, it is the coercive power of landowners that extracts produce. This coerced produce or its monetary equivalent circulates in exchange systems of varying compass; some quite localized, others traveling considerable distances. In rent-coercion, landlords with their own military means directly appropriate surplus produce and labor services; in tax-coercion, this is done by agents of a distant state that monopolizes the means of violence. As Wickham has emphasized, much of the politics of agrarian-coercive societies centers on the conflict between landlords and state officials (and sometimes between these different activities on the part of the same individuals).

The agrarian-coercive relation does not fill its contemporary universe. Typically there is also a sector of independent agricultural producers, who may be subsistence farmers or petty producers for local markets; this simple commodity mode of production and its direct local exchange also characterize the most typical form of handicrafts production in agrarian societies. The agrarian-coercive structure has room to expand into the sector of subsistence or the market of petty direct producers,
as well as into the external area still organized by kinship exchange (or sometimes by slave markets). Thus in archaic Greece there was a large sector of independent small farmers, which was undermined by debts and gradually was taken over by a coercive mode of production. In this case, the variant comprising debt-slavery is close to the agrarian-coercive mode rather than to what I called the military/slave-market; Greek debt-slaves were tied to their land and did not move in a chattel market. We have seen how the corresponding small-farmer class in Rome was turned into a military proletariat after the Punic wars in the expanding slave-market dynamic.

Within agrarian-coercive exchange, the rent-coercive form is expansionary, whereas tax-coercion tends to stifle market dynamics. We shall have to qualify the latter conclusion shortly, but for now let us note that rent-coercion is the more decentralized form. A landed military class extracts production, most immediately for investment in armaments and soldiers. Because the power of this class is local but military conflicts are far-flung, such aristocrats usually cannot commandeer sufficient instruments of force but must buy them on a market. At the same time, this multisided military competition is a competition for allies; hence status impressiveness is another realm in which ambitious lords must compete to keep up with one another. Decentralized rent-coercion structures, however primitive, entail much exchanging of display goods, ranging from the ceremonial gifts networks or potlatches of barbarian chiefs to the elaborate displays of noble lifestyle, hospitality, and culture of the courtly aristocracy. There is an inflation of both military and display goods, which drives up the costs of rent-coercion and causes market expansion.

Religious organizations are among the superordinate markets that are built up during this process. The material expansion of churches in agrarian-coercive societies depends initially upon aristocratic patronage. Here again we find a direct investment in the means of emotional production, as patrons acquire status display in the supernatural dimension and thereby expand social alliances. Once established, monasteries, temples, and churches become economic and political units in their own right and play into the expanding market on the material as well as the cultural plane. They add to the decentralized competition among organizations and fuel economic expansion.

This imputed towards market dynamics comes primarily from the decentralized, rent-coercion forms. Against this, the centralized state usually attempts to impose tax coercion directly upon the agricultural producers. Insofar as the state is powerful, it overcomes decentralization and may eliminate the market or bring it to a standstill. Nevertheless, the king or emperor at times is relatively weak, sometimes only a nominal first among equals. When this is the case, the ruler's actions may fuel the market competition in much the same way as those of any other grand aristocrat, by investing coerced produce in market transactions to purchase military force and status display, both secular and religious. Thus monasteries were often founded as agents of weakly organized states, and received land as a means of administering conquered territories without recourse to feudal lords. Sometimes monasteries also were used as sources of military manpower, especially in early medieval Germany and eastern Europe, as were Buddhist monasteries in Tibet and Japan. Via this route as well, monasteries can come loose from secular control and become independent actors in the market economy.

The Expansion of Agrarian-Coercive Markets

The decentralized rent-coercion form has an expansionary dynamic. Perry Anderson (1974a) describes one version in his "feudal dynamic" of landed property, which he finds distinctive to Europe. To this I would add the powerful agent of economic transformation that I call "corporate religious capitalism," which played a crucial role in

---

14 An extreme version of this purchase of military force is the Islamic slave-soldiery, to which rulers turned as a counterweight against the threat of feudal decentralization.
MARKET DYNAMICS AS THE ENGINE OF HISTORICAL CHANGE

both Europe and China. Both of these variants of agrarian-coercive economies fit the overall pattern of market dynamics postulated at the beginning of this paper: a distinctive form of property (in these cases, landed estates structured by military rent-coercion and by its corporate religious property variant); stratified market participation; lateral expansion and qualitative growth; superordinate markets rising upon the media of exchange; and ultimately long-term crisis. The crisis and downfall of these agrarian-coercive property forms occur against the background of the rival form, tax-coercion by the centralized state. The tax-coercive state may succeed in destroying feudal rent-coercion and may confiscate the monastic economy (both of which happened in China and in Europe); in other instances, the decentralized agrarian property forms never may have become free to develop in the first place. Where the market dynamics of feudal rent coercion and of the monastic corporations advanced the farthest before their crisis, the victory of the state occurred in a form which itself became subject to the market dynamics of modern capitalism.

In Anderson’s (1974a, pp. 182–209) argument, the expansion of agrarian-coercive relations is propelled by the struggle over rent between lords and peasants. The former (which includes the church as rural landlord, as well as whatever central government may exist) presses surplus extraction upward. Peasants respond at first by increasing production. This process leads to a general round of expansion. Both lords and peasants expand production geographically, by migration or by local forest clearing, swamp draining, and intensified cultivation. When possible, peasants escape to the frontier, but coercive relations catch up with them as landlords also expand, sometimes as religious missionaries (as in northern Europe during the early medieval period) or as military crusaders (as in the Baltic). Both lords and peasants have incentives for technological innovation, which brings about the productive improvements characteristic of this period. Military expansion, both overland and naval, is part of the overall dynamic, since the landlords are so to speak a class of direct military producers. The parts of this system interact: military competition among the lords drives up the demand for rent-extraction, which in turn sets in motion processes that result in further competition for land and further military confrontations.

For Anderson, the height of this “feudal” expansionary dynamic was the European High Middle Ages, about 1000 to 1300. After 1300 the crisis point was reached. The supply of land was used up; there were no more easily accessible external territories, and internal reclamation had reached ecological limits. The expansion also had taken the form of population growth; hence the crisis also was one of overpopulation. Declining levels of nutrition resulted in vulnerability to plague, fostered by closing the geopolitical connection with Asia. Pressure on land drove up prices, whether in kind or in money. Exchange became monetized because the lords increasingly demanded money in order to participate in the more elaborate forms of exchange which had grown up. Higher lords needed money for mercenary armies, which were replacing feudal levies of retainers, and for more expensive new weapons: metal armor, heavier war-horses, crossbows, and eventually firearms.

Expenditure for status display also increased. The “civilizing process” involved building more elaborate country houses to replace crude military fortresses; clothing, jewelry, even cuisine (also works of art and culture) became part of the display necessary to cut a figure as a political actor. Because society remained organized around households, political influence was relative to the number of guests, friends, and retainers one could attract to one’s circle (Giroud 1978). Increased competition in peaceful politics as well as in war drove up aristocrats’ costs. For these purposes, nobles needed liquid cash; hence they commuted dues in kind and in labor.

---

13 These contingencies of state power ultimately are determined by geopolitical conditions, which intrudes another layer of causality, in addition to market dynamics, into the divergent paths of world history. We have seen this geopolitical factor in the downfall of the military/slave economy; it plays a part described below, in the downfall of the socialist enclave within twentieth-century world capitalism.
services, a process resulting in the monetization of the countryside.

Aristocratic pressure on the peasant producers was both direct and indirect. Peasants were subjected to coercion when the lords had sufficient instruments of power; they also became subject to market forces transmitted through commodity prices and the money supply. The 1300s and 1400s were a time of peasant revolts, which contributed to the dissolution of serfdom and reinforced the tendency set in motion by monetization. Thus the late medieval aristocracy moved towards further capitalist enterprises, with enclosures, wool production, mining, and other activities for the mass market. The aristocrats became rural capitalists, the peasants a rural proletariat.

Anderson describes his dynamic for medieval Europe, but it also seems to fit China and perhaps elsewhere (Eberhard 1977, pp. 109–236; Elvin 1973, pp. 54–90, 113–78; Gernet 1982, pp. 129–49, 235–330). The strong state of the Han dynasty (ca. 200 BC–200 AD) was weighted more heavily toward government tax-extraction than toward, rent-extraction by independent landlords. An approximation of the rent-coercion mode appeared with the breakdown of the Han; subsequent strong states, notably the T’ang (ca. 600–900 AD) struggled to reestablish an omnipresent tax-coercion mode. Across this flux of central state power, there was an increasing expenditure for military and status consumption, with increasing size of armies, innovations in military and transport technology, and production of new artistic products. The same pattern of geographical expansion occurred here as in Europe; peasants escaping both warfare and predatory taxation in the north colonized south China (especially ca. 200–600 AD); later their colonization of the northeast frontier resulted in the agricultural settlement of Manchuria and the emergence of a state there. Landlords followed a similar peasant expansion to the south, where eventually larger commercial estates appeared, producing tea and silk for the market. In China as in Europe, the situation gradually was monetized. By the mid-Sung (1000–1200) we find a massive population, monetary inflation based on paper money, large-scale trade, and a full-fledged crisis of government finances.

Religious Corporate Capitalism

Anderson’s model focuses on the rent-struggle between the landlord class and the class of coerced agricultural labor. I suggest that an even more powerful dynamic was animated by a specific organization in the landlord sector, namely the monasteries. The Buddhist monasteries of China (especially ca. 400–900), and the Christian monasteries of Europe (above all the Cistercian order, ca. 1000–1300), were at the leading edge of the economic development of their times. In both, there appeared a form of market production and exchange involving agriculture and even industry. Based originally on the accumulation of agrarian-coercive extraction, the monasteries went on to a form of capitalism that broke through the agrarian-coercive mode. As I have argued elsewhere (Collins 1986, pp. 45–76), these monastic sectors approximated to most of Weber’s characteristics of rationalized capitalism: the freeing of all factors of production to move to areas of greatest return, supported by an infrastructure of political regulation of exchange and property rights, and by a universalistic and disciplined ethic. These conditions, generally lacking in the larger society, existed specifically for resources and personnel within the religious enclaves. The monasteries were centers for the accumulation of wealth; for intensification of production, including technological innovation on, and of quasi-industrial production by mills, ironworks, and factories; and for plowing back of profits through investment in land acquisition, in loans, and in trade. The spread of crusading and missionary movements, whether Christian or Buddhist, widened the geographical scope of European and Chinese civilization respectively, and constituted the leading edge of economic development in the “Medieval take-off” of each.

The great advantage of monastic organization over the surrounding society was that it escaped the household organization of production and politics. Monks, because of their celibacy, were detached from the family inheritance of property and status. Thus they were the first approximation to a freely recruited and mobile labor force within agrarian-coercive society (after the
decline of slave markets in the West, which were inferior in motivational incentives). Monasteries acted as corporate enterprises, whose gains only could be plowed back into further production—if not used for ostenta-
tion or confiscated by secular powers. Buddhist and Christian monasteries moved along a similar trajectory (Southern 1970; Ch’en 1964). The earlier monasteries depended on aristocratic patronage. One might describe them as places where aristocrats invested some of their surplus extraction in religious status display: prayers in their honor, ceremonies for their courts, sinecures for their extra children.

As monastic wealth increased, reform movements took place, which promoted both ideological purification and organizational autonomy from the secular aristocrats. In China the most successful movements were the missionary-oriented Amidaists, and later the Ch’an (Zen) sect which broke with the ritual sects of the capital cities and set up rural monasteries using the manual labor of novice monks (Ch’en 1964, pp. 350–64; McRae 1986; Dumoulin 1988, pp. 155–265). In Europe, corresponding waves of reform (Cistercians, Augustinians, and mendicant friars) broke with the ritualism of the earlier Bene-
dictines. The reform monasteries stimulated the early phase of economic expansion. Eventually the aristocracy began to piggyback on them for purely economic purposes. In T’ang China, landlords escaped government taxation by dedicating their land to monasteries while retaining indirect control. In northern Europe, monasteries remained more independent, but fueled the expansion of the monetary sector and of bulk trade, which eventually came to engulf the secular economy. Thus Anderson’s “feudal dynamic” and the crisis of the rent struggle may be due in considerable part to the leadership of the monastic sector.

This religious capitalism strongly developed superordinate markets. One might describe the monastic sector itself as a kind of superordinate market, which became free from the aristocratic investment of agrarian-coercive extraction in religious status display. Monasteries acted as banks, stores of value, centers of investment; they also were targets for confiscation by governments hungry for cash. This was the fate of Chinese Buddhist monasteries, notably in 446, 573, 712, and 845; in Europe it happened to the trade-rich Templars in France in 1307 and in England in 1312, and led eventually to the wholesale confiscations of the Protestant Reformation. During the height of monastic capitalism, specifically religious currencies also circulated. In China the government taxed the monasteries by requiring purchase of ordination certificates; by the 1100s these circulated as a currency and were the subject of further superordinate market speculation on their future value (Ch’en 1964, pp. 241–4, 391–93).

In Europe, the papacy developed after 1050 as an inner government within the religious sector, adjudicating property claims among religious organizations and reaping monetary and political rewards for judicial services (Southern 1970). Another superordinate market emerged with the growth of universities, which were established originally to train canon lawyers and theologians for the burgeoning Papacy and the local administrative centers of the church. This educational market began around 1000 and reached its height with the crisis of church politics after 1300. Educational production acquired its own dynamics as various regions competed to found their own universities, and the numbers of students increased. Educated personnel flowed from the church into secular administration, heightening the demand for educational credentials. Expanding educational production resulted in a spiral of credential inflation. The superordinate currency of university degrees became devalued after 1300 as degrees became widely available; late medieval universities frequently were in financial crisis (Collins 1981).

Another superordinate currency was created by the sale of indulgences—certificates of religious merit, redeemable in time off from Purgatory. In real life, this was equivalent to commuting into money prices the ceremonial penances that the lay devout performed to raise their social status. By the 1400s and 1500s, Papal debt-financing depended heavily on selling these cultural tokens. The aggressive salesmanship of Papal agents, and the inflationary spiral that developed as indulgence-selling campaigns
increased, were the proximate causes of rebellion by local religious organizations, which set off the Reformation (Southern 1970, pp. 133–69). This denouement might be regarded as the revolutionary destruction of the corporate-religious economy. 16

The Crisis of Agrarian-Coercive Exchange

We have two different models for the crisis of agrarian-coercive exchange. First, according to Anderson (1974b), the feudal-rent crisis in Europe did not lead directly to capitalism but to a transitional form: the absolutist state, which propped up the aristocracy in its struggle to maintain coercive control over the peasantry. The internal conflicts within Absolutism, between government taxation of aristocrats and aristocrats’ extraction of rents from their subordinates, had to be resolved by revolution before capitalism could emerge. The striking feature of European Absolutism, as compared to other historical variants of the agrarian tax-coercive state, is that it was already permeated heavily with market structures. The pyramidizing of super in the religious sector also is found here; one instance is the sale of public offices, which began as purchases enforced by kings in order to raise money. In this case the government acted as capitalist, manipulating and controlling the market for offices. As in all such structures, even though the market is highly restricted, the proceeds of such sales feed back into the whole economy and drive up the costs of government itself. Thus the venality of office was part of the long-term spiral of government weakness which eventually brought the downfall of the patrimonial-absolutist state (Goldstone 1991). As Wallerstein has argued (1988, pp. 57–112), the political transformation of which the French Revolution is an exemplar came about in a society in which capitalist structures already had become dominant.

Second, in the religious capitalism model, capitalism is present even earlier: first in the monastic sector, then permeating secular life. Here the revolutionary transition is the crisis of religious organization. In Europe this crisis was the Reformation, which not only overthrew the superstructure of religious currencies, such as indulgences, but confiscated corporate religious property outright and plowed it directly into the secular economy. For China the problem has not been investigated extensively in this light. But it is apparent that the expansionary phase of the Buddhist monastic economy had passed by the time of the Sung dynasty. The revolutionary downfall of the Buddhist economy was a combination of property confiscations, governmental regulation, and the stealing of its ideological thunder by the Neo-Confucian religious movement after 1050. Here too the Buddhist equivalent of the Reformation was followed by an expansion of the secular economy. In the Sung state the economy was permeated at least partially by capitalism; it had far outgrown the monastic sector. Market growth was apparent in all directions. There was a superordinate structure of currency inflation and speculation, coupled with massive expansion of government employment and with the growth of a highly competitive examination system for office-holding credentials (Chaffee 1985).

The Sung state also experienced fiscal crisis and geopolitical vulnerability, which led eventually to external conquest. But such conquest is not necessarily equivalent to structural change or downfall; previous alien conquests had resulted repeatedly in assimilation to Chinese institutions, and the Mongols were no exception. The fact is the

16 Islamic societies also had a version of corporate religious capitalism. Monasticism was lacking in Islam, but religious endowments (waqf) in the form of schools, hospitals, or charities could own property (Hodgson 1974, pp. 51,136). Wealthy patrons used this device to shield their property from restrictions on inheritance by officials as well as to evade Koranic constraints on investment. Waqf investments extended to urban apartment blocks and shops for rental, mills, and factories producing oil, sugar, and textiles (Garcin 1988, pp. 121–3). Buddhist monasteries in medieval China had been used similarly by the Chinese gentry as a device for withdrawing land from government taxation and for circumventing restrictions on profit-making enterprise. Lacking the autonomous organizational force of monastic corporations, waqf structures constituted not so much a separate religious economic sector as an adjunct to the Islamic market structures I have described above in connection with slave markets.
crisis of the medieval Chinese economy did not lead on to the modern dynamic of omni-expansive capitalism. China appears already to have outgrown the agrarian-coercive structure as the core of its economy, but was dominated by a strong state attempting to maintain traditional tax-coercive forms. In the later dynasties, especially the Ch’ing, the economy had become a market of petty commodity producers, with a thin layer of tax-collating state bureaucracy above. Elvin (1973) refers to this structure as a “high-level equilibrium trap.” It is large-scale entrepreneurs who are absent; neither corporate monastic capitalists nor aristocrat-landlords remain to play this role, and bourgeois capitalists do not emerge in their place. This is the turning point, still poorly understood, which constitutes the “fall of the East” (in Abu-Lughod’s phrase, 1989) in contrast to the West.

Yet in broader perspective, the East did not fall. Just when the market dynamic in China was stagnating, Japan was undergoing a feudal period in which Buddhist monasteries fueled a monetized market expansion. Both state and Buddhist institutions based on Chinese models had been imported into Japan; we may regard Japan as continuing the Chinese market dynamic. The reimposition of a centralized state by the Tokugawas after 1600 crushed the independence of the monasteries; as in the Protestant Reformation in Europe, this action was followed by a large-scale market expansion in the secular economy. Japanese economic development after the Meiji Restoration was not a sudden leap but an extension of these market structures’ long-term growth.

CAPITALISM

Capitalism has all the dynamics of markets to an especially strong degree. One could describe modern capitalism as the quantitative dominance of market dynamics, such that all other structures are reduced to minor roles. The “rise of capitalism” was a long, slow process; exactly when it occurred as a matter of debate. It became predominant because a tipping point had been passed. Market dynamics always have been a leading factor in social change, both in growth and in structural collapse. Historically, markets have been the leading edge of change, but large areas of society remained outside, localized and conservatively self-reproducing. Once a certain proportion of market penetration was passed, market dynamics became overwhelming. Differences in quantity turned into differences in quality.

The “takeoff” of modern capitalism is an acceleration of the curve. I have suggested an early appearance of “rationalized capitalism,” in Weber’s sense, in the monastic economies of medieval China and Christendom. Abu-Lughod (1989) proposes that market dynamics also existed in the “world system” of long-distance trade in Eurasia around the twelfth and thirteenth centuries. For Wallerstein (1974), a European capitalism world system was expanding, with characteristic cyclical rhythms, by the sixteenth century. If this process seems to accelerate almost into a different dimension, most notably in England by the late eighteenth or early nineteenth century, this is the case because a quantitative tipping point was being passed. This point need not have been, let us say, 50 percent penetration of large-scale markets into local markets and subsistence relations; the “point of no return” may well be on the order of 20 percent penetration. These figures are overly schematic, in that there is more than one dimension of market penetration; it is not merely a matter of market versus nonmarket relations. The growth of capitalism is the pyramidizing of superordinate markets; hence “penetration” is the degree of connection to various levels of such pyramidizing.

Probably several tipping points occurred in Europe: in the thirteenth century (monastic capitalism outgrown by secular capitalism), in the sixteenth (Wallerstein’s world market capitalism), in the eighteenth (intensiﬁed scale of commercial agriculture and manufacture, culminating in the “industrial revolution”), and perhaps in the late nineteenth (omni-penetration of the institutions of ﬁnancial pyramidizing). With the passage of each point, the curve of some aspects of market penetration inclined more sharply upward. In this light, the
victory of Europe over Asia and north Africa (especially, China, India, and the Islamic Middle East) was not necessarily the victory of dynamism over stagnation, but a reaching of higher tipping points first. China became increasingly market-penetrated from the Sung dynasty (eleventh century) onward, when secular capitalism had outgrown monastic capitalism. This process, however, took place at a modest rate, with a predominance of relatively localized and unpyramided markets that made China weak and even stagnant when it came into competition with the more rapidly accelerating European markets.

Capitalism is the strongest example of the proliferation of superordinate markets, and indeed of all the versions of market growth and expansion—laterally in space, in volume, and in qualitative innovation. More and more aspects of the factors of production are drawn into markets. As complexity of manufacturing and differentiation of products proceed, “side-markets” branch out around previously existing ones. Even more significant is “vertical” pyramiding of markets for the media of exchange. Banking expands into new forms of debt and investment. Stock markets pyramid transactions: sales of futures and options, selling-short, leveraged buyouts. In these meta-markets, profit is divorced from production; investors with the proper strategy can make money on bull or on bear markets, in times of inflation or deflation, during growing or shrinking productivity. Speculation in money markets and international rates of exchange add further layers upon previous market layers, as do the trading of mortgages and the rediscounting of notes. Stratification within the system depends upon being closest to the center of exchange in these superordinate networks. Insurance funds and pension plans, collected at a lower level to protect individuals or firms against future contingencies, become available as blocks of funds or stocks which themselves are key resources in leveraged buyouts and in plundering the assets of previously successful enterprises. Dynamism here involves both an expansion of meta-markets and a never-ending struggle within the “topmost” layer.

The “monopoly” phase of capitalism is a misnomer. The era around 1890 saw a relatively simple form of financial pyramiding in the form of trusts. Because this was the first time superordinate financial markets were highly visible, Hilferding, Lenin, and others thought that they represented “the highest form of capitalism.” But in fact they consisted only in control of particular products. More extensive superordinate markets have turned out to be possible: conglomerates across product lines and the complex trading of financial media which have undermined some of the earlier, lower-level monopolies.

Capitalism is an omni-market society. Over time it becomes increasingly so, in apparent defiance of zero-order logic. A society that is already thoroughly penetrated by markets can add further superordinate markets through pyramiding. In effect, there is no such thing as market saturation. Omni-capitalism remains dynamic by creating new markets for superordinate goods, including both financial instruments and consumer goods impregnated with social status. The growth of the tertiary sector is like a capitalist tower of Babel, building endlessly towards the sky.

Superordinate markets for cultural products add further complexities to the media of social exchange. Once education becomes connected to opportunities for employment, whether as a state-enforced license or as an informal status emblem, it undergoes a currency-like credential inflation as increasing proportions of the population compete for more schooling (Collins 1979). As the market for degrees expands, educational entrepreneurs respond both by creating more schools and by elaborating more advanced and more specialized degrees. This process in turn drives up the credential requirements for professions and for bureaucratic employment. Self-reinforcing relations between the supply and the demand sides of education have intensified, especially since 1950, with no end in sight.

It is striking that in modern capitalism everything is commodified except the central commodities of the previous systems. The elaborate exchanges of sexual property, which constituted the center of kin-
ship-exchange systems, now are taboo within our own market system. Sexual property survives only in the most truncated form, in bilateral exchanges within married couples (or between their unmarried equivalents). These sexual exchanges now are charged with purely personal emotions (i.e., the modern cult of love) and are considered illegitimate as channels for family-political alliances. Slavery too, once the central commodity of a large-scale system of exchange, is now very strongly prohibited. This also is the case for the central property relation of agrarian-coercive exchange, namely the appropriation of the labor of dependent serfs and peasants by militarized landlords.

Also taboo have become the typical forms of superordinate structure in agrarian-coercive politics: the venality of office, the sale of military commissions, tax farming, and the like. As if the Hegelian logic of negation applies, the main form of property of previous systems becomes negated and is superseded by a later form. Market relations were excluded from the organization of the state in order to create modern bureaucratic government; eliminating venality of office and tax farming was crucial for gaining central, uniform, and hence "rational-legal" control over the means of government administration. In effect, "political workers" were expropriated from the means of administration. According to Weberian theory, this step helped to open the expansion of the capitalist economy by creating a governmental regulatory sector for market transactions. Yet markets soon returned to bureaucracies on a higher floor, so to speak, with the rise of a superordinate market for educational credentials.

The Failure of Socialist Autarky

Capitalism, as the omni-market society, has its most obvious successes in its geographical extension. Around the world, regions of autarkic subsistence or of purely local markets have been steadily eroded. In this respect, capitalism is much more powerful than the historically earlier leading market sectors. The last pockets of tribal and peasant autarky, still very large (even numerically predominant) under previous market forms, have virtually disappeared in the twentieth century. The geographic expansion of capitalism is particularly obvious in the late twentieth century, as it now seems inevitably to be penetrating the communist bloc. Socialism, at least as we have seen it so far, does not appear to be a higher stage of historical development, but a resistance on the part of some relatively powerful agrarian-coercive states—Russia and China—to being pulled into world capitalist markets. State-administered communism is an extension into industrialism of the centralized tax-coercive agrarian structure which historically was antithetical to markets.

In the immediate, middle-run future, it seems likely that the communist states will be pulled back into the capitalist system, whether overtly or surreptitiously. Socialism in itself has no dynamic of growth; its ideological focus is on equitable distribution, and it lacks the self-propelling forces of expansion and innovation (including the tendency to pyramid superordinate exchanges) found in market societies. Deliberate development managed from above has no direction except insofar as it emulates the external benchmarks of capitalist innovation.

Communist societies have not been able to close their borders to the world system; military rivalry alone, on the level of hardware technology, sees to that. Cultural products also overflow borders easily; it is by this route that the status products of Western mass-emulation markets have created demand in the East. Once started along the path of integration with Western markets, the communist states become subject to the pressures of world financial and trade structures. As of the late 1980s, market-oriented reforms within communist states were limited to allowing petty commodity production and exchange; these lack the superordinate markets, especially for financial investment, that fuel capitalist innovation in the West. By opening borders to Western business (notably in China in this period), the East has attempted to reap

17 These lines were written before the eastern European revolutions of 1989.
the benefits of superordinate markets located in the West. The effect, however, would likely be further integration into the capitalist dynamic. Political upheavals within state socialist rule only accelerate a structural shift already in motion.\textsuperscript{18} Even those regimes (such as China) which hold together politically must operate within conditions of world capitalist markets.

In the medium run, socialism as we know it seems destined to disappear. Will this be the triumph of global capitalism? Perhaps. But let us not forget the sixth hypothesis listed at the beginning of this paper. Market systems issue in crises, reversals of growth, and eventually transformation. Kinship markets collapsed when investors in long-term marital alliances consolidated political power and shifted over to the new organization of the coercive state. Military slave-markets mobilized their own external opposition, which undermined them when they reached geopolitical limits. Agrarian rent-extractors were squeezed out by the rising costs of domination as markets for weapons and for status goods expanded. The religious corporations built up from investment of coerced produce became autonomous sectors of proto-capitalist growth, but were brought down eventually through inflation of their cultural currency and were expropriated.

In each type of market system, the property form upon which it is based eventually disappears and is replaced by another form. What can this be, that transcends the omni-market and super-pyramided property forms of capitalism? It is doubtless too early to say. But it seems certain that history is far from coming to an end. If past history is any precedent, the capitalism that is dominant today has plenty of upheavals in store in its future.

REFERENCES


\textsuperscript{18} As I argued in “The Future Decline of the Russian Empire” (Collins, 1986, pp. 186–209) political crisis in the Soviet states is predicted by a geopolitical dynamic. Apart from this, the economic penetration of world capitalism still would have been proceeded but against greater resistance.


Bryant, Joseph M. Forthcoming. “Military Technology and Socio-Cultural Change in the Ancient Greek City.” \textit{Sociological Review.}


Fustel de Coulanges, Numa Denis. 1880 (1864). \textit{The Ancient City.} Baltimore: Johns Hopkins University Press.

MARKET DYNAMICS AS THE ENGINE OF HISTORICAL CHANGE