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TAXATION:
A SECRET OF COLONIAL CAPITALIST
(SO-CALLED) PRIMITIVE ACCUMULATION
(rough draft—comments welcome)

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In Volume One of Capital, Marx laid out what he called "The Secret of Capitalist Primitive Accumulation." Capitalist accumulation must be preceded by some previous accumulation, "an accumulation which is not the result of the capitalist mode of production but its point of departure" (Marx, 1990, p. 873). Marx, identified the 'double-freedom' requirement necessary for capitalist production: workers must be 'free' to sell their labor-power and they must be 'free' from the means of production. The existence of a working class ready to sell their labor-power to capitalists requires that a mass of population have no means of production with which to produce their own means of subsistence. If they could produce their own means of subsistence, they would not be compelled to sell their labor-power to capitalists. A legal system is also required under which workers are freed from their feudal obligations and by law may enter the market to sell their labor-power. As Marx wrote, "so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production" (1990, pp. 874-875).

Despite this emphasis, Marx recognized other important varieties of primitive accumulation as well as the fact that it played out differently under different historical conditions. Although many authors associate primitive accumulation primarily with the enclosures that divorced serfs from the land, creating a landless, property-less class compelled to sell their labor-power to capital to obtain their means of subsistence, Marx uses the term primitive accumulation much more broadly, to encompass a whole variety of preconditions and prerequisites for the capitalist mode of production. In addition, in highlighting the historical processes by which the producers were left without means of providing their own subsistence, Marx not only was focusing his remarks on Europe, he actually states that the "classic" case is limited to England, while the "history of this expropriation assumes different aspects in different countries, and runs through its various phases in different successions, and at different historical epochs" (Marx, 1991, p. 876).

In addition to divorcing the mass of population from the means of production, Marx refers to the importance of merchant capital; the wealth and resources resulting from European contact with Asia, Africa, and the Americas; and other processes contributing to monetization, commoditization, and marketization. In Volume 3 of Capital, Marx notes that merchant capital "is itself a historical precondition for the development of the capitalist mode of production" (Marx, 1991, p. 444):

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

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

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

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

Some of Marx's additional remarks concerning primitive accumulation in European countries do provide hints regarding colonial capitalist primitive accumulation. For example, Marx mentioned the role of the state, including taxation, as part of primitive accumulation in Europe. He wrote that:

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

> midwife of every old society which is pregnant with a new one. It is itself an economic power. (Marx, 1990, pp. 915-916)

And, again:

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

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

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

A variety of methods were employed by the colonial powers to force colonial subjects to become wage-laborers. These included forced labor and varieties of methods to create a property-less class. But creating a landless, property-less class was not always preferred by colonial governments. Maintaining 'reserves' of some kind was beneficial to capital, for a number of reasons. If labor was seasonal, workers could return to home in the off-season and live off the subsistence base. In this way, wages did not have to be high enough to support workers and their families year-round, and profits could be higher. Even without seasonal labor, maintaining a subsistence base could supplement wages, which again would not have to be high enough reproduce labor-power. The problem was that if the subsistence base was capable of supporting the population entirely, colonial subjects would not be compelled to offer their labor-power for sale. Colonial governments thus required alternative means for compelling the population to work for wages. The historical record is clear that one very important method for accomplishing this was to impose a tax and require that the tax obligation be settled in colonial currency. This method had the benefit of not only forcing people to work for wages, but also of creating a value for the colonial currency and monetizing the colony. In addition, this method could be used to force the population to produce cash crops for sale. What the population had to do to obtain the currency was entirely at the discretion of the colonial government, since it was the sole source of the colonial currency. This method was widespread and important enough to be called "a secret of colonial capitalist primitive accumulation" (since it was not the only method, it must be called "a" secret). This practice is extremely well documented, yet it has hardly ever been mentioned as an important method of primitive accumulation. If, as Marx stated, "accumulation of capital is…multiplication of the proletariat," then direct taxation (and the requirement taxes be paid in money) was, in the colonies, 'a secret of so-called primitive accumulation,' especially because of the other associated effects, including monetization, marketization, and commoditization.

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

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

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

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

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

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

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

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

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

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

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

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

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

> From this need for native labor, the theory of the dignity of labor has developed; this dignity has been chiefly noticeable in connection with labor in the alienated areas. The theory has also developed that it is preferable for the native to have direct contact with the white race so that his advance in civilization should be more rapid than if he remained in his tribal area attending to his own affairs. This is the "inter-penetration" theory in contrast to the "reserve" or "separation" theory. (Dilley, 1937, p. 214)

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

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

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

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

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

Collective punishments were also used widely to enforce the tax. At the very least, failure to "pay could be met, and regularly was met, by visits from the colonial police and spells of 'prison labour'." (Davidson, 1974, pp. 256-257)

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

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

Direct taxation was also used to promote and control migration of wage labor. If wage labor and money for cash crops was not available locally, Africans were forced to migrate to plantations and mines to find money wages. Recently, at least one scholar has challenged the notion that direct taxation was a successful method of promoting labor migration or as important as many assert:

> The evidence available on some of the most famous taxation policies introduced to create labor migration is that they failed. It was, in fact, easy for colonial administrators to exaggerate their power over their subjects. (Manchulle, 1997, p. 8)

Part of Manchulle's argument challenges the idea that Africans had no agency in determining their choices, implied in the idea that they were compelled by taxation to migrate, work for wages, and grow cash crops:

> African societies were not passive recipients or victims of external changes, but societies that faced specific historical choices, which they made according to their own historical, cultural, social, and political backgrounds. (Manchulle, 1997, p. 8)

Manchulle's point concerning agency is an important one. However, some of the historical and political context in which African peoples were making their decisions included the force of the colonial state and the strict enforcement of tax policies, including the kinds of penalties cited above. Surely this must be considered when assessing the outcome of colonial tax policies. The evidence offered by Manchulle is limited to the Soninke people of Upper Senegal. Of course it is possible that the Soninke case is different, and Manchulle's plea that "it would be useful if such evidence contributed to a reexamination of the issue by historians" rightly urges additional research. Manchulle writes, perhaps correctly for some anyway, that "Few of the scholars who cite taxation and coercion as a cause in labor migration have made a critical assessment of the question on the basis of available documents, in particular quantitative commercial and taxation records" (Manchulle, 1997, p. 8). This is another important suggestion. Certainly there is a significant body of historical evidence concerning direct taxation, and it should be researched thoroughly. It is also not clear whether Manchulle also rejects the claims that direct taxation was used to generate wage-labor and encourage cash crop production, monetization, and marketization, or whether the claim is limited to the case of migration. If so, it would seem even harder to support, but even the migration case appears sketchy, as the case of Southern Africa would demonstrate (see, e.g., Greenberg, 1987; Groves, 1969; Onselan, 1976). But Manchulle's call for research should be heeded. Not only should the role of direct taxation be studied in Africa and other colonial contexts, its role in European capitalist primitive accumulation should be investigated as well.

Direct taxation was used to force Africans to work as wage laborers, to compel them to grow cash crops, to stimulate labor migration and control labor supply, and to monetize the African economies. Part of this latter was to further incorporate African economies into the larger emerging global capitalist system as purchasers of European goods. If Africans were working as wage laborers or growing cash crops instead of producing their own subsistence, they would be forced to purchase their means of subsistence, and that increasingly meant purchasing European goods, providing European capital with additional markets. It thus also promoted, in various ways, marketization and commoditization. We have also seen that taxation was related to a variety of ideological aspects related to the reproduction of colonial relations of production. Direct taxation was thus an important 'secret of colonial capitalist primitive accumulation.' It appears to have been one of the most powerful policies in terms of both its wide variety of functions, its universality in the African colonial context, and its success in achieving its intended effects. Of course, taxation was not the sole determinant of primitive accumulation. But it has certainly been under-recognized in the literature on primitive accumulation. The history of direct taxation in colonial capitalism also has some wider theoretical implications. It shows, for example, "that 'monetization' did not spring forth from barter; nor did it require 'trust'—as most stories about the origins of money claim"

(Wray, 1998, p. 61). In the colonial capitalist context, money was clearly a "creature of the state"

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