

# **Debt, Service, and the Origins of Capitalism**

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I'm actually going to read some of this. I don't usually read the papers that that I'm supposed to read, but I finished writing this at about 4 a.m. last night, and I haven't actually read it yet. I think it makes sense. But I wanted to say something new, having this whole conference, and it's in order to regurgitate things, so what I thought to do was to relate some of the themes that I explored in my earlier work on *Debt* with some of the more recent concerns I've had with the history of labor, and particularly wage labor, which I cover rather briefly in the new book on *Bullshit Jobs*, and specifically talk about the commoditization of labor. We have this interesting situation nowadays where waged, and to a lesser extent salaried, labor remain the predominant ways of organizing work, almost everywhere in the world at this point, but historically, if you look at the sort of broad historical sweep, while such arrangements often existed in many, perhaps most, times and places, they're kind of unusual, even considered anomalous at most, and, while there has been a lot of very good research on the history of such labor arrangements, it's actually really uncommon to see anyone put the pieces together in any sort of broad synthetic way.

You often see books on different forms of labor in a certain region — labor in the Indian Ocean, labor in medieval Northern Europe — but it's surprising how rarely they make that many general points, so I thought I would start by taking up some of the ideas about commoditization of labor that came on me when I was pursuing the work on *Debt*, and thus I want to start with talking about bridewealth and brideprice and that debate, and what I thought were one of the more, what I thought was one of the cooler points that I came up with while I was researching *Debt*, which is an intervention in an anthropological debate about the nature of bridewealth and dowry and about the power of debt to transform one into the other, transform what are essentially social currencies that are used when social currency is turned into commercial currencies, when social arrangements can become commoditized in ways that must turn them into the opposite of what they had previously been. That's largely about the commoditization of women's labor through much of history through marriage systems, to talking about wage labor itself.

There are three parts: the role of debt in dislodging labor from the social nexuses in which it has been placed, it seems from marriage systems; [the role of debt?] seen from the perspective of wage labor itself, which has a very, very interesting history and in many times and places, probably most, seems to emerge above all from within institutions of slavery; then finally to look at a case where wage labor actually didn't emerge from within institutions of slavery, in Northern Europe and particularly England, and in that case to look at the role of debt in redefining English agricultural, industrial, and commercial workers, not as creditors but essentially as debtors to those they worked for.

## **Part I: Bridewealth, Dowry, and Brideprice**

Now let me start at the beginning, so part one is bridewealth, dowry, and just plain brideprice. One of the less remarkable arguments in *Debt*, although, as I say, one of, perhaps one of its more ambitious interventions in anthropological theory (I don't think anybody noticed this, because it was largely in the footnotes) was a critique of Jack Goody's famous argument of the opposition between bridewealth and dowry. I would see it as much as an expansion and slight modification of Goody's argument, rather than in contradiction to it. I'm pretty sure Goody would see it as in contradiction with it. In fact, when people raised similar points, he argued against them, so I seem to be on the other side. Goody's core argument I think everyone has come to accept, which is

about the distinction between bridewealth and dowry. The whole anthropological debate on the subject can actually be traced back to a political question in the 1930s when the League of Nations was holding a series of debates about whether the practice of what was then called brideprice should be banned as a form of slavery: does brideprice actually mean people are selling women?

As one might imagine, anthropologists were called in as expert witnesses and testified. Evans-Pritchard, in particular, entered the argument and made a strong case that even in societies where people actually say things like, 'Yes, I am buying a wife,' they don't really mean it. Such statements are not to be taken literally, because even if payments only move in one direction, as they didn't necessarily — there's some places there's actually payments in both directions; the important thing is that things are moving around; but that would be the case often in Southeast Asia; in Africa, it was often when things move just one way, from the wife-takers to the wife-givers — even so, he argued, there's no sense of payment, and there were a number of criteria that were listed as why this does not resemble a payment. If you were to buy, say, a cow, one was that both parties continued to have mutual rights and responsibilities, and so did their lineages and clans; another was that if anything was actually being purchased in the case of bridewealth (and this is a period where they actually insisted that we get rid of the word bride-price entirely and substitute bridewealth). If anything was really being purchased, the argument was, it was not the woman, but her fertility, more specifically the right of the wife-taker's lineage or clan to name any children of the union as their patrilineal descendants. So, in that sense, women in no way resembled slaves, since slaves are by definition entirely detached from their natal love of social relations, whether by capture or a purchase, and of course they don't have any rights but only responsibilities.

And finally, (this is really the clinching argument for a lot of people), if you're really buying a wife, then you could sell them, right? In fact, there's pretty much no case in which someone who obtains a wife by bridewealth can then just arbitrarily pass her on to others for a similar payment. As a result, bridewealth payments were not banned. Anthropologists basically won the argument. The assumption was that bridewealth was not buying a wife through an exchange of gifts meant to create social relations or to transform them, or to establish or renew an alliance between two different groups.

Now Goody's work in *Production and Reproduction* and *Bridewealth and Dowry* takes off from that, and Goody was fascinated in particular by the anomaly of Ethiopia, the fact that when you talk about African systems of kinship and marriage, Ethiopia seems to be the one place where almost all the rules that make Africa different than Eurasia don't apply. So instead of bridewealth, they do dowry, and they have plough agriculture instead of hoe agriculture. There are any number of different ones I could go into, having to do with cuisine and everything else. But his big point was that it all has to do with technology and population density. It's actually interesting: it's a purely materialist argument at root, which has been widely accepted even amongst anthropologists, who generally don't go for that kind of thing.

What he basically says is that where you have hoe agriculture rather than plough agriculture, you have low population densities, you don't need heavy-duty technologies to produce crops, and therefore it's not land but labor that's at a premium. Bridewealth seems to correspond to those societies, and bridewealth — it's not the fact that one is transferring a property to the wife-takers [sic: givers?] in order to gain a woman. I mean, that is, that does happen, he says, but actually payments can move back and forth in different directions for different reasons. It sets up a nexus, but it's mainly about the allocation of labor.

The key thing for him is that bridewealth is passed back and forth by the generation above the couple that's getting married, so it's actually the lineages or the descent groups, clans, whatever they might be, that they're part of who are rearranging things together, because in such a situation where land is easy to come by, and where women are doing most of the agricultural work, or either a lion's share of it or all of it, as they are in many African societies, female labor is really important. And clans basically have a range of options, starting from trying to keep their daughters around, which is a matrilineal option (in fact in such societies where you don't have a bridewealth custom, you tend to have matriliney) to ones where there's various forms of bride service, and finally flat-out bridewealth and polygyny, where you're trying to basically accumulate as many women as possible for your own clan. So essentially these are arrangements made between the elders of various descent groups about the allocation of women's agricultural labor, he argues.

Now dowry is completely different, because it's not just a reverse — that dowry is that it's the woman's family that's providing the wealth (again sometimes that's not even the case). What's really going on with dowry, he says, is that dowry is premature inheritance, and when you have plough agriculture, that's usually because you have very high population densities, land is at a premium, and there's various strategies to bring land together. Thus while bridewealth societies tend to be exogamous, dowry societies tend to be endogamous. You tend to marry within the group. You tend to try to form marriage alliances which will keep property together, and women are not nearly as important as the dominant labor force in agriculture, which means that in many ways they're seen more as a mouth to feed, he argues, than as the core of your agricultural labor force. So as a result, daughters typically had to be provided with some kind of resources when married off, either land of their own or something else that would take the burden of supporting her away from the husband's family.

There are a lot of cases which are intermediary. I actually was in a society like that when I did my own fieldwork. In Madagascar, for example, they had both bridewealth and dowry, and in fact it came to the same thing. The husband's parents would pay a sum of money — it's called the vodiondry, or rump of a sheep; it actually was a sum of money — to the bride's family, and then the bride's parents would immediately use that money to buy furniture, bedding, pots and pans, and other necessities for the new household, which they would then give to the bride. For Goody, this would just be a form of indirect dowry. The point is that the money ends up in a conjugal fund for the newly married couple. So that's the broad argument, which, since this isn't an audience of anthropologists, I thought I'd go over it, and I can't assume that people know the details.

Where the argument hits the shoals, I think, is in its treatment of social class, or really its non-treatment of social class. Stanley Tambiah, who co-wrote one of the key original texts, *Bridewealth and Dowry*, with Goody in 1973, very soon began to raise objections to certain aspects of this based on his own detailed knowledge of the South Asian ethnography, where he pointed out that there's a lot of urban societies in Eurasia, or rural societies which are part of larger urban civilizations, where you have dowry at the top of the social ladder and something that looks a lot like bridewealth on the bottom.

As he points out, the magnificent seclusion of upper caste women in India, who often have to be provided with astronomical dowries to keep them kept in the style to which they were accustomed, was only made possible by the industrious labor of lower caste women, who necessarily had to have completely different marriage arrangements. Here's a quote from Tambiah:

It should be appreciated, as Goody failed to do in *Production and Reproduction*, that high caste male freedom from menial labor and the conspicuous removal of high caste females from public view are only possible [sic: possible only] because the system of rural production is predicated on the ... availability and exploitation of the low caste agricultural labor, both male and female. Moreover, women of these lower orders enjoy much greater freedom of movement outside their homes; bridewealth rather than dowry payments are exacted on their marriages, thus accenting the greater economic value of their labor, and divorce, separation, and remarriage, including remarriage of widows, is frequently open to them. (Tambiah 1989 425)

So in some ways they are more free. In most other ways they are more oppressed.

Goody actually rejected this argument, insisting that what seemed to be bridewealth here wasn't really bridewealth — it was actually indirect dowry. It ultimately ends up in the conjugal fund of the family in question, and there's a heated debate about this, but I think actually Tambiah doesn't really go far enough, because at times, anyway, within these what he calls lower order circles, transactions really did come quite close to simply buying and selling women, and sometimes it actually did. There was buying and selling of women, because slavery was practiced. In fact, these were precisely the women who would otherwise be most likely to become sex workers, debt peons, or wage laborers, that is, who are subject to being commoditized in other ways.

This allowed members of the elite to denounce the poor for buying and selling off their daughters and justified ever-greater sequestering of upper caste women, who of course had to be protected from any possible association with such lowly practices. And what Tambiah is alluding to here (although as I say, he doesn't take it as far as he might) is a pattern that can be observed in almost all the great Eurasian civilizations. There's a double push and pull of a commoditization on the bottom and greater seclusion on the top. The greatest detailed evidence we have for marriage transactions from anywhere is from Bronze Age Mesopotamia, starting in Sumer, going on through old Babylonian material, where in the earliest texts, there seems to have been something like what I observed in Madagascar, a gift by the groom's family to the bride's, which is ostensibly bridewealth, was actually used to provide for a lavish wedding feast and for silver jewelry, which the bride would then wear. So basically she would show up at the wedding dressed in money, and she would have this as her fund in case of emergencies, or if she wanted investment capital for business ventures, she just used that. As the example implies, in this early period, women had a great deal of economic and social autonomy.

Over time, however, and this is one of the remarkable things about the middle-eastern texts, as time goes on, that autonomy and freedom of women to take part in public or even private life — this continually declines. That freedom is steadily eroded. Wealthy women were sequestered, even veiled. The poorest women really were actually simply bought and sold. Now one thing that I argue in the book is that in societies that don't have commercial markets, but merely social currencies, as I call them, it's really only physical violence, war if you include slave raids, that can act as a kind of wedge that dislodges women, sometimes also children, from the webs of debt and mutual responsibilities in which they're typically embedded, allowing what Levi-Strauss famously called "the exchange of women," that turned into something that actually did resemble commodity exchange (Pateman 111).

In societies that do have commercial markets, monetary debt, which of course is backed up ultimately by the threat of force, can have the same effect. Certainly that appears to be what happened in the case of Sumer, and Mesopotamia more generally, where at first there would have been no question of a man whose family had paid the traditional sum in grain and silver to acquire a wife, then being able to transfer her to someone else. So you could say as they did in the *Bridewealth* argument, he wasn't actually buying a wife, because he couldn't sell her. However, all of that changed the moment he took out a loan, since in the event of default, you could lose your wife. In fact, the normal practice was: first they go for your fields and vineyards, if you have those; then they go for your flocks; after that, if you have children, and ultimately one's spouse who were taken away as sureties.

Now that, of course, means assigning a monetary value to human beings, which in turn was made conceptually easier by the existence of chattel slavery, which wasn't demographically that important, but I think it was conceptually very important at that time. So what I suggested in the book was that this threat of alienating human beings from their families and communities set off a series of other changes which had disastrous consequences for the freedom of Mesopotamian women more generally.

First of all, using family members as surety for loans gradually became a precedent for other forms of commoditization. Stol, for instance, remarks, as quoted, "In Nuzi, the bride price was paid in domestic animals and silver amounting to a total value of forty shekels of silver. There is some evidence that it was equal to the price of a slave girl" (Stol 126). So you're actually paying the same thing in brideprice as you would if you're just buying someone.

Now this confluence is not surprising, since in that same city we have evidence of rich men paying cut-rate brideprice to impoverished families to acquire a daughter, who they could then adopt. So you pay the same price to adopt a daughter, who you can then use pretty much as you like: as a concubine, nursemaid, servant, or simply marry her to one of your slaves. Another quote:

The poorer the girl's parents, the more marriage resembles a real sale. Marriage arrangements in a city like Nuzi indeed look like sales due to the poverty of the girl's parents, and giving a dowry there was a luxury of the wealthy (Ibid.).

So not only is it dowry and brideprice, dowry for the rich and brideprice for the poor; it's actually the brideprice and not bridewealth. In other cities, adopted daughters ('adopted' in quotes here), were employed in industrial pursuits, or set to work as prostitutes, to provide an income for their adopters in retirement. Daughters who were sold or taken as debt sureties were often sexually exploited, became temple prostitutes or commercial sex workers. This in turn set off a kind of puritanical reaction, as men began to judge one another's honor by their ability to safeguard the sexual purity of their womenfolk and protect them from being taken away like this. Virginity is never actually mentioned in the early texts, so it becomes an issue steadily in the midst of all of this. Bridewealth, even among wealthier families, by the old Babylonian period, came to be referred to as the price of a virgin, and this was increasingly meant literally, because illegal deflowering of a virgin came to be considered a property crime against her father. You could pay an equivalent fine for compensation. Marriage came to be referred to as taking possession of a woman, the same word one would use for the seizure of goods.

This tendency to commoditize the bodies and services of poor women led to the sequestering even of rich women, who largely lost the ability to separate even from abusive husbands. By the

late Bronze Age, they would often not go out unveiled. I mean there were never laws saying they had to go veiled. There are actually laws saying that poor women or prostitutes couldn't wear veils. Nonetheless, there was a clear dynamic whereby the commoditization of some women led to increasing sequestering of others. I think that almost all the great Eurasian civilizations witnessed a similar dynamic between roughly 2500 and 1500 BC and 1500 AD. The class war between men was essentially fought out over the bodies of women. The daughters of both rich and poor continually lost ground as a result.

To take just one well-documented example, Chinese legends recorded in *Guanzi* and elsewhere (I don't know how to pronounce that) report that coin money was first invented by benevolent emperors to redeem poor children who had been sold or taken away as debt pledges by the rich during times of famine (Rickett 397). So such practices existed. Predatory lending, breakup of families, was seen as a social issue, and the state was seen as taking an interest in fighting it. In fact, while the landed classes provided their daughters with dowries, brideprice here too continued to be practiced by the poor. And it overlaps so strongly with slavery that state bureaucrats who periodically tried to ban both, along with debt peonage, could hardly be blamed for concluding that all three were basically the same thing. One of the interesting things about Chinese slavery, and this was even more true of Korean slavery – in Korea in certain periods, they passed laws that men could not be enslaved; only women could be enslaved. In China, they never went quite that far, but very often – but it was typical that slavery was seen as something that happens to women and not to men.

Now it's interesting, if you look across Eurasia in what I call the long Axial Age, chattel slavery was extremely common. Over the course of the Middle Ages, it's largely eliminated, at least as a factor in production, and it's transformed (you could say) into serfdom in the Christian West, restricted largely to household slavery in the Middle East or military slavery, debt peonage and other forms of caste domination in South Asia, and in China, it's largely restricted to women. This is partly due to the peculiar nature of the Chinese patrilineal system, whereby men were actually members of a lineage and ultimately belong to their ancestors, and "women belong to the men," as James Watson put it, or to the household, which was dominated by the men (Watson 222).

It was therefore considered increasingly unacceptable to sell sons as slaves, even in cases of extreme debt or poverty, but perfectly acceptable to sell daughters, or even in some places, wives, on the event of the death of their husbands. So you could sell a son to be adopted, but you had to make sure they ended up in a relatively advantageous situation. But there are actually markets in daughters, in many times and places, at which the daughters could be bought, pretty much for whatever you want – daughter, slave, concubine, wife, or prostitute – depending on the buyer's whim. "It was not impossible," says James Watson, "for a girl to be purchased as a daughter in infancy, exploited like a slave during adolescence, and married off to one of her buyer's own sons in adulthood" (Watson 224).

As I say, there was constant attempts by the government to suppress this kind of thing, as indeed there still is, because there's periodic scandals about the sort of things which still break out about the sale of girls, often when they are quite young. They seem to especially correspond to those periods where commercial life could be said to be most flourishing, particularly the Song and Ming dynasties, which were also the periods where women's status and women's freedom generally are seen as declining. Something like that dynamic – on the one hand, commoditiza-



tion of the poor in this very literal sense of poor women, and seclusion, in reaction to that, of richer ones — seems to be happening almost everywhere.

Commercial debt plays a key role in effecting that. Most of these people were ultimately sold because of the need to pay debts. While for the landed classes, marriage became unsurprisingly largely about control of land, for the laboring classes it remained largely about the control of labor and women's labor, in particular. Commercial debt played a key role in effecting the transition between older marriage arrangements, which largely had to do with renegotiating relations between social groups, and the incipient commoditization of labor.

Now considering the way the debate began in the League of Nations, the debate about whether bridewealth should be considered a form of slavery and made illegal in European colonial dependencies, it is perhaps not entirely surprising that anthropologists have tended to be a little bit squeamish about following such matters through to their logical conclusions, as evidenced by Goody's largely holding back from dealing with marriage arrangements among the Eurasian poor at all. He has this huge fat book, and there's almost nothing about lower caste people in India, or poor people in Mesopotamia. It's almost all elite examples.

It's largely been Marxist and feminist anthropologists who have been willing to explore such territory systematically. In fact, one could very easily make the case that it's one reason kinship has sort of disappeared as the primary object of anthropology, and I've always felt that this is a bit of a scandal. It used to be, thirty, forty years ago, if there's this special thing that anthropologists have, it's kinship. We can do these diagrams that no one else can understand. It's sort of our equivalent of equations for economists. It's our thing, our special knowledge. It's like anthropology threw that away. If you talk to the average person trained in anthropology nowadays with a PhD, they probably never had a kinship course. If you talk about matrilineal prescriptive marriage customs, they just don't know what you're talking about. So how did that happen?

I think that the answer to that is that starting in the '70s and '80s, feminists made a very strong case that you can't talk about this stuff anymore without taking into consideration power and domination, sexism, compulsory heterosexuality, and that whole series of issues that hadn't really been discussed, that these are really power systems and systems of exploitation. So the result was that most male anthropologists just said, 'Okay, we won't talk about them at all anymore. You girls can go talk about them.' As a result, it's sort of faded away, rather embarrassingly in my opinion. So debt is the wedge which allows social relations to be turned, essentially commoditized, and particularly women's labor.

## **Part II: Deep Genealogy of Wage Labor**

Now I also want to talk about the deep genealogy of wage labor — that's part two. In this essay, I want to pursue the relation of debt and commoditization of labor by looking at the history of the wage relation itself. Considering the dominance of the wage system today, it's actually remarkably under-researched. There's a lot of studies of slavery. Just compare how many studies of slavery there are to how many studies of wage labor in antiquity or the Middle Ages. You realize that it's true slavery was actually a more important institution, but it's like fifty to one; there's enormous amounts of one and surprisingly little on the other. I can't think of a single book-length study (somebody tell me if I'm wrong) about forms of wage contract in the ancient or medieval worlds. And insofar as information about wage contracts is to be found, it's largely

inside the literature that's about slavery. And that's of course significant in itself, since for most of history, the two institutions were in fact closely related.

This is well-documented in ancient Greece, although I think often people draw the wrong conclusions. Essentially, Jonathan Friedman came to the famous conclusion that ancient Greek slavery was really a form of capitalism, whereas I would rather make the argument that capitalism is really a transformation of slavery (Ekholm and Friedman 106). But it is certain that slaves and wage laborers were essentially overlapping categories in most of ancient Greek history. Freeborn Athenians, Corinthians, for that matter, of the fourth or fifth centuries BC didn't consider being paid to work for a government as in any way shameful. That's because if it's one's own government, one is essentially working for oneself, if one's doing jury duty or building a monument. Athens wasn't considered an abstraction. Athens was the Athenians. 'If I am an Athenian, and I'm working for the Athenians, I'm working for myself.' Even hiring oneself out as a mercenary to a foreign potentate was an honorable thing to do.

However, hiring oneself out to a private citizen in the same community was totally different, and people really avoided that, because it essentially marked you as a slave. As a result, almost all early wage labor contracts that we are aware of appear to have in fact been contracts for slave rental. These arrangements could, as Friedman pointed out, be quite sophisticated, involving the allocation of money wages split between slave and owner, to workers maintained in workshops producing for the market. In many ways, they did approximate what we're used to thinking of as capitalist arrangements, but they were an extension of the institution of slavery itself.

Now some of the world systems theorists have generalized from this. Chase-Dunne and Hall, in their book *Rise and Demise*, argue that capitalism, and like most world systems analysts they're defining capitalism in Braudelian terms, as basically the use of money to make more money. Capitalism, they say, tends to develop within what they call autonomous capitalist city-states on the semi-peripheries of world systems. The examples they give are "Dilmun, Byblos, Tyre, Sidon, Carthage, Malacca, Venice, Florence, Genoa, Antwerp, and the cities of the Hanseatic League" (Chase-Dunn and Hall 92). Even that point is actually an extension of a point Braudel had made, that if capitalism can only emerge if merchants and financiers are able to ally themselves with governments, then small mercantile states is where that's most likely to happen.

What's interesting for my own purposes is that these are also the kind of places where one is historically most likely to encounter the densest concentrations of chattel slaves, even in periods where chattel slavery had largely been eliminated elsewhere, such as the Middle Ages, and also particularly as a factor of production. So it's those areas where you find nascent capitalists allying with or taking over governments. It is the place where you see the most chattel slaves, but it's also where you see something that resembles wage labor emerging from within the institution of slavery, in much the way as you saw happen in ancient Greece. I think historians have largely missed this, because if you look at the exceptions to this, they're mostly in northern Europe. European mercantile city-states were somewhat anomalous in this regard.

Southern Europe actually still fits the pattern fairly well. Italian city-states like Venice, Genoa, Florence, Pisa were not only centers of commerce and finance, as we know. They were precisely the part of medieval Europe where slavery, classic chattel slavery, held on the longest. It's true it was contested in the twelfth century. For example, the slaves that had been employed making cloth by monasteries in Venice were largely replaced by guild labor. Actually, this is across Italy. After that, Italian slaves were rarely employed for producing for the market, but that's largely because that was around the time that the use of servile labor for producing for the

market shifted away from Italy itself to what were essentially colonial possessions, particularly sugar plantations in Crete and Cyprus, in what many believe provided the model that was later exported, first to the Canary Islands and then to the Caribbean. I think all of this happened because in Europe, much unlike the rest of the mercantile city-states elsewhere in the world at that time, almost all of which were part of the larger Islamic ecumene (if you want to call it that), where Islam and Islamic law was a sort of medium of trade or arbiter of trade and enforced a strict division between war and commerce.

In Europe, war and commerce was mixed together in a way that really didn't happen elsewhere. I talk about this a bit in the *Debt* book; this is why there's exploitation of servile labor for market purposes funded directly by mercantile city-states, which tended to happen as part of military and colonial ventures, whereas such things in other places happen within the city-states themselves. If you go back to the trading role of the Indian Ocean during the same period, one finds with remarkable consistency labor arrangements similar to those of the ancient world, where it's actually almost entirely slaves who are doing wage labor. Insofar as we observe wage labor contracts, they are actually slave rentals, either because the owners would rent their slaves out directly, or because slaves who had achieved a certain amount of autonomy would be allowed to find work on their own and then be expected to turn over a share of the proceeds to their owners. And again, going back to my own fieldwork in Madagascar, which is a marginal part of that larger Indian Ocean trading world, the port cities were part of it, and I was in the highlands, which was just plugged into that.

That was actually the principal way of organizing labor in the nineteenth century. It began in port cities like Tamatave [modern-day Toamasina] and expanded to the highlands. By the nineteenth century, even Quaker missionaries active in the abolition movement had to protest to abolitionists at home who had complained that they were all basically having all their work done by slaves or being carried around by slaves on palanquins and whatnot. They say, 'Look, you know we would employ free labor, but it's impossible, because, you know, nobody who isn't a slave is willing to work for wages. You know, we pay these guys.' In the nineteenth century, the transport industry throughout Madagascar was entirely dominated by slave porters who formed effective unions. And those porters in theory had to turn over a percentage of their wages to the owners, but in practice they often didn't. This is one contemporary missionary source I found:

Slaves enjoy considerable freedom of action. While theoretically without rights, practically they enjoy a good many. As there are no made roads and no wheeled vehicles in Madagascar, travelers are carried in palanquins, and baggage is conveyed by men. Slaves are permitted by their masters to hire themselves out as servants and laborers to carry baggage and messages to and from the coast, to go on long journeys with travelers, in fact to do anything for which they can obtain wages. Sometimes the master receives a portion of the wages thus earned. Sometimes he receives nothing at all, but in that case the slave has frequently to hire someone else to take his place and fulfill his share of the personal service when required. (British and Foreign Anti-Slavery Society 1)

So here you have slaves not only hiring themselves out, but hiring other slaves, so only slaves work for wages to work for their own masters. This provides a fascinating glimpse of one way that slave labor could become commoditized.

Another thing which actually always fascinated me about the Malagasy system, which I've never had a chance to write about, but I will someday, is that they had partible inheritance system in Madagascar, which meant that slaves quickly came to be divided up, so if you have eight children, each one gets one-eighth share of the slaves, so it's not at all uncommon to see contracts for the sale of one sixteenth of a slave, or a slave who owns three-quarters of himself slowly buying himself back from his various owners. What this actually meant in terms of labor arrangements is really unclear from the sources. There is occasional references to division of days, that slaves would have to wander around from one place to another if their various owners lived in different places, but it's easy to see how under such conditions – and slaves were itinerant anyway- systems of substitutions like that could become commonplace. Slave labor was already broken into units and commoditized in various ways, which may have lent itself to further doing so through the payment of wages.

Anyway, Malagasy slaves in the late nineteenth century achieved an unusual level of autonomy, but similar arrangements, usually more strictly enforced, could be observed in a lot of other places: Swahili city-states are a good example. Most of our sources are pretty late, nineteenth century – early twentieth, but they're very consistent. Here the main employers appear to have been Hadhramis, small-scale entrepreneurs originally from Yemen, notorious for purchasing slaves so as to hire them out as either craftsmen or dock workers, then collecting a share of the wages. So it's the same deal, and precisely the same pattern appears in most of the major cosmopolitan port cities of Southeast Asia, where early European sources almost always describe the bulk of the population as slaves.

This, as we'll see, might be exaggerated, because most of the population of these port cities seem to have been made up of people in the slightly more ambiguous condition of debt bondsmen, or personal dependents of large magnates, rather than, say, war captives. It isn't often they made a distinction; they were all sort of collapsed as slaves. But the real slaves are the ones who were captured in war, who had fewer rights and lower status. Nonetheless legal documents make clear that wage labor contracts basically consisted of agreement to rent one's servile dependents or for servile dependents to rent themselves. This is Anthony Reid:

In none of these trading cities in the sixteenth and seventeenth centuries can we identify a class of independent urban artisans or laborers, free to work for wages or not to work. If we compare wage rates given in European sources of the cost of the day's rice, we find a very high labour cost. (Reid 1983 168)

So people were paid a lot, but this is not a free market wage paid to the worker but the cost of hiring bondsmen from a master. This is a quote that Reid quotes: "It was their custom to rent slaves. They pay the slave a sum of money which he gives to his master, and then they use that slave that day for whatever work they wish" (Reid 1983 168 and Reid 1988 131, quoting Ibrahim). The laws of Melaka "similarly [give] many examples of the legal implications of 'hiring' or 'borrowing' slaves, but none of any other type of labor contract" (Reid 1983 168). We see the same thing in colonial Java. There were actually free wage laborers in colonial Java. It appears around Batavia in the early colonial period, but it's almost exclusively confined to the semi-criminal masterless men from the countryside, who were available for seasonal agricultural labor during the colonial period, people who were otherwise abused by the authorities as derelicts and thugs. The bulk of wage labor, however, continued to be performed by slaves there as well.

So, finally, it hardly seems coincidental that plantation slavery, which in historical terms is one of the rarest forms of the institution, tends to appear precisely in the same context where one has mercantile city-states and the emergence of wage labor from within slavery. Outside of the ancient world, one might point here to the slave plantations encouraged by the Omanis in nineteenth-century East Africa, the pepper plantations in Sumatra managed by merchants from Aceh Melaka. Still, it was only really unlucky unfree laborers who ended up working on plantations.

And here's where debt comes in. This is very interesting. In Southeast Asia at least, and I suspect this is true in a lot of places, most wage laborers actually got themselves into that situation, sometimes intentionally, by manipulating debt, since debt peons both maintain many of the rights of free people, but were formally dependents on some local notable and were typically seen as far higher status than the criminals and vagabonds who were available for casual hire, if indeed anyone was. The logic seems to have been this: since working under another's orders, particularly on an ongoing basis, is by definition a relation of dependency and nonfreedom, only those in a formally dependent state could really do it.

As a result, it was not at all uncommon for someone attracted to work in a bustling port city like Melaka or Aceh or Makassar to take out a loan so as to render themselves dependent on some local grandee, who would then hire him out and collect a share of the proceeds. So if you wanted to come to town and get a piece of the action, you'd intentionally take out a loan to make yourself into a debt peon, and then the guy who lent you the loan becomes your agent. In fact, he might even take the money that he got on the loan and hire debt peons of his own, or servants, or buy people who are already slaves.

According to the *Cambridge World History of Slavery*, "Debt bondage was by far the most common form of slavery" (Ellis 163):

Slaves are both hired and traded on open markets, and slaves themselves could participate in such markets by purchasing slaves for themselves, thereby lessening their own labor obligations. (Ibid.)

Much like the Malagasy people are hiring slaves to fill in for themselves.

Of course debt bondspeople could also be sold off by their masters, but there was a social obligation not to sell debt bondspeople outside their own natal society. (Ibid. 172)

So, as you might imagine, these things could become really complicated very quickly, with the same individuals acting as both creditors and debtors, masters and slaves, employers and employees, often in the same transactions, and at the same time, much like the Malagasy slaves, but debt was absolutely critical in effecting the transformation from one status to another.

I think that at the root of all these complicated machinations, however, there's a really simple paradox. I think the fundamental contradiction is the very idea of a free contract in which two parties agree not to be in a relation of equality anymore, because any contractual arrangement assumes two parties, and at least some kind of formal or legal equality exists for them to enter into a contractual agreement to begin with. But how do you frame it if what they're agreeing to is not to be in a relation of formal equality anymore, at least so all the terms of the contract apply? In that way, in purely formal terms, debt contracts and wage labor contracts are actually very similar, because they're both agreements between two ostensibly equal parties to enter into a relation of extreme inequality for a specific period of time under certain specific conditions.

I think it's this similarity which allowed debt to be the conceptual wedge through which wage labor became socially, morally, and politically possible. After all, in most societies, the idea of temporary voluntary reduction to a status that was only otherwise familiar in relations of either patriarchal authority within the household or outright chattel slavery, an institution which was always at least in principle conceived to be founded on right of conquest, would have been either morally outrageous or simply inconceivable. One does not normally think to rent oneself out as either a daughter or a slave.

It was the absolute quality of the moral power of debt — this is the thing that always fascinated me when I was writing the book — is how the morality of debt seems to have this astounding capacity to trump any other type of morality, so that people will accept things that they would have never accepted under any other circumstances if it's what's necessary to pay one's debts. That's what made it so well suited to transform labor itself into a tradeable economy [sic: commodity?], either through the manipulation of marriage payments, in the case of women's labor, or the case of wage contracts, although not exclusively undertaken by men.

### **Part III: Wage Labor in Northern Europe, or Free Labor**

Now part three, wage labor in northern Europe, or free labor as we like to call it. The notion of free wage labor creates, if anything, an even greater conceptual challenge, because in a purely technical sense, in fact, the usual creditor-debtor relation is actually reversed, and we don't really think about it this way, but 'Who owes who?' Unless you have a company store and you intentionally indent your workers, which was often done, but in the classic scenario where you sign on, you get a good job, you do the work, you get paid at the end of the week — well, most of the time that you're doing the work, you're actually the creditor, and the boss is the debtor, because he owes you money for your work. You've already done the work, and he's owing you money, so if anybody's the debtor, it's the boss. But in fact during that time, you're actually subordinated to the will of your debtor. Now this creates a rather confusing situation, which is one reason we don't even like to think about it that way. Well, what I like to argue is that there was a certain amount of conceptual work that had to be done in order for it not to occur to us that actually the boss is the debtor who owes something to the worker.

And so I want to end by talking a little bit about that and how that happened and the very interesting history of what wage labor actually is in social, legal, and political terms, how it was that in Northern Europe, one area which didn't have chattel slavery in the late Middle Ages, or very little, and debt peonage was actually fairly limited, was also the place where free labor came to be seen as alienable, and, above all, where it was considered normal for free men and women to place themselves completely under another person's authority and under their orders. In contemporary law, that principle of subordination is sometimes referred to as the 'principle of control,' or another phrase you see a lot is 'the open-ended duty of obedience' that a hired laborer owes to their employer. It still provides a profound conceptual challenge for these very reasons. According to the *Sage Handbook of Industrial Relations*, for example, "The term 'contract of employment' or in French 'contrat de travail,' only entered general usage in the 1880s" — pretty late (290):

The main impetus for its adoption was an argument by employers in larger enterprises that the general duty of obedience should be read into all industrial hirings,

and the core of the concept was a notion of subordination, in which the 'open-ended duty of obedience' was traded off in return for the acceptance and absorption by the enterprise of a range of social risks. (290)

So, this 'open-ended duty of obedience' implied that a hired worker was obliged to do whatever he was told to do by his or her employer, insofar as those orders didn't involve either violating some other existing law or some specific provisions of their contract, and in exchange the enterprise accepted responsibility for consequences of decisions that the worker could no longer make, for example, if he got injured. In fact, even this formulation was not really accepted in the Anglophone world, that this was just a free contract, until much later.

It's actually really surprising. In the United Kingdom, employment disputes, at least for industrial and manual work, were not generally treated under contract law until the rise of union power in the welfare state in the 1940s. Before that, they were largely treated under common law traditions governing relations between masters and servants, which traced back to the Middle Ages. In the US, actually, that's still the case. You're still dealing with a common-law tradition that's still master and servant law basically, that governs labor relations. So, in fact the principle of 'open-ended obedience,' as legal historians like Simon Deakin emphasize, itself can be traced back to the obedience that medieval servants owed to their masters, which were again tempered only by force of custom, social expectations of reasonable treatment, and any particular arrangements among the parties to a service contract that might have been made.

However, in the Middle Ages and well into the early modern period, the responsibilities involved in such arrangements were assumed to be a lot more mutual. Most notably, service contracts tended to be yearly, and during the year, masters were expected not only to provide agreed-on wages, bed, and board for workers, but to do so whether or not they actually found any work for the guy to do. This is very important. So, if you're a master craftsman, you get three apprentices, and there's a bad market, nobody wants to buy your gloves. Maybe you're just sitting around, but you still have to pay the people. You also had to take care of them if they were sick or injured, became pregnant, whatever might happen. The importance of this medieval concept of service actually in the eventual emergence of capitalist labor regimes I think can [sic: should?] not be underestimated, something I've been banging on about for years in various ways, but I think it really should be underlined here.

Even though it's a topic that's weirdly neglected by a lot of economic historians, not all, but if you look at all the various Marxist transition debates, starting with Sweezy/Dobb, I guess was the first one, and leading up at least to the Brenner debate, which is all about whether capitalism starts as a top-down or a bottom-up phenomenon (Sweezy, PM; TH Aston and CHE Philpin). Do you have to look at commerce and finance and transformations therein which gradually affected on-the-ground relations, or did it happen from the bottom up? Was it a transformation of rural class relations from below? You'd think that in that argument, you'd set up endless discussions of what the from-below work arrangements actually were. No, there's almost none. You have these statistical discussions constantly throwing around the word wages, wage rates, but it's assumed that what the word wage means is self-evident, which is very clearly not the case.

At the same time, detailed studies that have been made of what wages could have meant in the late Middle Ages and early modern period show that it actually could mean a lot of different things. There is an oft-cited statistic that about a third of the population of late medieval England

was dependent on wages for at least a large share of their livelihood, and this appears to have been true, but what ‘wages’ meant in that context could be a lot of different things.

If you look at the details of the arrangements, often people would be hired to do a specific job, and they would bring their apprentices or their servants or their kids along with them. They would actually have their own hirelings. So it looks a lot more in many of these cases like the modern equivalent would be hiring a plumber or something like that. He’s not exactly a wage laborer who’s under your direction. They’re people with their own skills, ‘mysteries’ as they were called at the time, which you didn’t know what they were, or even if you did know what they were, they formed their own teams and negotiated with you and were essentially independent contractors, we would now call them, more than anything else. The ones who weren’t were servants or hired for certain periods of time, typically a year.

There are also day laborers. That’s important. Day laborers tended to avoid ongoing contracts and move around from job to job, preferring short-term engagements, but they were famous for being pretty hardcore negotiators in terms of terms and conditions of employment, and often to their great advantage and to the distress of moralists, who were constantly complaining that these guys were overpaid, especially disturbing to moralists because they to some degree overlapped with the murkier population which in *Debt*, I described as “beggars, harlots, cutpurses, hawkers, peddlers, fortune tellers, minstrels, and other such masterless men and women of ill repute,” like the ones in Java who did the day labor, who merged with the criminal classes, and as a result they could extract quite a bit (Graeber 329). So, you have the independent contractors; then you have actual service contracts.

Service contracts were typically young people, not always. Manorial estates would have yearly servants who were adults, but all over Northern Europe, at least since the Middle Ages, what’s been called the ‘North European marriage pattern’ was characterized by what’s been called ‘life cycle service.’ The majority of the population, male and female, not just craftspeople, but peasants, even nobles, were expected to spend most of their adolescence laboring as a servant in another family’s household, typically in a household just slightly wealthier than their own. As Ann Kussmaul writes about *Servants and Husbandry*:

Master and servant customarily sealed their agreement with the offering and taking of a token payment: the earnest, hiring penny, fastening penny, or God’s penny. (Kussmaul et al. 32)

I always like that phrase ‘God’s penny.’

The contract implicitly bound the servant to serve the master for a year and to obey his reasonable commands, and it bound the master to maintain the servant for the year and to pay the wages agreed upon, whether or not there was daily work for the servant, and whether or not the servant remained fit to work. Masters’ authority was thus tempered by custom. (Kussmaul et al. 32)

The word reasonable appears a lot in these things. Servants are expected to obey reasonable orders in exchange for a reasonable wages, so communal standards was held to settle these matters in much the way of Jim Scott’s idea of a moral economy. There was ongoing communal feeling about what’s a reasonable lifestyle. During this time, of course, servants were literally considered members of the master’s family, since family was conceived not as a kinship unit, so much as a household unit of authority under the aegis of a single head of household. They’re



also of course learning their future trades and how to comport themselves as proper adults and finally trying to accumulate enough of a nest egg so they could eventually marry and create their own farm, shop, or household.

As a result, for the bulk of the medieval English population (this is I think critical, and it really hasn't been thought about enough), wage labor under the supervision of an employer was something one does for the first ten or fifteen years of one's working life and has little to do with the way adults were expected to treat one another. Remember, most of these other wage laborers are not really being supervised.

I think one must be careful, because the concept of service was used in a lot of different ways. You think about it. It's a very conceptually rich term, and it was already a very conceptually rich term with a lot of different meanings already by the twelfth and thirteenth centuries. I've spent a lot of time poring over the O.E.D. and looking at different ways the words 'serve,' 'service,' 'servant' were used. Basically, all hierarchical arrangements were imagined as forms of service, starting with divine service, of course directed at God, but continuing through feudal service, which is the basic framework of the political order — vassals owed various carefully specified services, typically the provision of a certain number of service knights, but also nonmilitary sergeants, in exchange for tenure. Peasants were poor, so they owed a variety of services to their own lords. But the interesting thing about all those forms of service is the exact nature of feudal and manorial services tended to be really, really carefully specified. They weren't really open-ended. They're often exactly as custom set them down to the exact detail.

In other words, feudal arrangements tended to be the very opposite of this 'open-ended duty of obedience' characteristic of lifestyle servants, and later of employees in commercial or industrial enterprises. But the fact that even highborn families were expected to send their teenage sons and daughters to serve at court, so that even the powerful all had some experience of domestic service, must have ensured that that's what remained the paradigm for all other forms of service.

The word was used really broadly, but the conceptual center of it was domestic service, and this is why common usage at the time (again calling on the O.E.D.) includes, if you look at the verb 'to serve' and medieval examples: "to be a servant, to perform the duties of a servant, to attend upon, to render habitual obedience to, to become the extension of another's will or purposes," but also "to wait upon a person at table, hence to set food before, or to help a person to food." There's a million different variations of serving as in "giving food to," the latter of which is already by at least 1362 extended to "to attend to the request of a customer in a shop," so to serve a customer actually comes before, say, "serving one's country, becoming a public servant, serving in the armed forces," which come later, with the absolutist state.

So the paradigmatic sense is of active services, [such as] serving food. You look at the history of the word waiter. It is actually really telling. It's one common term for a domestic servant, but particularly among the elite servant circles, you have ladies-in-waiting and gentlemen waiters, who not only waited at their lord or lady's table, but were really waiting for their inheritance, so they didn't have to do it any more, to acquire the means to marry and become a master or a mistress of their own household and get servants of their own.

So, I think what's important here is that it brings together three key features that I think are intrinsic to the notion of service as it existed at the time, which is still kind of lingering in the background of the term used now when we use the terms like 'goods and services.' First of all, it involved an 'open-ended duty of obedience,' second, it was educational (at least in the sense of being formative of character), and third, it was conceived in terms of what we would now call

caring labor. The servant attended to the physical needs of his or her master or mistress, fed him or her, who in turn was expected to care for the servant as required, as they would any other member of their family.

So, the transition from a system like that to one marked by permanent wage labor, which began to happen with the breakdown of the guild system in the sixteenth and seventeenth centuries, meant that a very large number of servants, particularly apprentices and journeymen, suddenly found themselves in a position where they could never become masters and thus found themselves trapped in permanent social adolescence. This had a number of really profound social effects, some of which I've written about elsewhere. For example, I point out that it's almost certainly no coincidence that it's exactly the period where employment could no longer be conceived as a process of character formation, education leading to one's eventual full moral personhood, when one gets a household of one's own. This is exactly the time when the employing classes, who have essentially shut the proletariat out of such social adulthood, suddenly develop an intense interest in the moral reformation of the poor. So, they're basically trying to do the same thing through other means. When you look at medieval texts, middle-class people really couldn't care less about the moral behavior of the poor. But suddenly it becomes an obsession right around the period when the old service system breaks down.

Legal historians have gradually been able to reconstruct how the terms and conditions were transformed in the centuries leading up to the Industrial Revolution. Government played a key role here, and it's actually very much analogous to what happened with debt. In the *Debt* book, I observed, and I was basically following the research here of Craig Muldrew, that in most English communities in the late Middle Ages, cash was very rarely deployed in everyday transactions. Villagers and townfolk alike preferred to rely on complex credit systems, which meant that it was considered normal for everybody to be at least a little bit in debt to everybody else. Debt was seen as the lifeblood of sociability and a material, and immaterial, aspect of community itself, or of communal love (Muldrew).

And, at the same time, starting in at least Elizabethan times, more and more members of the emerging middle classes began to turn to the courts to enforce debts. People used to lodge the debts in the courts, but they wouldn't actually go to the courts to enforce them. One reason for that was simply because the law was really harsh. In fact, a truly persistent creditor could have debtors imprisoned or even executed. Starting in the late sixteenth and early seventeenth century, a lot of people started doing that, which had this crazy paradoxical effect of something that had been considered the very substance of sociality itself, was suddenly effectively criminalized.

Now around that same time, local courts also became really interested in regulating labor, which there had been some interest in by the government in the wake of the Black Death, but it only really starts kicking in with the Statute of Artificers. But as Deakin points out, for example, the initial impulse to do so had to do with the peculiar nature of the English welfare system at the time. The Settlement Act essentially insisted that elderly, incapacitated laborers, anyone in need of relief, had to go to their own parish. They couldn't demand relief in someone else's parish. Exceptions were granted only for those who could demonstrate they'd undertaken yearly contracts as servants in the parish in which they currently resided. Now obviously that meant that it was up to the courts to decide who had a real contract and who didn't, which is interesting, because previous to that, as Kussmaul and others have pointed out, and Cooper, the whole domain of service, which was basically the entire adolescent population, were essentially off the books as far as the government was concerned. They had almost nothing to do with it. There was some

occasional interference in apprentices' contracts and things like that, but basically they didn't even know who these people were.

Suddenly, with welfare legislation being what it was, government, local courts, and magistrates had to decide who was really employed. The conditions of employment were put under the microscope, in effect. And this was happening at the same time as the famous Enclosure movements, and in all this, as endless Marxist scholars have documented, cottagers are being driven from their natal villages, the existing floating semi-criminal population, casual laborers, swollen by those guys, was being suppressed by ever harsher vagrancy laws, which are essentially trying to force as many people as possible into these one-year household servant contracts.

At the same time, since welfare responsibilities were being shifted to the parish, the service relation came to be defined in a much more one-sided fashion, as being defined around the master's unconditional authority. Here's a quote:

In this way the settlement laws helped to initiate the 'open-ended duty of obedience' which later came to characterize the contract of service. Although a servant could not be made to work quote 'unreasonable hours of the night,' and he is punished if he profanes the Sabbath day... [it was determined that] a right of control and authority, at least so far as it relates to the general discipline and government of the servant, must reside in the master at all times during the continuance of the service. (Deakin 16)

This was one of the criteria for who actually was a servant and actually lived where. So this was the primary criterion for judging whether a relationship of employment existed. It meant that this element of unconditional obedience became both extremely important and enforced by the state, and this increased dramatically over time. By the eighteenth century, when households and workplaces increasingly separated, and owners of mills, mines, and similar enterprises began employing large numbers of wage laborers working regular hours, that was the criterion they chose for who's really working for who: control, authority.

At the same time, though, magistrates were being granted ever more powers to intervene in different types of employer-employee relationships. Under the Statute of Artificers, it was pretty limited, and courts had been given the right to set up maximum wages and regulate relations between masters and servants in husbandry since Elizabethan times. But it was really just right before the Industrial Revolution that it was extended to everyone else with the Masters and Servants Law of 1747 and a series of other laws that followed in the decade or two afterwards. So that same supervisory function was extended to "artificers, handicraftsmen, miners, colliers, kiln-men, pitmen, glass-men, potters, and other laborers employed from any certain time or in any other manner" (Deakin 19). Not only did this extend the principle of open-ended obedience to skilled craftsmen, who had previously been more of the independent contractors, but it also allowed the courts to intervene on the employer's behalf by imposing fines, and even up to three months imprisonment, on any workers found to have absconded from their yearly contractual responsibilities (Deakin 19).

So suddenly these people, who had been hired because they had certain skills that you didn't have on a part-time basis, were being forced by courts to take on these year-long contracts, where the employer no longer really had any responsibilities to them, but they were expected to have an absolute right [sic: duty?] of obedience to their employer.

## Conclusion: Debt Drives Commoditization of Labor

Now what does this all have to do with debt? Here I can only make a series of suggestions, but I think it's really interesting and significant that one effect of punitive government interference in these Master-Servant laws was to nullify the advantage gained by workers from the fact that they were, as I pointed out, creditors of their employers, rather than the other way round. Look at that 'God's penny.' It was presented to the servant as if to sign a contract. It's now called a material consideration, in the same way that even if you have a contract to pay someone money, you have to give them one p, so that you can say money changed hands; there's a real contract. That goes back to this, which was a sort of pledge, where you give them God's penny or an earnest, as a promise of future payment, but that's exactly the same thing that a debtor does to a creditor. It was the same thing. You give God's penny. So essentially employers, masters, would actually pose themselves not as the creditors but as the debtors to their servants, at least in that formal way.

Now this might not have had a lot of practical implications, but it did have certain moral ones. It did, and it probably had something to do with why it was that servants were in such relatively advantageous situations that people are constantly complaining in the late Middle Ages that essentially they were in a really advantageous negotiating position, were constantly getting overpaid and coddled, thus sparking endless and apparently only unevenly successful government attempts to hold down wages.

Government intervention in the seventeenth and eighteenth centuries particularly aimed to destroy both the moral and economic basis of working-class power, at the same time as it also aimed to reinforce the absolute right of employers to dispose of workers as they wished. For instance, a key eighteenth century ruling held that if a worker is fired for any act of disobedience, or quit before the agreed-on date, he forfeited the right to collect any wages owed for work he might already have done. It's really important, because it often took them ages to pay people, and you'd be waiting and waiting, sometimes six months to a year, so they would forfeit everything the moment the judge agreed that you did something that disrespected your absolute obligation to obey orders. In other words, the employer's authority was held to trump the employee's status as a creditor.

Such precedents were maintained and even augmented when the Masters and Servants Law was replaced in Victorian times by the Employers and Workmen Act of 1875, which continued to give the courts the rights to intervene in the terms of employment contracts in a way that was almost entirely unprecedented in any other form of contractual law. I don't know if anyone's heard of Carole Pateman or her book called *The Sexual Contract*, where she points out that marriage and employment contracts are similarly weird, because in any other form of contract, you can get the two parties and negotiate the contract to basically make up the terms.

Marriage is extremely significant, considering we've been looking at marriage transactions and employment transactions, because those are the two forms of contract where you can't do that. You can't say, 'These two people want to marry those three people.' I mean, even if they want to, they can't. Almost everything about the marriage contract is already set out and can't be changed by the people actually making the contract. It's completely different than a commercial contract, for instance.

Similarly, in an employment contract, there's no way that a government would come and impose fines or lock up somebody who was a business partner who somebody complained had

violated the contract. It might make them pay something, but they wouldn't impose punitive sanctions. They did that all the time to employment contracts in the nature of what could be done. There's a whole part of the duty you couldn't negotiate away, the 'duty of obedience.' It was already there, similar to the marriage contract.

So in fact they would regularly impose fines on workers for insubordination, which would cancel out any debts of unpaid wages that the employer might have owed them. Workers who insisted on attempting to withdraw from, or negotiating, contracts were not only stripped of what they'd already earned but could be threatened with debtors' prison. So in that way, it was a reversal of the debt relation which actually made this kind of generalized relation of subordination, which lies at the heart of what we call free labor, possible. These are only provisional notes for what could be, and if I ever have the time, a much more ambitious and systematic project of research. I'd like to very much pursue this someday, but I think it's enough to reveal a persistent link between debt and the commoditization of labor.

In the European case, unfree labor in the colonies became the basis for the creation of fortunes that were to become the main object of the first stock exchanges and financial markets, while back at home the rise of free labor, as it was termed, a term only used to refer to free wage labor, was made possible largely by a legal regime that effectively redefined creditors as debtors. As in the case of the transformation of local credit systems that occurred around the same time, this created a great deal of government intervention into what had previously been considered market transactions, but markets which, if left to their own devices, led to outcomes almost precisely the opposite of what modern-day market enthusiasts imagine they would have produced.

Modern labor law, which assumes a free contract between employer and employee, is really very recent. It allows for such things as negotiated job descriptions, periods of notice, and that sort of thing. It is really actually not a product of industrial or commercial workers at all, since they fell under the Master and Servant Laws. It actually comes out of clerical or administrative workers, who didn't fall under the Master and Servants laws. So it's really the clerks who worked for the bosses who started demanding to have some rights as part of a labor contract. You could call this the Bob Cratchit effect, if you like, because you couldn't fine them for breach of contract, and gradually, with unionization, the industrial workers started demanding the same thing, although that process was really only completed in the UK after World War Two, and in the US wasn't really completed at all.

The achievement of full contractual status for industrial arrangements was not only historically quite recent; it was also historically quite brief, being followed by the rise of what's tellingly called the service economy, which appears to be driving the commoditization of labor up to and including that of thought and feeling, in unprecedented directions. I'll end on that.

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David Graeber  
Debt, Service, and the Origins of Capitalism  
June 8, 2018

Transcript of 6/8/2018 talk at Birmingham University, UK, reconstructed and annotated from YouTube video by Jean Chambers. Video source: [youtube.com/watch?v=K0t50D4lQrs](https://www.youtube.com/watch?v=K0t50D4lQrs)  
Edited transcript (1/6/22) by Jean Chambers, of David Graeber's talk at Birmingham University, Birmingham Research Institute of History and Cultures, Birmingham, UK, given June 8, 2018 (found on YouTube). [Disclaimer: This is my best reconstruction, but there may be errors. I purposely omitted the 'you know's, the 'sort of's, and other needless words. I have also indicated where I think, as a nonexpert, he may have misspoken. And I have tried to reconstruct his quotations, bibliography, and citations.]

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