
Conformation of the primitive accumulation and capitalist spirit. Theory of corporate governmentality

Eduardo Rivera Vicencio

Faculty of Economy and Business,
Autonomous University of Barcelona,
UAB Campus Building B,
08193 Bellaterra, Cerdanyola del Vallès,
Barcelona, Spain
Email: Eduardo.Rivera@uab.es

Abstract: The contribution of this work is to describe the conformation of the primitive accumulation, taking as a central theme the capitalist spirit. In this way, different characteristics of the dominant discourse on the capitalist spirit are addressed, as well as institutions to which some authors attribute a fundamental importance in the development of capitalism. In this process of description, manifestations of power relations are incorporated, which help to partially break down what Foucault calls capitalist governmentality, from a critical economic perspective. In this work, the conformation of primitive accumulation is treated as part of the conformation of capitalist governmentality. This is how, through the characteristics and institutions of the capitalist spirit and with the support of economic and historical aspects, one finds the real institutionalised elements of the origin of capitalism and primitive accumulation such as dispossession, slavery, corruption, speculation and the perpetuation of social differences.

Keywords: primitive accumulation; capitalist spirit; transition of feudalism to capitalism; capitalist governmentality; colonialism; plundering; slavery; corruption; speculation; Foucault.

Reference to this paper should be made as follows: Rivera Vicencio, E. (2018) 'Conformation of the primitive accumulation and capitalist spirit. Theory of corporate governmentality', *Int. J. Critical Accounting*, Vol. 10, No. 5, pp.394-425.

Biographical notes: Eduardo Rivera Vicencio is a Professor of the Department of Business and Economics at the Autonomous University of Barcelona. He is a committee member of the ACCID Management Accounting Commission (*Associació Catalana de Comptabilitat i Direcció/Catalan Accounting and Direction Association*). He is an editorial board member of the *International Journal of Critical Accounting (IJCA)*, the *African Journal of Accounting, Auditing and Finance (AJAAF)* and the *Journal of Governance and Regulation*. He is the President South American Research Section of the Critical Accounting Society and Business Consultant.

1 The research in context

This work is part of what is known as ‘the theory of corporate governance’ or the government of large corporations within power relations, to which Michel Foucault refers. Firstly, it should be noted that the governmentality that was sketched in the mid-18th century, introduced numerous and complex internal mechanisms, limiting from within ‘the exercise of the power to govern’ [Foucault, (2012), p.43], together with the appearance of political economy and minimal government, where the market is essentially a place of justice (in the 16th and 17th centuries). A market as a risk that both merchant and buyer ran, as well as to guarantee the absence of fraud.

For Foucault, “In the mid-18th century, it became clear that the market was no longer a place of jurisdiction or, rather, it should not be ... the market must reveal something similar to the truth”, a place “that through exchange, allows production, necessity, supply, demand, value, price etc. to be linked. A place to show authenticity and by that I mean a place of verification and falsification of governmental practice” [Foucault, (2012), pp.45–49]. This is clear and in turn, the object of this work, “What should be done, if you intend to analyse this absolutely fundamental phenomenon, I believe, in the history of western governmentality, this irruption of the market as a principle of verification” ... would bring about “through relating these different phenomena”, ... “to the intelligibility of that process” [Foucault, (2012), p.51].

This government of large corporations is historically shaped within capitalism and what the mainstream calls, business spirit. Therefore, in the search for the intelligibility of this process, the importance of deepening on the conformation of primitive accumulation and entrepreneurship. In this way, a far more economic approach is taken to this descriptive research, rather than a historical and/or philosophical approach.

Among the relevant points in the methodology of this work, is the meaning that one wants to give to the primitive conformation of the entrepreneurial spirit and to the primitive conformation of capitalism. When referring to primitive capitalism or the primitive entrepreneurial spirit, what I want to express is in relation to pre-capitalism “in the sense that still the rationalised industrial use of capital and the rational organisation of labour were not the dominant forces that guided economic activity” [Weber, (1969), p.57]. Otherwise expressed as “the pre-existence of relatively large masses of capital in the hands of commodity producers”, a process that “seems to suppose an accumulation ‘originating’ prior to capitalist accumulation (‘previous accumulation’ as called by Adam Smith), an accumulation that it is not the result of the capitalist mode of production, but its point of departure” [Marx, (2017), p.807].

On the other hand, the meaning of the term ‘conformation’ is that of the total absence of linearity in the development of institutions, such as the capitalist spirit, the primitive conformation and capitalism itself. It is, in turn, to describe and interpret these institutions as not only cause and effect of certain economic, social, religious, political, philosophical, etc. events, but rather as historical events. Events with different developments in different parts of the world, a product of different influences or magnitudes of these different influences, which in turn can affect these same institutions again, causing them to change or mutate, depending on the effects received and the effects they cause. Conformation as well in the sense of permanent struggle of powers and resistance to these powers. At the same time, consider “as in many other phenomena,

the natural conditions of individuals and historical destiny are intertwined in a complicated game of reciprocal interactions” [Sombart, (1977), p.296].

Sombart also refers to this concept of conformation, from the point of view of the capitalist spirit, but without naming it specifically or giving it a different name, making it clear, by means of a series of qualifications to the multiple sources and/or foundations of the capitalist spirit. For example, when it states that in its search for the sources of the capitalist spirit, “it must be borne in mind that the conditions of its birth differ widely according to the epochs of the development of capitalism”, as well as of the very diversity of the constituent elements of this, with very different origins [Sombart, (1977), pp.199–203].

Furthermore, it must be considered that this primitive conformation of the capitalist spirit and of the primitive accumulation, are in turn forming the capitalist enterprise and a capitalist governmentality (in the Foucaultian sense), that are changing or mutating in function of the struggle of powers and of resistance to these powers. Another aspect to keep in mind in this work is to consider the different characteristics that make up the capitalist spirit, how these in turn are shaped through the primitive accumulation itself and as capitalist governmentality generates new features or elements of the capitalist spirit. Sombart expresses it in the following way, “capitalism does not exist as long as the capitalist spirit does not exist”, given that Sombart’s critics point to capitalism as the creator of the capitalist spirit. In turn, it clarifies that “the idea that capitalism is the only source of the capitalist spirit should be rejected” since the original capitalist spirit itself should have been born from different sources, but it is capitalism that also participates in the conformation of the modern economic mentality [Sombart, (1977), pp.352–353].

Sombart refers to the “capitalist spirit as a starting point for the study of capitalist development” [Sombart, (1977), p.351]. Therefore, from now on, in this work this concept will be adopted from the perspective of Sombart, without making the distinction between pre-capitalist spirit or capitalist spirit, understood by the latter, the former. With the aim of not generating confusion in the historical sense that is, this work refers to the conformation of primitive accumulation, or expressed in another way, to pre-industrial capitalism.

When this work refers to the term ‘governmentality’ or governmentalisation of the state, it is done so considering the aspects of the creator of the term, Michel Foucault. Foucault expresses the following, referring to three aspects, with the word governmentality:

“I understand the set constituted by the institutions, the procedures, analysis and reflections, calculations and tactics that allow to exercise that very specific, though very complex, form of power that has as its main target the population, by way of greater knowledge of the economy policy and by essential technical instrument security devices. Secondly, by ‘governmentality’, I understand the trend and the line of force that throughout the West did not, for a long time, stop driving towards the pre-eminence of the type of power that we can call ‘government’ over all others, sovereignty and discipline, and that induced, on the one hand, the development of a whole series of specific apparatus of government, [and on the other] the development of a whole series of knowledge. Finally, I think we should understand the ‘governmentality’ as the process or, better, the result of the process by virtue of which the state of justice of the Middle Ages, converted into an administrative state during the 15th and 16th centuries, was ‘governmentalised’ little by little.” [Foucault, (2011), p.136]

The term governmentality has great similarity with the terms of Marx and Engels of ‘infrastructure and superstructure’, but the latter with a much more historical economic philosophical orientation, than the philosophical historical orientation of Foucault.

Engels puts it this way, “the economic structure of society in each case constitutes the real foundation from which we must ultimately explain the entire superstructure of legal and political institutions, as well as the types of religious representation, philosophical and of another nature of each historical period” [Engels, (2014), p.71]. Marx, referring to these terms of infrastructure and superstructure, does so within the context of the direct relationship between the owners of production conditions and direct products, expressing that this relationship is, “where we will find the most intimate secret, the hidden foundation of the whole social structure and, consequently, also of the political form that the relation of sovereignty and dependence presents, in short, of the specific form of state existing in each case”. He then adds that:

“This does not prevent the same economic base – the same according to the main conditions – by virtue of countless different empirical circumstances, natural conditions, racial relations, historical influences operating from the outside, etc. which can present infinite variations and nuances in its manifestations, which are only understandable through the analysis of these empirically given circumstances.” [Marx and Engels, (2017b), pp.899–900]

The link between ‘governmentality’ and ‘infrastructure and superstructure’ has great importance in this work, because much of the theoretical development on primitive capitalism or ‘original accumulation’ is nourished by critical authors and/or with a Marxist orientation. Marx himself in chapter XXIV of the first book of ‘Capital’, refers specifically to this theme (original accumulation) and in the following chapter ‘The Modern Theory of Colonisation’, both linked issues, but also in other texts both Marx, like Engels and both, also find references to primitive capitalism [Marx, (2017), pp.807–867]. Therefore, this link between ‘governmentality’ and ‘infrastructure and superstructure’ also allows to link power relations and original accumulation, with respect to entrepreneurship and the origins of capitalism, given that the conformations of both, start from very similar points of view.

The primitive accumulation, the transition from feudalism to capitalism, ‘fundamental law of feudalism’ that sentenced the disappearance of capitalism (according to Marx) [Hobsbawn, (1977), pp.223–224] and the capitalist spirit, are issues that are closely related to and with multiple points in common. This paper does not intend to make a general approach to these issues but addresses them tangentially, given the search for the real influence of the capitalist spirit in the conformation of primitive accumulation. On the other hand, the discussion in terms of what capitalism is, for effects of this work, considers capitalism to the primitive accumulation that allows the development of the later industrial production.

Finally, this work focuses on economic aspects that influence the conformation of the capitalist spirit and the conformation of primitive accumulation, considering that there are multiple additional influences not addressed in this work that these conformations may have.

2 Keynote speech on the capitalist spirit

In order to arrive at the essence of the capitalist spirit and the origins of capitalism, the first thing that should be questioned is the dominant and Eurocentric discourse with respect to the capitalist spirit and the original accumulation, given that they do not satisfactorily explain this essence and its origins and where literature has also focused mainly on capitalism since the Industrial Revolution.

“In Foucault, the discourse generally designates a set of statements that may belong to different fields, but which, nonetheless, obey common rules of functioning” [Revel (2009), p.50]. This speech, around the 17th and 18th centuries, especially established aspects of an economic nature and that gave shape to the dominant discourse – how real is it? Or – is it a product of this discursive conformation?

Foucault refers to discourse as, “what is constituted by a limited number of statements for which a set of conditions of existence can be defined” and as the discourse formation. “a set of anonymous, historical rules always determined in time and in space, which have defined at a given time and for a given social, economic, geographical or linguistic area, the conditions of a statement function exercise” [Foucault, (2002), p.198].

Distancing from Weber’s interpretation, Foucault refers to bio-power as a fundamental element for the development of capitalism and which, arises alongside it. Understanding bio-power as the element through which the adjustment of population phenomena to economic processes and the controlled insertion of bodies in the production apparatus takes place [Castro, (2011), pp.55–56]. This distancing of Weber is mainly related to the concept he gives of power, defining it as ‘sociologically amorphous’ and as “the probability of imposing one’s own will on the behaviour of another” [Weber, (2014), pp.103–184], in other words, a totally different conception to that given by Foucault on power.

After making this clarification on the conception of power between Weber and Foucault, one can address one of the interpretations about the capitalist spirit and the origins of capitalism – religion.

2.1 Religion

One of the strongest influences of the Roman Empire in Europe and the world is religion and many authors have treated the subject from different angles. Foucault, for example, never referred directly to religion in his texts, but made greater reference to the Christian church and particularly to pastoral power. This idea of pastoral power was introduced into the Western world through the Christian Church [Foucault, (2011), p.159]. This pastoral power was exercised over the multiplicity and not over a certain territory, “it is a finalist power of superiority, a finalist power for those over whom it is exercised and not a unit in a certain way; be it the city, the territory, the state, the sovereign”, to which both the Greek city and the Roman Empire were totally oblivious to this pastoral power [Foucault, (2011), p.158]. Therefore, it is a power that is generated in the Catholic Church later and independently by the strong direct influence of the Roman spirit in the culture of Europe.

Foucault, referring to Gregorio Nacianceno (fourth century – Roman Empire), the first to refer to the government of men through the pastorate, but as the ‘government of souls’. Later, what was imposed in the Christian West, was not a new philosophical approach, nor a theology, it was pastoral power. Pastoral power teaches to govern others

and, in turn, teaches others to let themselves be governed by others. “This game of the government, some for others, of the everyday government, of the pastoral government, was conceived during fifteen centuries as the science par excellence, the art of all arts, the knowledge of all knowledge” [Foucault, (2011), pp.180–181].

This pastoral power is the power that individualises (normalises and disciplines), where, “in the West, one does not become an individual unless through these processes of subjectivity that take form in government practices” [Castro, (2011), p.313].

Even though between the pastoral power of the church and political power exist approaches, mutual support, disagreements, interferences, cross-links, they have different forms of functioning. However, this art of governing by men in the late 16th century and during the 17th and 18th centuries, with the birth of the governmentality of the modern state, it became a calculated and thoughtful political practice [Foucault, (2011), p.193].

Weber, though, developed a great deal of detailed encounters, disagreements and mutual support between religion and political power (state). He gave great importance to religion in the conformation of the capitalist spirit and capitalism, almost uniquely. For this reason, he received strong criticism in his time [Sombart, (1977), pp.286–363], over time he was changing and correcting their position on the subject.

The following texts by Weber clarify, in relation to the importance given to religion, the Protestant church and Calvinism in particular:

“Without a doubt, the genesis of this vital style has some of its roots (like so many other elements of the modern capitalist spirit) in the Middle Ages; but only in the ethics of ascetic Protestantism did it find its most consistent foundation; with what is clearly seen its scope for the development of Capitalism” [Weber, (1969), pp.241–242].

On the other hand, Marx who had already referred to this subject, although not with the intensity of Weber and much less with the importance that Weber gave to the influence of religion in the pre-capitalist formations and of capitalism itself. The following paragraph clearly shows this similarity:

“The cult of money has its asceticism, its renunciations, its sacrifices: frugality and parsimony, contempt for worldly, temporary and fleeting pleasures, the search for the eternal treasure. Hence the connection of English Puritanism or Dutch Protestantism with the tendency to accumulate money.” [Marx, (1971), p.168]

Although Marx did not deal in depth with the subject of religion, certain references can be found in several of his texts similar to, in a certain way, to those later exposed by Foucault. When Marx referred to the commodity-producing society, where the general social relation is to see the products as mere merchandise or things, without seeing the human work involved, “the most appropriate form of religion is Christianity, with its cult of abstract man and, above all, in his bourgeois development, in Protestantism, deism, etc.” [Marx, (2017), p.130]. In relation to Germany and the emergence of the proletariat, it expresses that this is generated in a totally artificial or created way, which brings with it the destruction of the middle class, human poverty and Christian-German servitude gradually enters its ranks [Marx, (2010), p.21].

The criticism of Hegel’s philosophy is where Marx makes the greatest references to the subject of religion or deism. In the relationship that Hegel makes between man, the state and democracy, Marx makes a parallel between religion and man:

“Just as it is not religion which creates man but man who creates religion, so it is not the constitution which creates the people but the people which creates the constitution. In a certain respect, the relation of democracy to all other forms of state is like the relation of Christianity to all other religions. Christianity is the religion, the essence of religion, man defied as a special religion.” [Marx, (2010), p.99]

The text that best expresses this connection between Foucault and Marx, in relation to religion, seems to be the mission left to Foucault, expressed in the following:

“Before anything, it is the immediate task of philosophy, which is in the service of history, to unmask self-estrangement in its unholy forms once the holy form human self-estrangement has been unmasked. Thus, the criticism of Heaven turns into the criticism of Earth, the criticism of religion into the criticism of law, and the criticism of theology into de criticism of politics.” [Marx, (2010), p.8]

Finally, regarding Marx and religion, the quote perhaps best known in this regard is, “Religion is the sigh of the oppressed creature, the heart of a heartless world, just as it is the spirit of a spiritless situation. It is the opium of the people” [Marx, (2010), p.7]. “The same phrase can be found, in various contexts, in the writings of Immanuel Kant, J. Herder, Ludwig Feuerbach, Bruno Bauer, Moses Hess and Heinrich Heine” [Löwy, (2006), p.282].

This quote of Marx is perfectly comparable to the pastoral power in Foucault. Religion as a power that individualises, controls and disciplines men.

Another author who also links religion and capitalist spirit is Sombart, giving great importance to Judaism in the development of commercial activities and capitalism [Sombart, (1977), pp.273, 280–295]. Sombart addresses the issue of the capitalist spirit from Catholicism and Protestantism, as well as Judaism, in quite a lot of depth [Sombart, (1977), pp.235–288]. Sombart believed that the progress of economic life of the 14th and 15th centuries directly influenced the process of the formation of moral doctrine [Sombart, (1977), p.282]. Sombart, though, also refers to the influence of moral precepts on the mood of the economic subject and refers to the existence of the condition of moral character and the objective condition. The first influence for him is the influence of moral forces on economic behaviour, that is to say, a ‘certain dominion over the soul of men’ and the second, in which the moral doctrines, maxims and precepts of human behaviour, generate a wider margin of freedom, in the elaboration phase of the economic system. In turn, it summarises these, such as the creation of an atmosphere favourable to capitalism, ‘the cultivation of bourgeois virtues’ and ‘the restriction of the desire for profit and the coercion of the economic mentality’ [Sombart, (1977), p.284]. Therefore, this economic mentality is not understood as the unlimited and inconsiderate enrichment.

Sombart also clarifies that, in addition to the influences of moral precepts, in the capitalist spirit a series of other innate elements, such as “the talents, the special qualities of the bold entrepreneur, the ingenious speculator and the skilled accountant”, together with the accumulated techniques and the latter “is susceptible to a moral improvement: the will to learn, the application”. Where these moral forces, acted together with others, in early capitalism and mature capitalism, instead of these” [Sombart, (1977), pp.287–288].

To summarise, given the different contributions to the subject, one could say that religions repress, limit or allow the activities of men and therefore influence the capitalist spirit. On the other hand, religions also influence the conformation of capitalism but this

also influences religious conformations; there is a reciprocal conformation between both institutions.

One aspect that is not considered is the influence of the Roman religion in Europe, which comes from a spiritual subjection, which is framed in the very etymology of the word, which means to relink, bind strongly and the interpretation of these religious doctrines, in the conquered countries. This, due to the different idiomatic interpretations that these people of the Roman religion could interpret and, even more, given the personal beliefs that these people had and adapted to their new reality after the Roman submission. All this, as the origin of the different religions in Europe, which could have had a determined influence not considered.

2.2 Political-military organisation

Europe has strong ties from its origins in Rome and this, in turn, has Hellenistic influences. A Rome born of a gentile organisation, tribes or lineages of farmers and ranchers, later became a federation of tribes, 'united for purposes of protection and defence' [Rocker, (1954), p.346]. Due to its growth, more land was later needed and the first hostilities with its neighbours, submitted to Rome, arose. However, the necessities of these lands required a strong military organisation and their development was handed over to the Roman State. The caudillos of each lineage formed the council of caudillos who, in turn, were elected as officials. "The economic potential of the big landowners brought with it the seizure of all positions, who used their power to defend and increase their own interests and privileges and made the poor settlers become more and more subject to their dependence" [Rocker, (1954), p.347] and there emerged an aristocratic caste that broke with the obstacles of the old gentile organisation. In this way, the political-military organisation separated into classes, unequally distributed.

The 'spirit of Rome', which later turned into a Republic, is where dictatorship arose, capable of committing all kinds of abuses and strangled human freedom. "The will to power, embodied so properly in the spirit of Rome, created that cruel ideology that reduces individuals to the condition of inert instruments of the state; insensitive automatons of a superior force, which justifies all means to validate their purposes" [Rocker, (1954), p.349]. Therefore, the Romans are the real inventors of the reason of state. Once the Italic peninsula is subdued, the ambition of world domination arises, characteristic of every state that possesses great resources. "No empire had universal power recognised for so long; no empire had greater influence on the subsequent political development of Europe and the establishment of their legal relationships" as the Roman Empire has been [Rocker, (1954), p.351].

According to Rocker, quoting Hegel "the Roman principle was based entirely on domination and military power" [Rocker, (1954), p.353]. However, "the Romans have not conquered the world. They have seized a booty that was available to the first one who arrived". Therefore, the Roman Empire is not a product of 'excess of force' rather it is a product of 'a lack of resistance on the opposite side' [Spengler, (1944), p.62].

This development of Rome brings with it the great growth of slavery and contempt for work. The accumulation of land (latifundios), bring with it the ruin of the small owners, who quickly disappeared from the economic system, even though these had been the bulwark of the empire. "Plinio affirmed, with reason, that they had ruined Italy and the provinces", referring to the large estates [Rocker, (1954), p.369]. It is 'the famous

licinio-sextina legislation': the one that puts an end to these imbalances, distributing the lands of the state in equal proportions among the plebeians and their former adversaries. Together with legislation, to impose the obligation to the large landowners, contract equal proportions of free workers with respect to the number of slaves they had [Rocker, (1954), p.370]. After the Punic war, a great deal was abandoned and this legislation became obsolete.

This is how these lands were subsequently appropriated or, better said, dispossessed by the state, along with the goods of the supporters of Anibal and then, they went to give at the hands of speculators, giving rise to the speculation of lands of enormous proportions. The system of large estates brought about the ruin for the enormous number of small farmers and the few large estates that were exploited were cultivated by the most despised of the slaves, those of the agro. In this way, the free agricultural workers, in large quantities, lost their jobs, along with the imports that were made from Sicily and Africa [Rocker, (1954), p.370].

“In reality, the whole history of Roman Caesarism was a long chain of frightful horrors. Betrayals, murders, feline cruelty, enormous confusion of ideas and morbid greed prevailed in dying Rome. The rich were given to the most dissolute and extravagant pleasures and the dispossessed of fortune had no other desire than to participate, if only in a more modest way, in those pleasures. A small group of monopolists dominated the Empire and organised the exploitation of the world according to iron rules.” [Rocker, (1954), p.373]

What is really interesting to highlight is, specifically for Europe after the Roman Empire, where capitalism will later be formed, is a set of general observations about the Roman Empire. This is because the empires (Egyptian, Chinese, Roman, Indian, Islamic) reproduced petrifications “that lasted centuries and centuries, passing from the hands of one conqueror to those of another ... The fate of the West condemned it irremediably to take the same aspect” [Spengler, (1944), p.63]. Hume in his ‘economic essays’ makes constant reference to the Roman Empire, as a parallel to the European situation, regarding the transition from feudalism to capitalism [Hume, (2008), pp.63–163]. Moreover, taking into account that the European institutions (social, political, administrative, judicial, economic, literary, etc.) of the 16th century were very similar amongst them [Tocqueville, (1969), p.43].

- a The federations or unions of tribes or lineages, which will surely influence the unification of the 19th century in Germany and Italy, as well as the European Union itself. Yet without going so far, this model marks, in some way, the way to act in the later centuries of Europe, not without conflicts.
- b The union of tribes, whose purpose is protection and defence, generates strong military organisation. Military organisation that protects the interests of the economic power of the time, given to the state.
- c The hostility between neighbours, for the struggle, appropriation or even better expressed, dispossession of greater resources (at this time, land). Now, if we put together the first two observations, which can be found contradictory and certainly are, they are also the bases of European development, a reality of unions and conflicts.
- d The separation of classes unequally distributed, a situation maintained for centuries. The perpetuation of social inequality

- e The complicity and fusion between the economic power (landowners), with the political power (officials) of the time, where also, within this political power is the strong military organisation. It can be inferred that the type of organisation of the state and its relationship with economic power are elements that remain to this day and, therefore, influence both – in feudalism, in the pre-capitalist stage and in capitalism itself. In the elements that converge, there is the conformation of the ‘reason of state’ and of the right, where the first is giving shape to the second, but also where the right conforms to the reason of state. A state at the service of the market, therefore, of the privileged class and financed by taxes on the working class.
- f A sixth element is slavery, although evidently this existed before the Roman Empire; certain aspects of slavery were universalised and legislated.
- g Speculation about resources, in this case the land, a situation that has a strong influence on the development of capitalism to this day.
- h The ambition of world domination, latent in every empire.

This reference to Roman Europe and the spirit of Rome are not fundamental of the conformation of the capitalist spirit, given the great difference of time between the Roman Empire and the beginnings of capitalism. However, as you can see in the sections following, these aspects influence, repeat themselves and help to shape the essence of the capitalist spirit.

On the other hand, this historical account helps us to identify a set of institutions, such as the army, feudal property and the state, as well as institutions such as corruption or complicity to obtain certain advantages or special rights or privileges between political power and economic power, social inequality, speculation, dispossession of resources and slavery. These institutions will form the essence of the capitalist spirit and capitalism. The latter (corruption, social inequality, speculation, dispossession and slavery), which normally have not been considered in general as part of the capitalist spirit and the conformation of primitive accumulation.

2.2.1 War companies

War companies “are surely the most primitive forms of companies”; in the Middle Ages the first warrior entrepreneurs were prosperous, caudillos and mercenaries, where the profit they pursued, gave them the capitalist nuance, together with the internal organisation, such as the recruitment processes, organising equipment, arms, the necessary provisions and the characteristics of a good military leader [Sombart, (1977), pp.70–71].

In addition to playing an entrepreneurial role, the army played a role in the European equilibrium, based on interstate instrumentation of forces (organisation and harmony), based on permanent and multilateral diplomacy and the organisation of a professional army, as part of a first technological set characteristic of the new art of governing. Where the second technological set, constitutes what, called at the time, the police. This is how (in the 16th century) “the almost traditional expression of – police and regiment”, the latter term used in the sense of way of residing, a way of governing and associated with ‘policing’ [Foucault, (2011), pp.356–357].

Subsequently, from the 17th century, the increased forces of the state to maintain law and order began to be called ‘the police’ (p.357). “The proper use of state forces is the

objective of the police” (p.359). A third element of this technological set and in relationship with it is statistics, which allowed for a knowledge of internal forces, knowing the forces of others and establishing a comparison of these forces, and therefore allowed for control and maintaining balance. “Statistics is the knowledge of the state about the state ... but also knowing about the other states” (p.361–362).

2.2.2 *Feudal system*

The peaceful institution is the feudal system, which also has the structure of large organisations and with a great influence on the development of European people. The feudal lordship is an economic form served by a large workforce, which carries out joint work and therefore this work must be organised on a large scale, making the feudal property a company. “This organisation was animated by a well-defined spirit, which has played a major role in the formation of the capitalist-economic mentality” [Sombart, (1977), pp.71–73].

The feudalism of Western Europe, appearing in the tenth century, expanded during the 14th century and ending at the end of the 17th century and part of the 18th century. In the manorial system, it must be borne in mind that the productivity of the lands in its domain was much higher than the peasant plots that surrounded them, which demonstrates the appropriation of the best lands by the ruling class and the relative economic rationality of its exploitation” [Anderson, (1980), p.185]. On the other hand, the peasantry gradually reduced its plots, due to the expansion of the medieval economy, from 40 hectares in the ninth century to 8 or 12 in the 13th century. Meanwhile, an incipient group of well-to-do peasants monopolised the benefits and reduced the poorest peasants to dependent day labourers [Anderson, (1980), pp.188–190]. From this displacement of peasants, the population of the cities increased. Cities that were initially dominated by manorial agents in England or by small nobles, in the case of Italy, creating patriciates from former feudal intermediaries or triumphant merchants or manufacturers, who controlled the urban economy and where production came to be controlled by the guilds. This manufacturing and/or mercantile activity generated in medieval cities reaped its greatest benefits from long-distance trade and usury [Anderson, (1980), pp.195–196]. “The pinnacle of patrician fortunes was banking, where astronomical interest rates could be obtained by the exorbitant loans granted to noble princes and lacking in liquid money”, where part of these ‘exuberant rivers of usury’ flowed towards investments in manufactures and transports [Anderson, (1980), pp.196–197]. The symbol of the commercial and banking vitality of this period was the return to gold and minting.

On this aspect, Marx points out the following:

“Wealth, as an end in itself, appears only among a few merchant people, monopolists of the transport trade, who lived in intermediate areas of the ancient world, just like the Jews in medieval society. On the one hand, wealth is a thing materialised in things, in material products, unlike man as subject.” [Marx, (1967), p.135]

However, Marx makes a distinction between the money obtained by simple exchange (personal work), which in his opinion has little importance, which does not deserve to be mentioned with historical value. On the other hand, the accumulated money of the usury, whether it is the usury on the property of the land, monetary usury, or obtained by mercantile profits “becomes capital in the strict sense, that is to say, in industrial capital”

[Marx, (1967), pp.163–164]. To such an extent that this existing wealth in monetary form, “bought the objective conditions of work and, in addition, the exchange of money for live labour money of the workers now free” [Marx, (1967), p.167].

2.2.3 *State*

Finally, the state institution of war and peace is also, at the same time, a company. It artificially concentrates many people, which subordinate the interests of a monarch, making them work for him, creating a strong influence in the orientation of human destiny, concentrating forces and instructs on certain actions and abstentions. In this way, a large-scale administrative apparatus is created and serves as a model for all the smaller companies. The state also intrudes on the private lives of people. “The idea of the modern state was born in the tyrannies of the Italian Trecento and Quattrocento. The two central ideas of the absolute state of the Middle Ages: rationalism and extreme interventionism are already fully developed at that time” [Sombart, (1977), pp.73–74].

The institution of the state has a historical existence and, as Sombart affirms, in the Middle Ages has already a fully developed conformation. The changes that the state took and later sustained the capitalist governmentality or governmentalisation of the state, are formed between the 16th century and the 18th century. Foucault expresses it in the following way, “I believe, the introduction of the economy within the political exercise will be the essential commitment of the government. If it is in the sixteenth century, it will also be in the eighteenth century” [Foucault, (2011), p.120]. It is the economic aspects that designate a form of government determined between the 16th and 18th centuries, through a set of complex processes and totally fundamental to our history [Foucault, (2011), p.121]. A continuous and multiple network of relationships between the population, territory, wealth and the church can also be added, constituting political economy as a science [Foucault, (2011), p.133]. This network is supported by the new diplomatic-military technique and the police; building the fundamental basis of the governmentalisation of the state [Foucault, (2011), p.138].

Between the 16th and 17th centuries, what arises in the West is the policy with a certain way of thinking, posing and programming ‘the specificity of the government with respect to the exercise of sovereignty’ or ‘the form of rationality of the government’ [Foucault, (2011), pp.288–289].

Just as in the matter of religion, two questions should be asked, is it the state that shapes capitalism or does capitalism conform to the state? Undoubtedly, there are many elements and institutions that influence the conformation of capitalist governmentality, but it is the introduction of the economy within the political exercise, which mainly influences this process of governmentalisation. As with the state, the same is also valid for religion, since both institutions undergo a strong transformation between the 16th and 18th centuries, which, in both cases, is given by the incorporation of the economy in the activity of these institutions. The coincidence in the same period would suggest that it is a profound change in the field of economy, which has caused, in turn, a profound change in the formation of these institutions (state and church). Therefore, we should deepen the search for this profound change in economic matters or in the capitalist spirit, to determine the degree of influence in these institutions and their coincidence in the temporal period.

2.3 *Organisation, trade and negotiation capacity*

Organisation, trade and negotiation skills are very old elements in the history of man and a clear example is the silk route from the first century BC, which united Asia, Europe and Africa. These elements in turn are part of the capitalist spirit, but if that were the case, why did capitalism not develop before?

Sombart, referring to the ‘organiser’, says that they must be a person with certain talent, must be trained, and at the same time, be able to judge others ‘with a view to their performance’, and that this forms a harmonious and ‘truly efficient’ set. When Sombart refers to the ‘negotiator’, he refers to the businessman who wants to sell their products and be a good negotiator, manager and businessman. A negotiator capable of managing the purchase or sale of their products, stocks, companies, loans, etc. and with the ability to persuade, generate interest, trust and generate in others the desire to buy [Sombart, (1977), pp.65–67].

In Switzerland, Pelligari set up a silk manufacturing company in 1575, which had 30 employees but Bologna had already founded its first silk spinning factory in 1341 with machinery that did the work of 4,000 spinners. In 1432, the silk guild was founded, and companies in the silk industry existed in Venice and Genoa at the beginning of the 15th century [Sombart, (1977), pp.304–305]. This capitalist spirit was present from the 13th century in Italy and in the 14th century became a massive phenomenon, even though since the Middle Ages, the level reached in Italy had reached an unparalleled development with other countries [Sombart, (1977), p.145].

Trade and economic activity were also favoured in Europe, by the existence of banks (banks in the modern sense, since banks existed since 2000 before the birth of Christ) in Florence (the Bardi, Peruzzi and Meduci families), Venice and Genova; and from there they expanded to the rest of Europe. In the 16th century in the Netherlands and London in the 17th century.

This represented the existence of a currency of exchange, given the strong impulse of trade and production. Hence also, that Florence and Genoa, took the decisive step of coinage in a joint way in 1252. Later, Perugia coined in 1259, Luca in 1273, Venice in 1284 and Milan at the end of this same century. The florin of Florence and the Duchy of Venice would become, in the second half of the 13th century, the equivalent of the dollar of the Middle Ages. Prior to the coinage of Florence and Genoa, Perugia, Luca, Venice and Milan, coins had been made in gold in other regions and times, as in the Roman Empire itself (solidus), the Muslim world (following the model of the solidus, but with Muslim images), in Cordoba, in Cairo or Baghdad. This apogee of the Middle Ages in Christian Europe (in the 13th and 14th centuries), with a population that had tripled since the 6th century, which had been perfected in agriculture, where markets were established, cities and the growth of the Christian world expanding [Vilar, (1974), pp.39–41, 46–48], why was capitalism not conformed?

One answer to the question posed may be the crisis of the 14th century in Europe, the famine from 1315–1320, then the plagues in 1348, which produced a sharp decline in population. In turn, “hunger, epidemics, abandonment of lands and wars influenced the currency” [Vilar, (1974), p.48]. Buyers decreased, prices fell, wages increased, monetary manipulations that provoked inflation and devaluations etc. occurred. The recovery of the population in the middle of the 15th century, brought with it “the fall in prices, especially in comparison with gold” [Vilar, (1974), pp.48–49], neither occurred at this time, the conformation of capitalism and it took several more centuries to arrive.

Another possible answer to this question may be the lack of technological development and knowledge that could have expanded production and increased consumption. It could also be due to the absence of means of exchange and primitive accumulation of capital, in a more significant way than the existing one. The latter, due to the poverty in gold of feudal Europe, is a fundamental product of Europe,

- 1 being an exporter of gold through sumptuary purchases and precious products
- 2 suffering the Norman pillages of previous centuries
- 3 practising the hoards, especially the church that only employed in exceptional cases, and the simplest fact
- 4 Europe producing very little gold [Vilar, (1974), pp.42–43].

However, in some countries of Europe (Italy) “money acquired incontestable power in the mid-14th century, at the latest” which explains that greed for money (gold) that already existed [Sombart, (1977), p.319].

Thus, the monetary economy alone accustomed man to an exclusively quantitative visualisation of the world and “is in reality the preparatory school of the capitalist spirit” [Sombart, (1977), p.321].

On the other hand, Sombart names a set of lucrative means, which according to him, played a role in the formation of the capitalist mentality, such as the bureaucratic career, the sale of positions, the clientele (servility) and state revenues. Then it continued with another list of activities that contained, according to him, the seeds, principles and possibilities of developing the capitalist enterprise, such as violence, magic, ingenuity or inventive capacity, and money as speculation and game [Sombart, (1977), pp.46–47]. Within this list, the inventive capacity deserves special attention, since in it there are ideas that could have really influenced the transformation of the feudal world, in capitalism. Sombart and Weber refer to these as ‘creative entrepreneurs (designers)’, the name given to them at the time. “They are intelligent, more imaginative than judicious. They often appear with infantile, bizarre, grotesque, extraordinary ideas, whose consequences develop, however, with mathematical precision” (p.55). They do not become businessmen, nor do they have the degree of entrepreneurs, as long as they do not associate themselves with the idea of a company (p.56). Their ideas are not limited to the economic field, they generate reformist and revolutionary ideas in different fields, but they concern the private economy (p.52).

2.4 Knowledge and technology in pre-capitalist Europe

One of the great foundations of capitalism and the stage prior to this is the development of technology and various knowledge, applied to the company and the production of goods. Therefore, a review of technological development and knowledge in different areas, in pre-capitalist Europe, can give us insights into this European potential.

Firstly, I would like to emphasise that the principle of division of labour is a behaviour that occurs very quickly in human development and is not specific to industrial capitalism. In very primitive communities, one could train in almost all possible activities or jobs, but soon specialisation was required, even in differentiated jobs, where each member of the community produced different products, for different needs [Dussel, (2014), pp.28–29]. From artisanship originated the manufacturer, as a combination of

craftwork that loses its autonomy. This manufacturer that is initiated with the cooperation of artisans of the same trade, then disintegrates the individual activity into specific operations, to the point that these tasks are isolated and automated, they become the exclusive labours of a worker in particular. In this way, artisanal activity was broken up into different partial operations (division of labour). This same cooperation between workers of equal or different partial operations and the coexistence between them generates the technical secrets of the activity are strengthened, accumulated and transmitted, as in the guilds. In this way, productivity increases, which not only depends on the skills of the worker, but also on the perfection of his tools. The multiple tools used or simple instruments generate the material conditions when combined, giving rise to the machinery [Marx, (2017), pp.414–417]. What is remarkable about this process is that the development of tools, instruments and then machinery is not attributable to capitalism, but rather a combination of cooperation amongst workers, experience, plus the sum of knowledge and technology, which transforms multiple tools in a machine. In this way, the ‘productive forces’ enter into operation in a society that is characterised, in a deeper way, by *the social and human relations created around these means of production* (‘social relations of production’) [Vilar, (1980), pp.44–45]. “The productive forces that arise from cooperation and the division of labour, as we have seen, cost capital nothing. They are *natural forces of social work*” [Marx, (2017), p.463]. From these natural forces of social work, the process of normal accumulation is produced, generating additional capital that serves “for the exploitation of new inventions and discoveries, as well as industrial improvements in general” [Marx, (2017), p.717].

The “mercantile capitalism was not only European”, since about the 12th century, connections between large cities, were “linked by the Silk Road from China to Samarkand, Constantinople or Venice, had operations centre in Baghdad” [Dussel, (2014), p.67].

From the eighth century, Arabs and Berbers dominated north Africa, Spain, Portugal and Sicily, during this prolonged contact (until the 15th century), formed an uncultured and primitive Europe, both arts and industry. Europe owes much to the Arabs, where Greek science and erudition penetrated Europe through Arabic translations [Parry, (2008), p.9].

In the “Feudal Middle Ages, the Arab-Muslim-Ottoman world was a classic, urban, empirical and mathematically scientific civilisation and economically with capital, with mercantile features that invented accounting, credit, banking, etc.”, while Europe stagnated [Dussel, (2014), p.68]. Bloud points out that “the Muslim conquest of Hispania started in the year of 711 until the surrender of the last Nasrid king in 1492”, gave important contributions in the Iberian Peninsula in matters such as letters, philosophy, medicine, mathematics, astronomy and geography, providing lists of characters for each of these subjects, with the specific themes of their contributions [Bloud, (2014), pp.10–45]. Vilar refers to the rulers coming from the East, who improved the irrigation systems and brought agricultural prosperity, as improving the work of the Romans. They also brought the urban development of important cities of Moorish Spain, such as Cordoba, Seville, Toledo, Almeria and Granada, with a great diversity of artisan crafts and “merchants organised under a municipal control, exact and complex”, together with the “splendour of the palaces, the mosques, the schools and the libraries” [Vilar, (1999), pp.22–23]. “The key to the industrial flourishing achieved by Spain and Sicily under Arab domination was channelling” [Marx, (2017), p.595].

A Spain less feudal than the rest of Europe is mainly due to:

- 1 the prolonged Muslim invasion that modified the feudal development of Visigoth Spain
- 2 this forced a rethinking of the socioeconomic system of the Spanish monarchy and nobility, giving origin to a peasant population that did not recognise the old feudal ties
- 3 the ‘centralising tendency of the kings’ is strengthened, in this way the Catholic kings convert the nobility into courtiers dependent on the throne
- 4 from the 14th century onward, a non-feudal pastoral economy which sent its production abroad (this difference from the agrarian system of production typical of feudalism, with a barter economy, without external markets and without the use of money)
- 5 the capital accumulated by the merchants began to finance the manufacturing companies, generating the rise of a new social class, the bourgeoisie.

Spain was moving towards capitalism [Vitale, (1973), pp.34–36].

In Muslim Spain, mining was developing, the textile industry flourished and the arts and industry in general, in all industries reached the highest perfection. “The Arabs were the ones who introduced into Europe the paper that, manufactured in Spain, supplanted the parchment” [Rocker, (1954), p.377].

In the tenth and 11th centuries, there were no public libraries in the whole of Europe, yet in Spain there were more than 70 with the library in Cordoba having 600,000 manuscripts. Students came to Spain from all over the world to study at its universities and 17 universities had a worldwide reputation. Various sciences (astronomy, physics, chemistry, mathematics, geometry, linguistics, geography and, especially, medicine) reached the highest level that could be reached at that time in Spanish universities; as well as in the arts (music, poetry, architecture) [Rocker, (1954), pp.377–378]. An important event about the invasion of the Arabs, is that the great majority of the population of Iberian origin, Roman and even the Gothics, remained in their old homes and, seeing that the victors treated them with indulgence and consideration, many of them even embraced Islam. The nobility though, fled to the north of the peninsula [Rocker, (1954), p.380]. Then, “with the cruel expulsion of the Moors and Jews¹, Spain lost its best arms, both for industry and agriculture. The admirable organisation of irrigation implemented by the Moors decayed and the fertile regions became barren and uncultivated land” [Rocker, (1954), pp.376–384]. The Spain that exported cereals in the first half of the 16th century became an importer at the beginning of the 17th century, despite the decline in population (p.384).

Dussel gives us a totally different view of the mainstream on industrialisation, attributing it to China, where ‘the industrial miracle’ for 1,500 years and which culminated in the Sung Revolution, 600 years before British industrialisation. In the early ninth century, China produced about 13,000 tons of iron and, at the beginning of the 11th century, its production amounted to 125,000² tons. Their discoveries ranged from steel in the second century, paper and printing in the sixth century, printed paper money in the ninth century, gunpowder in the ninth century and all the elements of the spinning machine in the 13th century. In the 13th century, the difference between China and England is similar to that of a highly industrialised country today, with an underdeveloped country. Dussel attributes industrial capitalism to China, whose birth he

places in the Yang-ze valley, with Europe continuing to be dependent on Chinese capitalism from the late 15th century until the mid-18th century. From there, “the capitalism developed in modern Europe was industrial capitalism, that is to say, the one that subsumes a new mechanical instrument in the material process of production of the commodity”, (with a hegemonic capitalist salaried system) [Dussel, (2014), pp.86–90].

Europe at the beginning of industrial capitalism, between the 16th and 18th centuries, adopted mainly the technologies and knowledge of China and the Arab Empire. An example of these technological influences or adoptions is the nautical astrolabe, which Sombart dates to 1484 [Sombart, (1977), p.332], but the astrolabe (astronomical) is an instrument built in the tenth century (although its origin is earlier), and was used by the Arabs to predict the beginning of Ramadan. The nautical astrolabe is a much simpler instrument derived from the astronomical astrolabe used to undertake transoceanic expeditions. Parry supports this same date of 1484 when a group of astronomers was consulted by King Juan II, in order to solve the difficulty of observing the latitude in the southern hemisphere, given the serious obstacle that this meant for navigators, suggesting that “the latitude could be calculated by observing the height of the sun at noon” (nautical astrolabe) [Parry, (2008), pp.22–26].

Finally, one of the elements to which great importance is attached to is mental calculation, the development of mathematical calculations and accounting, in the development of the capitalist spirit. The fundamental basis of the calculations is made with Arabic numbers, introduced at the beginning of the 13th century in Europe, but also dating from the tenth century, and spread more widely between the 14th, 15th and 16th centuries. In Florence in the 14th century, there were schools of arithmetic. At the end of the 15th century there was the first theoretical exposition on accounting (Fra Luca Pacioli – *Summa arithmetica*), apart from commercial books from the beginning of the same century. These advances in commercial calculation, initiated in Italy, passed to Holland in the following centuries, and becoming a model for Europe in this matter and then it did not take England long to catch up with the Netherlands on these issues [Sombart, (1977), pp.138–140].

3 Conformation of the primitive accumulation and capitalist spirit

In general, the Europe of the 15th century, once it had recovered from the crisis of the previous century, is a static and very underdeveloped Europe, compared to other specific areas. The specific points of Europe that stand out are, the north of Italy and the Iberian peninsula but, nevertheless, none of them with the sufficient capacity to start up the primitive accumulation, in economic terms (change in the economic structure of the mode of production) or transition from feudalism to capitalism, in terms of a change of society (social model).

Additionally, the capitalist spirit as the trigger for primitive accumulation and, therefore, the process of productive transformation, is not at all clear. Undoubtedly, many of the elements of the capitalist spirit influence primitive accumulation, but not all of them together, justify the accumulation of capital in pre-capitalism. It is also noteworthy that the transformation of the institutions, characteristics, sources and elements of the capitalist spirit underwent profound changes in the 16th and 17th centuries, consolidating in the 18th century, a product largely of greater economic activity, but without leaving clear the origin, as has been seen in the previous sections. Many authors agree with this

assessment; for example, Sweezy refers to these centuries (16th and 17th), as ‘the intermediate period’, which “was not a simple mixture of feudalism and capitalism, as the predominant elements were not neither feudal nor capitalist” [Sweezy, (1977), p.68]. Dobb establishes a slightly different period, and situates the period of transition between the 14th and 16th centuries [Dobb, (1977), p.85]. Certainly both, following Marx, stated that, “capitalist production, was sporadically established during the fourteenth and fifteenth centuries in the Mediterranean countries, the capitalist era only dates from the sixteenth century” [Marx, (2017), p.809]. Many have focused on interpretations of a demographic nature, as an essential element of medieval development, as expressed by Hilton (1977a, p.35). However, the population increase can be considered a consequence of the greater economic activity, together with the greater population agglomeration, due to the displacement of the countryside to the city, which in turn, increases economic activity again. However, by itself, the demographic expansion does not justify the development of capitalism.

Others attribute it to the linear interpretation of Marxism, ‘similar to the transition from capitalism to socialism’, although constituted by differentiated phases [Sweezy, (1977), p.68]. Takahashi attributes this to the bourgeois revolution itself, which abolished the relations of feudal production and transformation in the structure of the feudal property of the land [Takahashi, (1977), pp.112–122]. Hill also does in a similar way, but with nuances, attributing the struggle of the bourgeoisie against the nobility, which could give rise to a society dominated by the bourgeoisie of a different type [Hill, (1977), pp.166–171]. Hilton refers to technical backwardness; product of the exploitation of slaves which, was evident when it declined [Hilton, (1977b), p.157]. Lefebvre, on the other hand, highlights the importance of demography, emphasising the relationship of the artisan and the merchant, also referring to the collusion between the merchant and the state. However, he does not overestimate this last relationship as Sombart does. Although he emphasises that when the defenders of free enterprise seized power, they used the state, just as the merchants did to obtain privileges. Corruption or extra-economic coercion, the result of “the structural fusion of the economic and the political that defined the mode of feudal production” [Anderson, (1980), p.196], was not reduced only to the appropriation of surpluses of the producer and agricultural consumer, it was also used to dominate other medieval cities, to impose monopolies, impose tolls and taxes. Williamson³ later called ‘opportunistic behaviour’ a concept that introduces an uncertainty of a speculative type, not within the contract or agreement, but in the terms it is built [Moulier-Boutang, (2006), p.78]. Finally, Lefebvre criticises Dobb and Sweezy of a lack of rigour in historical research and perhaps there is the difference, since Dobb and Sweezy are economists, while Lefebvre is a historian [Lefebvre, (1977), pp.174–179]. Dobb though, already makes this reservation, regarding the interpretation of economic character and the historical interpretation on capitalism [Dobb, (1976), p.17]. The Italian historian Procacci, refers to the decline and disappearance of feudalism, in direct function with the development of merchant capital trade, then by focusing on the discussions between Dobb and Sweezy, on the classification of the 15th and 16th centuries, to then focus on the modes of production of these periods. Procacci, referring to Marx, develops the explanation of capitalist production through two ways; a relationship between the businessman and the free worker, and secondly, between the capitalist merchant facing a producer, not yet deprived of its means of production. He concludes that on the debate about the transition from feudalism to capitalism, it covers a

huge complexity of varied problems and different positions [Procacci, (1977), pp.180–198].

Dobb makes a different interpretation, based on Marx, attributable to the increase of precious metals, which increased the income of the bourgeoisie, by the increase in prices that this phenomenon caused [Dobb, (1976), p.220]. Although Dobb defends this argument with little clarity, since it refers mainly to the increase of the economic activity, it does not link clearly with the origin of the money that allowed this increase (pp.215–262, 465–496). Even more clarifying is the text of Marx and Engels:

“... things should not be understood as if a sufficient treasured mass was formed first and then capitalist production; far from it, this was developed at the same time as the development of its conditions. One of those conditions is an adequate contribution of precious metals. Hence, the increase to the supply of precious metals from the sixteenth century is an essential factor in the history of the development of capitalist production.” [Marx and Engels, (2017a), p.387]

From this, three essential elements can be drawn in the development of primitive accumulation, in the transition from feudalism to capitalism and subsequent capitalist production:

- 1 there are several conditions
- 2 these conditions do not operate only correlatively, but rather jointly and simultaneously
- 3 an essential condition and factor is the supply of precious metals (currency and hoarding).

Foucault also refers to these conditions with a network structure when referring to the conformation of governmentality and which have been partly those that have been dealt with in the previous sections, together with elements typical of empires and that are conveyed in history, as expressed by Spengler. These are corruption, social inequality, speculation, appropriation and appropriation with violence (dispossession) and slavery. Dobb refers to part of these conditions, at the beginning of the bourgeoisie, and states that internal and external trade are based on the exploitation of a political advantage or plunder without dissimulation [Dobb, (1976), p.115]. Where, in turn, reigned the interest of a wealthy class of merchants and guilds, who had achieved exclusive control of urban government (power and economic privilege), and not the collective interest of the city [Dobb, (1976), pp.125, 137].

These aspects not treated as constituent elements of entrepreneurship in the mainstream, together with others, provide important characteristics of ‘primitive accumulation’, without which, capitalism would be impossible. These aspects will be treated in the following sections from the perspective of primitive accumulation and in conjunction with the increase of precious metals, as essential elements of capitalist development. The ‘casual’ arrival (now that the objective was a new route to India and the expeditions believed that they had arrived in Japan) to America, Spain and Portugal, after several trips, concluded the existence of other lands and that they called America. Columbus, whom we could call a creative entrepreneur (designer) of time (in terms of Sombart and Weber). After trying to find support for his project in Portugal and receiving a negative answer, Columbus found support in Spain. It is important to remember that the Iberian Peninsula was the most developed region of the time. Once Columbus had the

support of Spain, Luis de Santángel, treasurer of the King of Aragon and the Holy Brotherhood, obtained the financing of his company, which if successful, would receive the rewards that had promised (Colon made four trips to America) [Parry, (2008), pp.67–73].

For Europe, this arrival in America is the discovery of dispossession and exploitation on a large scale through a set of pre-existing elements in their culture, such as corruption, social inequality, speculation, appropriation and appropriation with violence (dispossession) and slavery. Smith expresses it in the following way, “One of the main effects of these discoveries has been to elevate the mercantile system to a degree of splendor and glory that would never have reached otherwise” [Smith, (2017), p.621]. The increase in the money supply⁴, in Spain and Portugal, soon reached other countries in Europe. The accelerated growth of the transatlantic trade increased eight times between 1510 and 1550 and then three times between 1550 and 1610 [Kennedy, (1989), p.56]. This increase in money supply, initially in Spain, caused huge inflation, which, if we consider the macroeconomic approach postulated by Fisher⁵, is the product of an excess of money supply and a product of speculation. Monetary supply that is quickly distributed throughout the economy, that is to say, in the economy of large companies (mainly banks at this time) and the real economy (families, small and medium enterprises, at this time guilds or workshops and manufactures).

Galbraith expresses that this general increase in prices follows the path of gold and silver. Inflation first reached Spain and then the rest of Europe, as an “initial manifestation of quantitative theory of money”. In addition, the effect on the increase in the volume of trade, due to the influx of precious metals, together with the benefits that this generated for those who had long-lasting assets [Galbraith, (2003), pp.46–47]. The gold and silver stripped and which arrived in Europe from America, when it reached the hands of banks and depositaries (pp.285–304), then multiplied again through the fiduciary money (the beginning of the gold standard). However, a part of these precious metals and other goods were part of the treasury and did not enter the economic circuit, just like the treasures of the church which, together with the expenses generated by the multiplication of the number of clergy, charities, confiscations of the Inquisition, resources that did not enter the monetary-productive circuit [Vilar, (1999), p.46], had a lower incidence given the high hoarding.

4 The impact of American gold and silver in the economy

This monetary penetration in the economy was due to a very varied number of new and existing operations and economic activities, including:

- 1 Loans given to American expeditions with speculative interests, had interest returns which represented a greater monetary mass and an increase in wealth [Vilar, (1974), pp.111–114]. This situation subsequently extended out, given that the development of many economic activities were carried out through the granting of special privileges (monopolies). Monopolies that, in turn, obtained high profit rates, which “pushed the market interest rate above what it would be in another circumstance” [Smith, (2017), p.603]. The mercantile monopoly also reduced other primitive sources of accumulation (labour wages, land rent and the benefits of capital) (p.604), generating large imbalances and social inequality that they perpetuated.

- 2 Increase in demand for goods (e.g., food and weapons) and services of the American expeditions caused scarcity and therefore an increase in prices (initially in Spain, then in France, Italy and England), but in turn, speculation with these goods and services generated additional benefits for some [Smith, (2017), pp.114–115, 252]. Hume affirmed, "... it is true that since the discovery of the mines of America, industry increased in all the European nations" [Hume, (2008), p.97]. Countries close to Spain begin to suffer the effects of the excess of monetary mass (inflation), due to the increase of its foreign trade, especially with the shortages that Spain were suffering; shortages that then moved to France. The levels of production of the time did not support the increase in demand and so production structures began to adapt. This increase in the activity of international exchange went some way forcing the creation of international exchange currencies. Since the trade in precious metals (silver and gold) became more complicated by its transfer.
- 3 By the requirement of a single port for the control of the fleets, Seville was established as the monopoly of ports, but in turn, this generated monopolies of supply to the fleets (guild monopolies), through privileges, both for foreigners, as well as for companies from other regions of Spain [Vilar, (1974), pp.115–116; Parry (2008), p.109].
- 4 The crown demanded a fifth of all the metal appropriated or stripped from America and this brought with it an increase in public work, an increase in the use of guards to weigh and marks silver bars, port guards, personnel for cargo protection vessels, etc. [Parry, (2008), pp.107–108].
- 5 The increase in prices in Spain caused an increase in imports and monetary flow that initially begin to circulate in the nearest countries and suppliers (France and Italy). Furthermore, the increase in money supply universalised exchanges, created a world market, globalised the economy and stimulated capitalism and European industry [Vilar, (1980), p.253]. However, with the arrival of the stripped precious metals from America later on being reduced, (from the end of the 16th century onwards) (pp.269–273), it provoked the adjustment of prices and production in the European economy (pp.278–284). Hume expressed it in the following way "... an abundant amount of money is of very limited use and can sometimes be a loss for a territory in its trade with foreigners" [Hume, (2008), p.94] and it will take time for the issues to adjust to the new situation [Vilar, (1980), pp.99–103].
- 6 The Inquisition began in Spain at the end of the 15th century. In Barcelona, non-converted Jews were expelled and the population was reduced to less than 20,000 inhabitants [Vilar, (1999), p.36]; and to this must be added the expulsion in all Spain of the Moors and Jews⁶ [Rocker, (1954), pp.376, 384]. Two phenomena emerged from this; the first is that Spain passed from being an exporting country of cereals to an importing one, which brought about an outflow of resources. Secondly, the Inquisition is surely the one thing that influenced the almost total extermination of the American aborigines, along with the armies (with a warrior tradition of years, by the Spanish Reconquista) that accompanied the expeditions, plus the diseases that the invaders carried [Galeano, (1988), pp.17, 79]. The figures of the aboriginal extermination in America reached almost 90% of the population (the greatest genocide in history) together with the total destruction of their culture.

“The discovery of the auriferous and argentiferous regions in America, the extermination, enslavement and sending the aboriginal population into the mines, the conquest and looting of the East Indies, the transformation of Africa into a reserve for the commercial hunting of black skins characterised the dawn of the capitalist production era.” [Marx, (2017), pp.843–844]

- 7 The appropriation and dispossession of lands during these centuries of transition and in previous centuries in Europe increased the population of the cities that, together with the new commercial activities that begin to emerge, generated an increase in the population. This appropriation and/or dispossession brought with it the increase in agricultural product prices, more people looking for work in the cities and manufacturing grew due to the masses of unemployed and impoverished workers, given the increase in economic activity [Marx, (2017), pp.809–827]. Moulrier-Boutang, referring to the hoarding of land by the nobility, separation of the means of production and labour power, quotes Karl Kautsky, who expressed that the victorious nobility produced goods for itself, in a mixture between feudalism and capitalism, and began to produce surplus value in these huge exploitations [Moulrier-Boutang, (2006), p.160]. The difference between central and Eastern Europe, with respect to England, was the insatiable thirst for feudalism to extract surplus labour, while England definitively destroyed the community and gave way to the capitalist mode of production. The 30-Year War, which lasted until the first half of the 17th century, also facilitated the process of land appropriation by feudalism, taking over the ownership of numerous abandoned domains [Moulrier-Boutang, (2006), pp.161, 167]. In addition, there was also a generation of wealth, when the extension of lands of the stripped colonies, made their total cultivation and colonial legislation that imposed the obligation to cultivate or its transfer impossible, part of it was sold before it was applied [Smith, (2017), pp.578–579].
- 8 America also attracted other Europeans, in addition to Spaniards and Portuguese, England, France, Holland also added to dispossession and colonialism. These were made of large tracts of land that later would be cultivated by slaves and exterminating the aborigines in the process of dispossession. “In the moment in which these discoveries took place, the superiority of forces turned out to be so great on the side of the Europeans that they were able to commit with impunity in those remote places all kinds of injustices” [Smith, (2017), p.621].
- 9 Military campaigns aimed at profit and winning, lost their meaning when they separated from profit. “They are pillage companies themselves, particularly those in *piracy*”. In Western Europe, all nations were in favour of organised piracy. After the arrival of Columbus in America, piracy became the declared or secret goal of many expeditions. English piracy was linked to the wealthy, obtaining funding for their adventures at a high interest. “It was the high aristocracy itself that was partly involved in such enterprises ... Men who today commanded a pirate fleet would occupy a high position in the state tomorrow”. “The spirit that encouraged trade and all the colonial companies”... was, (in Sombart’s opinion), “the spirit of the pirates”. Piracy was not exclusively from England [Parry, (2008), pp.126–131], there were also the French, Dutch and Italians [Sombart, (1977), pp.79–89]. This piracy generated low cost resources for many European countries, both monetary and in goods; in other words, wealth was accumulated without the exchanging goods.

- 10 The enormous stimulus of overseas trade “for the European shipbuilding industry attracted a wide variety of artisans, suppliers, traders and insurers to the ports of London, Bristol, Antwerp, Amsterdam and many others” [Kennedy, (1989), p.58]. Due to colonial trade, the creation of new economic activities such as maritime transport (shipping companies such as Indian companies, both in England, the Netherlands and France, since the beginning of the 17th century), insurance on the burden of these shipping and other activities annexed to international trade, developed new sources of wealth capture. These transport companies, originating in piracy [Sombart, (1977), p.88], enjoyed exclusive routes (monopolies). Smith, who criticised the harmful effects of monopolies in the economy and repeatedly insisted on the subject, said “the good natural effects of colonial trade more than compensates Great Britain for the bad effects of monopoly which, despite of monopoly, in its current condition, is not only advantageous but very advantageous ... colonial trade, even in its current form, is advantageous for Great Britain, it is not thanks to monopoly but in spite of monopoly” [Smith, (2017), pp.598–600].

Other new and growing activities that arose or grew with the colonial trade are:

- a The mining companies and the foundry industry, with monopolistic characteristics and linked to the nobility in England, France, Germany and Austria.
- b The textile industry, whose owners in England, were great owners of cattle, similar to the great English owners of silk. A similar situation occurred in France and Bohemia, where large landowners and/or nobles are those who exploited this activity.
- c The glass industry, with a long list of aristocratic owners.
- d The manufacture of porcelain, led by nobles.
- e The grain mills and paper mills, in the hands of aristocrats.

From the time of the transition in European economic life, we find the aristocracy or the nobility (feudalism), “participating in the construction of the capitalist system. Also, from the feudal system, the Spanish and Portuguese in the 16th century took the form of servitude to which they subjected the American population for the economic purposes of the colonial entrepreneurs, who considered themselves feudal lords of the new world”. The same situation occurred in North America from the beginning of the 17th century [Sombart, (1977), pp.91–96]. This economic expansion of Europe did not do more than deepen the existing social differences in feudalism and deepened the division of the classes. The new nobility of Italy, France, England and Germany (the fusion of the old nobility and new wealth) ascended through various forms; conferring titles for merit or by their purchase, for jobs that created hereditary titles of nobility, or awarding them decorations and also, acquiring properties linked to titles [Sombart, (1979), pp.16–27]. The bourgeoisie is born from the hand of the aristocracy, in other words, from the hand of feudalism and the separation of classes continues; Engels said that, “class division has some historical justification” [Engels, (2014), p.377].

- 11 The existing luxury in aristocracy became stronger with new monetary flows, the evident collections of taxes linked to the greater activity and the growing indebtedness of the nobility that, at the same time, generated a greater economic

activity. Sombart expressed it in the following way quoting a letter of a provincial in 1787, The Middle Ages, already dominated by great luxury but by the end of the 18th century, had reached excessive levels where luxury ruined half of Paris and the other half exerted swindling trades [Sombart, (1979), p.66]. Within the expenses in luxury, the following can be detailed: maintenance of the monarch, stables, gifts of dresses made from gold and silk, pomp of the court, money available for the queen in housing expenses, hunting hawks, silverware, expenses of maintenance of palaces and buildings, acquisition of horses, theatres, dance halls, distinguished restaurants, hotels, shops, etc. Luxury that reached its height until a few years before the revolution. The Spanish court came to eclipse the French court in its luxuries (pp.68–79). In addition, this luxury extended to almost all social classes and was externalised in furniture, construction of buildings, dresses, amongst others. Where “the impoverishment of the nobility was one of the causes of the enrichment of the bourgeois lenders” (pp.86–87), the situation extended to all of Europe where the ardent defenders of luxury were also supporters of progress (capitalism) and recognised that luxury developed economic forms. Many rapidly developing countries, therefore, oriented their policies favouring luxury and during the 17th century, the legal precepts that forbade luxury disappeared. In 1664 and 1672, for reasons of monetary policy, the excessive use of precious metals for luxury purposes was prohibited (p.114). This prohibition is only an example, and the reflection of the struggle to maintain a positive trade balance, and that caused the struggle of the mercantile states in Europe [Galbraith, (2003), pp.52–53]. In the 17th and 18th centuries, according to the statistics of the companies of the Indies, overseas imports from Europe (England, France and Holland) were mainly, spices, medicines, dyes, silk and silk fabrics, cotton and cotton fabrics, precious stones, porcelain, coffee, sugar, tobacco, tea and cocoa [Sombart, (1979), p.125]. At the same time, the same luxury caused changes in agriculture in Italy, Spain and England; farm fields were transformed into pastures for sheep farming to satisfy the growing demand for wool. In Spain, there were also changes in crop farming, viticulture grew and in other areas, livestock farming increased, etc. This also helped in the improvement of production, increasing the benefits of the land, indirectly favouring capitalist development and breaking with the old forms of feudal production, without forgetting that many of these products come from the American colonies and the spices of the Asian colonies (pp.138–143). Luxury goods generated luxury industries, in fabrics, in silk, in lace, mirrors and porcelain and, in turn, influenced industries such as wool, canvas, tailoring, leather, headgear, construction, carts and cabinet making (pp.146–169).

- 12 The development of banking, the fundamental pillar of capitalism, like other activities, grew at the expense of the aristocracy, through special concessions, in response to the financing of the nobles. Its development also obeyed speculative reasons. The monetary upheavals, product of the adulteration of currencies, where the private banks played with the diversity of currencies and with the content of silver, which remained with the strongest and rich currencies in metal, brought precious metal into circulation again in the poorest currencies. This situation tried to be corrected at the beginning of the 17th century, giving strength to certain banks, such as, the municipal banks, the Bank of Amsterdam (1609) or the Barcelona Bank (1609). Due to the French threat and panic, the Dutch municipal banks were forced

to close their doors. From then on, in order to ensure the confidence of solidity, relationships between domestic exchange currencies and international exchange currencies stabilised. Therefore, at the end of the 17th century, banks began to operate with banking notes. In the 17th century and until the first third of the 18th century, the Bank of Amsterdam played the role of regulator and redistributor of stocks of metals used in international trade. England, on the other hand, had a very important role in international trade strengthened its maritime domain. At the end of the 17th century, it created the Bank of England (1694), a private bank⁷ (the Rothschild clan, together with Khun, Loeb, Lehman, Warburg, among others), born as an answer and with the intention of ending the disorder and manipulation of private banks (speculation). At this time, the goldsmiths were the buyers and sellers of gold bars and they extended receipts to the merchants for the deposits of their surpluses. It is the origin of the 'bank note' covered by a metal deposit and reimbursable at any time. However, these deposits were not exempt from speculation by the goldsmiths, accusing them of speculation and usury. It is the beginning of the gold-pattern. It is also the beginning of a new inflationary stage, product of the greater monetary mass emitted, with the corresponding subsequent adjustment (devaluation) [Vilar, (1974), pp.288–307]. Very similar situations occurred in France, Italy, Sweden and Germany, in the stage of formation of private banks, bankruptcies, monetary speculation, private banks acting as central banks, etc. The gold-standard that later settled in Europe in the 18th century, the century of capitalist governmentality, is only possible with the gold stripped of America and by the economic activity generated by colonialism.

- 13 The globalisation of colonialism or universalisation of dispossession and slavery. Once Spain and Portugal's resources and men were depleted with the unplanned colonisation of America, the rest of Europe, mainly those closest to the American continent, begin their planned colonisation phase. The colonisation of America with its cultural destruction and almost total extermination of the aborigines left an insufficient local population for the exploitation of resources. Furthermore, the very destruction of their culture made it impossible for the aborigines to fit into the new productive system that the invaders imposed. It is important to note that the impact of American gold initially affected the Iberian Peninsula and then, very quickly, affected the rest of countries near the new continent (Atlantic), such as France, England and Holland. It then affected the rest of Europe through the commercial and financial impact that the colonisation generated. Costs distributed for each unit produced and over time, were negligible and, therefore, generated a wealth almost one hundred percent of the sale price. This made primitive accumulation increase greatly and in turn generated the outbreak of capitalism.

The colonisation of America, as well as the subsequent colonisations of Asia, Africa and Oceania, brought with it slavery. Slavery, which is nothing other than the dispossession or violent appropriation of the labour force. In this way, colonisation is the materialisation of production with costs close to zero, resources (land, minerals, agricultural products, etc.) and work force stripped, with only minimum maintenance costs of the workforce and their transfer, more transport of extracted resources and military costs for the submission of the aboriginal population of the colonies and the disciplinary control of the slaves. Costs that are distributed for each unit produced and, over time, are negligible and, therefore, generated by wealth almost one

hundred percent of the sale price. This made primitive accumulation take on an enormous speed and, in turn, generated the outbreak of capitalism.

Adam Smith expressed it in the following way:

“Therefore, the monopoly of colonial trade, like all petty and malignant expedients of the mercantile system, depressed the activity of all other countries but especially that of the colonies, without increase, in contrary decreasing the activity of the country in whose benefit it was imposed.” [Smith, (2017), p.602]

“The nations cynically boasted of the total infamy that constituted a means for the accumulation of capital” [Marx, (2017), p.851]. “In all these cases, what populated and cultivated America was not wisdom and good deeds but the disorder and injustice of European governments” [Smith, (2017), p.584]. Although, “We have not stopped for long either in the appalling cruelties imposed by these European conquerors on their innumerable victims of Africa, Asia and America” [Kennedy, (1989), p.57]. Hence, perhaps, the unfortunate phrase of Sombart regarding one of the ethnic predispositions of the capitalist spirit, “All the countries of Europe have a certain predisposition for capitalism” [Sombart, (1977), p.214]. Affirmation that in addition to being Eurocentric, is a valid affirmation, if one considers the submission, the extermination, the enslavement and the exploitation of the other continents, together with the dispossession of its resources, which leaves Europeans alone to conform the primitive accumulation.

These citations do no more than anchor the brutality of colonisation, often hidden in the discourse of entrepreneurship or in European achievements, such as the Industrial Revolution, which without the dispossession of resources and slavery, would surely have taken much longer to arrive or have developed in a different place or in a different social form. Slavery characterised by the “deprivation of personal rights and reduction of the worker to the condition of temporary slave and then definitive, transmission of that slavery to his spouse and later to his offspring” where the legal inferiorisation was a progressive and strict limitation of labour mobility [Moulier-Boutang, (2006), p.189]. Slavery grew according to economic activity and exchange. Western Europe, by not sending enough arms to the colonies, found itself with a ‘quantitative insufficiency’ “which was the main reason for the recourse to African labour” [Moulier-Boutang, (2006), p.284]. Subsequently, people from Indian and Chinese origin were also enslaved [Moulier-Boutang, (2006), pp.729–731]. Although it has also been noted the various forms of labour submission or dispossession of the labour force, existing between slavery and wage labour, which Moulier-Boutang developed extensively, some of which remain, such as today’s work in Europe of immigrants before in the colonies.

The subsequent step from slavery to wage labour was still a quantitative issue with the generation of an ‘industrial reserve army’ [Marx, (2017), p.722], in this case slaves, but already in the mode of capitalist production. In turn, the costs of transfer, maintenance, control, among others, produced the property of a slave, equal to or less than the remuneration of salaried work, which included ‘average social work’ and ‘surplus value’ [Marx, (2017), pp.260–261]. In addition, the value assigned to the land was such that it prevented immigrants from acquiring the land, forcing them

to work for very long periods, before they could earn enough to buy it [Marx, (2017), p.865] and become independent.

Furthermore, colonisation “assured the ascending manufactures a market where they could place their products and an accumulation boosted by the monopoly of the market. The treasures directly plundered outside Europe by looting, enslavement and massacres with plundering reflected that the metropolis were transformed there into capital” [Marx, (2017), p.846]. The following text of Marx is quite clarifying in this regard:

“The second period began in the middle of the 17th century and lasted until almost the end of the 18th century. Trade and shipping had developed more rapidly than manufacturing, which played a secondary role, the colonies began to become important consumers and the different nations were taking positions though long struggles in the world market that opened. This period began with the navigation laws and colonial monopolies. The competition between some nations was eliminated, as far as possible, by means of tariffs, prohibitions and treaties. In the final instance, the competition struggle was waged and decided by means of war (mainly maritime war). The most powerful nation in the sea, England, maintained its supremacy in commerce and manufacturing. We see here the concentration in a single country.” [Marx, (1974), p.66]

- 14 Demographic expansion: population growth is one of the variables that many refer to as essential in the development of capitalism. Population growth from the 16th to the 18th centuries was based on various aspects, including: medical advances and vaccination since the mid-18th century. The population growth rose 25% from 1553 to 1665, 50% from 1665 to 1776 and 30% from 1776 to 1800 [Vilar, (1974), p.366]. Foucault referred to bio-power, referring to the ways in which power was exercised with the aim of the biological life of man [Castro, (2011), p.55]. Where “power was first and foremost the right of appropriation – of things, of time, of bodies and finally of life; culminated in the privilege of seizing life to suppress it” [Foucault, (2009), p.144]. In the field of “political practices and economic observations, the problems of birth, longevity, public health, housing, migration”, that is to say, various mechanisms to achieve discipline and control of populations and the subjection of bodies [Foucault, (2009), p.148].

The demographic expansion, in addition to being real, began to represent a concern at the time, one due to the growing demand of new markets and by the need of labour necessary for the production and exploitation of the colonies. However, it is not a variable that alone justifies the primitive accumulation and subsequent development of capitalism. It is one of the many elements necessary, but not unique or fundamental.

5 Final reflections and research lines

The different manifestations of the capitalist spirit, undoubtedly influenced by action or omission, determine, collaborate or transform elements, which as a whole, in different degrees and correlatively and/or simultaneously, develop certain actions that build, in part, the basis for the primitive accumulation. However, it can be affirmed that none of these manifestations of the dominant discourse of the capitalist spirit is conclusive.

The real Big Bang of the development of capitalism is the casual arrival to a new continent. Its resources were violently extracted, lands seized through invasion, cultures destroyed and, in economic terms, in which Europe injected a large monetary mass (gold and silver). In turn, this increased economic activity generated new markets. It also represented for Europe, the acquisition of guidelines, learning and experience for new colonisations with new resources, slavery and generation of new markets, which was far better planned than the colonisation of Spain and Portugal.

In this process, it is evident that the initial large beneficiaries were the countries with Atlantic routes or with a more expeditious route to America, such as the countries of France, England and Holland, as well as the following great colonisers, with all that this term really means. On the other hand, the Iberian countries were those that assumed the erosion of the first great colonisation processes both in resources and men in addition to sumptuous waste, says Smith (2017, p.622). They were unable to capitalise over time the benefits obtained, receiving unexpectedly, mainly in the case of Spain, a great inflation product of the excess of monetary mass that entered into their economies. Smith, referred to the traditional European commercial cities, transporters and manufacturers of a small fraction of the world, that were displaced by “the part of Europe bathed by the Atlantic Ocean and the countries located around the Baltic and Mediterranean Seas” which become carriers and manufacturers “for almost all the nations of Asia, Africa and America” [Smith, (2017), p.622].

Perhaps, also, one would have to consider that the ‘draftsman’ dreamer who was looking for a new route to India, as one of the drivers of capitalism. In addition to these ‘designers’, inventors should be considered as the inventor of the astronomical astrolabe, which evolved in a simplified way to the nautical astrolabe and allowed inter-oceanic journeys. Also to all the inventors whose inventions were subsequently based on the Industrial Revolution and the transformation of productive organisations. Some of these anonymous people helped in the improvement of processes and procedures. In short, human beings who with their restlessness transformed the world, but not as a quality characteristic of the capitalist spirit, but as a community activity developed by human being, with the intention of solving a particular problem, left the solution in hands of a community, or by the single spirit of research and knowledge.

An important aspect to be highlighted is the active involvement of the aristocracy of some European countries in the primitive accumulation, product of the activity generated by ‘colonisation’. In turn, this active implication meant that nobles became part of the bourgeoisie and became so intimately linked to it that they made the monarchies incorporated into the capitalist system endure. That is to say, it produced a direct relationship, the greater the collaboration in dispossession and accumulation by the nobility, the greater the possibility of their permanence in time. On the other hand, those aristocracies that could not be involved or did not get involved so directly in this dispossession, as did those nobles farther from the Atlantic, to which the growth of activity and primitive accumulation, are the product of their commercial activity and financial, like Italy Germany, the bourgeoisie displaces feudalism. In the case of France, for example, the nobility was not involved in the process of primitive accumulation they only enjoyed it and, its end came in a violent way, the bourgeoisie assuming its class relief. “Feudal rights had become more obnoxious to the people in France than anywhere else” [Tocqueville, (1969), pp.51–62].

Although further from the Atlantic, Sweden and Denmark's historical maritime activity and its commercial and financial activity relied heavily on the nobility and, therefore, its monarchy remained. However, these deductions need to be confirmed with subsequent research, to reject or ratify this reflection. To corroborate these arguments, would mean that feudalism was also partly transformed and was not displaced by the bourgeoisie, that is to say, adapted to the new economic times that Europe experienced. The primitive accumulation of Europe and the monetary impact, of greater resources, the expansion of markets and slave labour, affected the transformation of the institution of feudalism, as well as other institutions such as the church and the state.

However, this does not mean that the institutions of feudalism with, for example, the unions, did not oppose resistance, in their struggle to defend the privileges that many of these guilds granted feudalism. These power struggles and the capacity for resistance were inversely linked to the greater or lesser involvement of the feudal institution and its representatives in the process of primitive accumulation. The greater the involvement in the primitive accumulation of the feudal institution, the less resistance capacity of the guilds and vice versa.

On the other hand, the period of primitive accumulation in Europe, did not do more than maintain the existing social differences in feudalism and, in turn, continued to be prolonged in industrial capitalism. In the case of the colonies, social differences were accentuated even more, along with the subjugation that would continue in history, such as economic colonialism. It is also necessary to clarify the differences that exist in the different colonies:

- a in some, colonisation focused on the extraction of resources, in which industrial capitalism was not developed or if it was developed through companies in the colonising countries and in a minimal way, mainly because of lower costs of labour (labour force)
- b in others, colonisation was carried out by moving the European population, which gave rise to anarcho-capitalism, as Foucault calls it, in the case of North America, just as it happened in the south of Africa and Oceania.

In turn, with different nuances depending on the resistance to the colonising power and the amount of Aboriginal population.

In conclusion, subsequently dispossession and slavery ('colonisation'), appropriation through subsequent legal regulations that covered the dispossession, corruption that helped the concentration of markets and monopolistic positions of companies in certain sectors of the economy, extracting the maximum surpluses of consumers, producers and the surplus value of labour, together with speculation of products and mainly speculation of a financial nature, led to the generation of primitive accumulation and the subsequent development of industrial capitalism. However, this work also considers the existence of other variables that have also influenced and that have been developed in this same research, but not as fundamental in primitive accumulation. Capital comes "dripping blood and mud, from all pores, from head to toe" [Marx, (2017), p.852].

Within the context of corporate governmentality, capitalist governmentality, which is in part the conformation described in this research work, is also one in which the bases of primitive accumulation and later capitalism converge. In the elements that converge, there is the conformation of the 'reason of state' and of the right, where the first is giving shape to the second, but also where the right conforms to the reason of state.

In turn, the state adapted to this new transformation through a silent entity that went unnoticed in the history of primitive accumulation and in the conformation of capitalism, as is 'the company', which is hidden behind of the bourgeoisie in this era. Furthermore, where behind it ('company'), a pressure organisation is hidden (teams of professionals, managers and experts in different disciplines), with connections to different institutions, call powers (executive, legislative and/or judicial), institutions of the state, the church, business groups, etc. and that are really those that make up states and institutions, their degree of penetration, will cause greater or lesser adaptations to their interests, which are the interests of businessman, owner or bourgeois. Hidden even further is the designer, the entrepreneur, who may not be able to participate, nor in the company of his own project, as well as the innovator of processes and procedures, or the inventor of a great technological breakthrough, leaving these normally subsumed in the company, in the primitive conformation and capitalist governmentality.

A sample of the performance of these companies in the industrial pre-capitalism is the textile company with actions at international level; extracting the resources of a colony, like India, destroying the small local industry, with slave labour force, altering to another way the agricultural production, no longer only of the area but also other countries, such as the case of Spain and England, that changed agricultural production into meadows. Or in the case of the shipping companies, such as the British East Indian Shipping Company, which came to have its own army, also with an international performance, with tentacles from different strategic points of international trade, monopolising maritime transport, through concessions and privileges, and establishing or imposing ways of operating, legislations and other aspects, that facilitate their operations and their accumulations, both in the state where they operate, and in other states, and internationalising governmental practice. In short, they are the beginnings of multinationals, they are the beginnings of corporate governmentality, with the state having as its only activity; the facilitator of business activity; with the market as a revealer of the truth or place of verification or place of verification and falsification of governmental practice. This, together with the control and discipline of the bodies, and the power exercised over the population or the species, that is to say, the bio-power, as part of the conformation of governmentality.

References

- Anderson, P. (1980) *Transiciones de la antigüedad al feudalismo*, Siglo XXI de España Editores, S.A. Madrid.
- Bloud, B. (2014) *El impacto cultural de los sabios musulmanes en la vida española*, Universidad Abou Bekr Belkaid, Tlemcen [online] <http://dspace.univ-tlemcen.dz/bitstream/112/7087/1/bloud-bouchra.pdf> (accessed 7 February 2018).
- Castro, E. (2011) *Diccionario Foucault*, Siglo XXI Editores, Buenos Aires.
- Dobb, M. (1976) *Estudios sobre el desarrollo del capitalismo*, co-published by Siglo XXI Argentina Editores S.A. Buenos Aires and Siglo XXI de España Editores, S.A. Spain.
- Dobb, M. (1977) 'Respuesta', *Transición del feudalismo al capitalismo*, pp.78–92, Editorial Crítica, S.A. Barcelona.
- Dussel, E. (2014) *16 Tesis de economía política interpretación filosófica*, Siglo XXI Editores, S.A. de C.V. Mexico.
- Engels, F. (2014) *Anti-Dühring*, Fundación Federico Engels, Madrid.

- Fisher, I. (1911) *The Purchasing Power of Money, its Determination and Relation to Credit, Interest and Crises*, The Macmillan Company, New York.
- Foucault, M. (2002) *Arqueología del saber*, Siglo XXI Editores, Argentina S.A.
- Foucault, M. (2009) *Historia de la sexualidad. 1. La voluntad de saber*, Siglo XXI España Editores, S.A. Madrid.
- Foucault, M. (2011) *Seguridad, territorio, población*, Fondo de Cultura Económica, Buenos Aires.
- Foucault, M. (2012) *Nacimiento de la biopolítica*, Fondo de Cultura Económica, Buenos Aires.
- Galbraith, J.K. (2003) *Historia de la economía*, Editorial Ariel, S.A. Barcelona.
- Galeano, E. (1988) *Las venas abiertas de América Larina*, Siglo XXI de España Editores, S.A. Madrid.
- Hill, C. (1977) 'Comentario', *Transición del feudalismo al capitalismo*, pp.166–171, Editorial Crítica, S.A. Barcelona.
- Hilton, R. (1977a) 'Introducción', *Transición del feudalismo al capitalismo*, pp.7–39, Editorial Crítica, S.A. Barcelona.
- Hilton, R. (1977b) 'Comentario', *Transición del feudalismo al capitalismo*, pp.153–165, Editorial Crítica, S.A. Barcelona.
- Hobsbawn, E. (1977) 'Del feudalismo al capitalismo', *Transición del feudalismo al capitalismo*, pp.223–230, Editorial Crítica, S.A. Barcelona.
- Hume, D. (2008) *Ensayos económicos, los orígenes del capitalismo moderno*, Editorial Biblioteca Nueva, S.L. Madrid.
- Kennedy, P. (1989) *Auge y caída de las grandes potencias*, Plaza & Janes Editores, S.A. Barcelona.
- Lefebvre, G. (1977) 'Algunas observaciones', *Transición del feudalismo al capitalismo*, pp.172–179, Editorial Crítica, S.A. Barcelona.
- Löwy, M. (2006) 'Marxismo y religión: ¿opio del pueblo?', *La teoría marxista hoy. Problemas y perspectivas*, CLACSO, Consejo Latinoamericano de Ciencias Sociales, Buenos Aires.
- Marx, K. (1967) *Formaciones económicas pre-capitalistas*, Editorial Ciencia Nueva, S.L. Madrid.
- Marx, K. (1971) *Grundrisse, elementos fundamentales para la crítica de la economía política 1*, Siglo XXI de España Editores, S.A. Spain.
- Marx, K. (1974) *La ideología alemana*, co-published by Ediciones Pueblos Unidos, Montevideo y Ediciones Grijaldo, S.A. Barcelona.
- Marx, K. (2010) *Crítica de la Filosofía del Estado de Hegel*, Editorial Biblioteca Nueva, Madrid.
- Marx, K. (2017) *El capital, crítica de la economía política*, Libro Primero, Siglo XXI de España Editores, S.A. Spain.
- Marx, K. and Engels, F. (2017a) *El capital, crítica de la economía política*, Libro Segundo, Siglo XXI de España Editores, S.A. Spain.
- Marx, K. and Engels, F. (2017b) *El capital, crítica de la economía política*, Libro Tercero, Siglo XXI de España Editores, S.A. Spain.
- Moulier-Boutang, Y. (2006) *Dela esclavitud al trabajo asalariado. Economía histórica del trabajo embridado*, Ediciones Akal, S.A. Madrid.
- Parry, J. (2008) *Europa y la expansión del mundo (1415-1715)*, Fondo de Cultura Económica, Mexico.
- Procacci, G. (1977) 'Perspectiva sobre el debate', *Transición del feudalismo al capitalismo*, pp.180–199, Editorial Crítica, S.A. Barcelona.
- Revel, J. (2009) *Diccionario Foucault*, Ediciones nueva visión, Buenos Aires.
- Rivera Vicencio, E. (2016) 'Monetary conformation of the corporate governmentality I. From the new art of governing to the beginning of neoliberal governmentality', *Eurasian Journal of Economics and Finance*, Vol. 4, No. 2, pp.72–90.
- Rocker, R. (1954) *Nacionalismo y cultura*, Ediciones Solidaridad Obrera París, Argentina.
- Smith, A. (2017) *La riqueza de las naciones*, Alianza Editorial, S.A. Madrid.

- Sombart, W. (1977) *El burgués*, Alianza Universitaria, Madrid.
- Sombart, W. (1979) *Lujo y capitalismo*, Alianza Editorial, S.A. Madrid.
- Spengler, O. (1944) *La decadencia de Occidente*, Vol. I, Espasa-Calpe, S.A. Madrid.
- Sweezy, P. (1977) 'Crítica', *Transición del feudalismo al capitalismo*, pp.43–77, Editorial Crítica, S.A. Barcelona.
- Takahashi, K. (1977) 'Contribución al debate', *Transición del feudalismo al capitalismo*, pp.92–136, Editorial Crítica, S.A. Barcelona.
- Tocqueville, A. (1969) *El antiguo régimen y la revolución*, Ediciones Guadarrama, S.A. Madrid.
- Vilar, P. (1974) *Oro y moneda en la historia*, Editorial Ariel, Barcelona.
- Vilar, P. (1980) *Iniciación al vocabulario del análisis histórico*, Editorial Crítica, S.A. Barcelona.
- Vilar, P. (1999) *Historia de España*, Editorial Crítica (Biblioteca de bolsillo), Barcelona.
- Vitale, L. (1973) *América latina: ¿reforma o revolución? (América latina: ¿feudal o capitalista?)*, Editorial Tiempo Contemporáneo, Argentina.
- Weber, M. (1969) *La ética protestante y el espíritu del capitalismo*, Ediciones Península, Barcelona.
- Weber, M. (2014) *Economía y sociedad*, Fondo de Cultura Económica, México.
- Williamson, O. (1985) *The Economics Institution of Capitalism*, The Free Press & Macmillan, New York.

Notes

- 1 "10,000 Jews, in the dilemma of embracing Christianity or being marked or sold as slaves, immigrated to the Gaul with another 100,000 to Africa, subjecting only 90,000 to baptism" [Rocker, (1954), p.376].
- 2 "It is worth noting that this production figure was much greater than the British production of iron at the beginning of the Industrial Revolution, seven centuries before ... some of its reeds were as large as the later Spanish galleons and trade with the Indies and Pacific islands was potentially as profitable as the caravan routes" [Kennedy, (1989), pp.31–32].
- 3 *The Economic Institutions of Capitalism* (Williamson, 1985).
- 4 "From 1503 to 1510, 4,950 kilos of gold, from 1511 to 1520, 9,153 kilos of gold, from 1521 to 1530 4,889 kilos of gold alongside 148 kilos of silver were brought. After 1533–35, more than 42,600 kilos were brought between the decade of 1551–1560, but silver became so important that gold only represented a value of 15% in all that was brought". Taking into consideration, the official entries of precious metals in the 'Casa de la Contratación' in Seville [Vilar, (1974), p.90]. All this, without considering all shipments of precious metals that would have escaped control.
- 5 Where the money circulating in the economy (M), multiplied by the speed of circulation or rotation of money (V), will be equal to the prices of the goods exchanged (p) by the quantity of goods exchanged (Q), that is to say, $MV = pQ$ [Fisher, (1911), pp.24–28].
- 6 Previously quoted in the section, 'Knowledge and technology in pre-capitalist Europe'.
- 7 Rivera Vicencio (2016, p.76).