Islam, the Mediterranean and the Rise of Capitalism *

Paper presented to the Conference on
'Theory as history: Ernest Mandel's Historical Analysis of World Capitalism',
Amsterdam, 10-11th November, 2003

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[* A revised version of this paper will appear in Historical Materialism vol. 12]

Historiographies of capital

Our conception of capitalist origins has been so heavily dominated by the so-called 'transition' debate that Marxists are apt to forget that the first debate on origins actually began with the publication of the first edition of Sombart's *Modern Capitalism* and the various responses to its major argument that agrarian wealth or the accumulation of ground-rent provided the chief source of the fortunes that financed capitalist expansion in Europe. For Sombart, the aristocracies of Europe played the leading role in the evolution of industrial capitalism, and even *Kolonialkapitalismus* was to a large extent the work of these 'aristocratic entrepreneurs'.[1] The earliest systematic response to Sombart's thesis was Jakob Strieder's seminal and in some ways still unsurpassed book *Studien zur Geschichte kapitalistischer Organisationsformen* (1914). Strieder strongly believed that the first large-scale capitalist enterprises in industry, particularly mining, were financed and controlled by merchants, and this could be shown for the South German mining industry of the 15th and 16th centuries.[2] Three aspects of Strieder's argument are worth noting: first, that the mining industry played a seminal role in the evolution of modern capitalism; second, that merchants *created* large enterprises, that is, involved themselves in the organisation of production and industry; and finally, the more general thesis that commercial capitalism lay at the origin of the so-called capitalist spirit several centuries earlier, in Venice, Florence and other centres of 'early capitalism'. The last of these theses became the focus of a subsequent paper which Strieder published in 1929, called 'Origin and evolution of early European capitalism'. Here he argued that in a whole series of industries (the woollen goods, silk weaving, linen export and metal industries) 'the merchant who organized the export trade, and made advances in one form or another to the workman, gained control over industries which had previously been in the hands of independent craftsmen'.[3] This evolution was of course particularly advanced in Italy where 'the forms of money and credit economy, inherited from the ancient world, had *kept their vitality*'.[4] This is a particularly interesting idea because the legacies of late antiquity are seen here as unmediated. There is, if you like, an unbroken line of descent from the ancient world to medieval capitalism, and the story is purely European.

In the same year, Earl Hamilton proposed his now famous argument that while many 'factors' contributed to the rise of modern capitalism, chief among these were the discoveries and the 'vast influx of gold and silver from American mines'.[5] His main thesis of course was that trans-Atlantic flows boosted profitability for employers by triggering a price inflation, but Hamilton also suggested a causal connection between American treasure and the East India trade, arguing that Portugal, Holland, England and France were able to finance their trade expansion in the east thanks to the vast influx of precious metals from Mexico and Peru and the ability of those countries to attract the largest share of this metallic mass.[6] Unlike Strieder, however, all of these developments were simply seen as 'factors' in the rise of 'modern capitalism', that is, presuppositions of capital rather than movements or enterprises ('concerted praxes')[7] *presupposing* capital. 'The close connection between the East India trade and American treasure and the rise of modern capitalism has been overlooked or neglected largely because Portugal, the first nation to profit from trade with the Spice Islands by the Cape route, and Spain, the recipient of American gold and silver, showed no significant progress toward capitalism.'[8] When Hamilton says, 'no significant progress toward capitalism', he clearly means *industrial* capitalism. Yet Hamilton's main contribution was to draw attention to the Atlantic. By 1932, Portuguese historians could suggest that the countries of the Atlantic seaboard were the 'true founders of modern capitalism'.[9] The great centres of modern capitalism were Lisbon and Antwerp. In a deeply provocative formulation, Veiga-Simoes wrote, 'the whole of the new commercial life and even the capitalist system stem fundamentally from Portuguese economic policy at the end of the 14th and beginning of the 15th centuries'.[10] I shall argue that this is *basically* correct and the speculative core of a more internationalist historiography of capitalism than that implied in the 'transition' debate.

Portugal straddled two phases of commercial capitalism, subordinating the Atlantic to the Mediterranean, and then the Mediterranean to the Atlantic.[11] Yet Portugal's imperial adventure began as a confrontation with the commercial networks of Islam, an attempt to undermine those networks internationally. In his brilliant and much neglected book *O Capitalismo monárquico Português (1415-1549)*, subtitled 'Contribution to a study of the origins of modern capitalism', Manuel Nunes Dias argued that 'with the conquest of the Dark Sea, Europe overthrew the Mediterranean frameworks that had shackled her progress. In the great Ocean lay the engine that drove her capitalism'.[12] Behind the capture of Ceuta in 1415 lay the whole weight of the 'incipient commercial capitalism of the later Middle Ages' and its relentless fascination with the spectre of African gold.[13] The political victory of the bourgeoisie in 1440, raising Dom Pedro to the throne of Portugal, inaugurated a period of intense activity along the Atlantic coast of Africa, signifying the strategic triumph of maritime expansion over territorial imperialism and enabling Henry the Navigator to implement his policy of deflecting the Sudan-Sahara traffic from the desert routes to the Atlantic. Through its progressive "capture" of the Atlantic, Portugal emerged as the most 'active representative of the nascent commercial capitalism of the Christian west'.[14] By the time Dom João II ascended the throne in 1481, Portugal was Europe's first colonial power, the 'driving force of a capitalist revolution' of far-flung trading establishments (*feitorias*, 'factories') buttressed by military fortresses. The Portuguese became 'pioneers of the modern colonial system', harnessing the Crusader tradition of a marginalised aristocracy within the peculiar fusion of Crown and commercial capitalism which Dias calls 'monarchical capitalism', with its chief international centre at Antwerp, the 'headquarters' of modern capitalism. The gold shipped from São Jorge da Mina raised Portugal's credit-rating and consolidated the power of the monarchy, creating the crucial basis for expansion to the east.[15]

This is hardly a fair summary of a book that runs into 1097 pages and one which even Braudel seems largely to have ignored. What is striking in Dias is not just the sense that capitalism was a thoroughly international system *from its inception* and that the problems confronted by Portugal were problems that *all* of European capitalism was keen to solve (above all, the scarcity of gold), but the much less obvious idea that Portugal's Atlantic expansion began in fact as an assault on Islamic commercial supremacy, both its domination of the Sahara gold trade and its monopoly of the Indian Ocean. The legacies of late antiquity were retrieved in different ways by Islam and the Italian city republics, and the dynamics of European capitalism are incomprehensible without some attempt to understand *those* totalisations. Here the late sixties saw two significant contributions. In *Società e Stato nel Medioevo Veneziano (secoli xii-xiv)* Giorgio Cracco developed a brilliant analysis of the power of commercial capital in the Venetian republic of the 12th and 13th centuries, the fierce domination of the commune by an oligarchy of capitalists whose fortunes were tied up with international trade. The Venetian republic was a *stato dei mercanti*, a *stato dei grandi capitalisti*,[16] based, by the middle decades of the 13th century, on a huge concentration of capital that narrowed the social and political base of the mercantile economy, and the relentless subordination of all sectors not directly bound up with the Levant traffic. Finally, in a paper published in 1969 Subhi Labib argued that 'capitalism was able to develop much earlier in the Islamic regions than in the Occident', largely because the Muslim Mediterranean could build on the continuing traditions of late antiquity (unlike the west?).[17] Labib referred to 'Islamic capitalism', 'the medieval capitalistic trade of Islam', to 'trading companies', bills of exchange, big business, etc., and thought that the failure of the state to sustain these structures led to their progressive unravelling by the later Middle Ages.

Towards a Marxist theory of commercial capitalism

Marx's *Capital* is premised on the primacy of industrial capital. This means that with the evolution of industrial capitalism, 'the other varieties of capital which appeared previously…are not only subordinated to it and *correspondingly altered in the mechanism of their functioning*, but they now move only on its basis, thus live and die, stand and fall together with this basis'.[18] The merchant or 'merchant capitalist'[19] is simply a 'circulation agent' of industrial capital,[20] a 'form' or 'branch' of industrial capital, lacking any independent existence. Marx also seems to suggest that under industrial capitalism, commercial capital is increasingly 'stripped of all the *heterogeneous functions that may be linked to it*, such as storage, dispatch, transport, distribution and retailing, and confined to its true function of buying in order to sell'.[21] Thus 'commercial capital' is simply a specialised form of the circulation functions of industrial capital, and no independent system can be construed for it. But *this* conception of commercial capital is clearly inapplicable to the historical trajectories associated with the international traders or merchant financiers who dominated the earlier history of capitalism. It is a definition of the nature and functions of commercial capital that presupposes the circuit of industrial capital or the dominance of large-scale industry, a situation that was only finally realised as late as the 19th century. And it seems logically absurd to me to imagine that a history of capitalism can be written using a notion of commercial capital that was developed by Marx for the kind of capitalist economy that evolved only in the 19th century. In practice, of course, this is largely what has tended to happen. The most striking case of this is Maurice Dobb, who referred sneeringly to the 'Pokrovsky-bog of "merchant capitalism"',[22] conceived of capitalism in essentially national terms, and sought to understand origins in terms of factors peculiar to England . There is a methodological impasse at work here, a staggering confusion of history and logic that accounts for the singular inability of Marxists influenced by Dobb to confront the past of capitalism beyond such manifestly untenable assertions as, 'The capitalist system was born in England. Only in England did capitalism emerge, in the early modern period, as an indigenous national economy',[23] or, 'By its very nature, merchant capital must attach itself to a system of production…'.[24]

Dobb was evidently mesmerised by the distinction between 'production' and 'exchange', generalising this into an alleged contrast between capitalism as a 'commercial system' and capitalism as a 'mode of production'. Central to the latter was 'productive activity on the basis of a wage-contract'. 'Men of capital, however acquisitive, are not enough: their capital must be used to yoke labour to the creation of surplus-value in production'.[25] Methodologically, there were at least two interesting responses to this kind of reasoning. Reviewing *Studies* in the very year that saw Sweezy and Dobb publish their exchange in *Science and Society*, Tawney suggested that the 'restricted' sense of capitalism which Dobb favoured eliminated a great deal of the history of capitalism, and even led 'at times' to a 'misconception of the significance of the part played by capitalist interests in periods when an industrial wage-system was, in this country [England], in its infancy'.[26] Dobb underestimated the strength of capitalist interests in the century before the English Civil War. Georges Lefebvre's excellent contribution to the 'transition' debate sidestepped the antithesis by suggesting that even in England the merchants played a more decisive role in the evolution of capitalism than Dobb was willing to allow for, and ended with a plea for renewed interrogation of the sources.[27] The *dominant* sector of capital 'had no thought of overturning the social and political order'. Indeed, it was the 'collusion between commerce and the State [that] promoted the development of capitalism'.[28] The methodological step forward in Lefebvre's critique is the explicit move away from the wholly abstract opposition between production and circulation, or merchants and manufacture. 'The merchant created manufactures; his interests coincided with those of [the] State, and of the great landowners who were enclosing estates and evicting tenants, to transform agriculture'.[29]

The general implication of these critiques is that we need a model of commercial *capitalism* that allows for the reintegration of production and circulation, so that one is no longer fixated on the idea that merchant capital is always and inherently external to production. For this to be possible, we have to see Marx's definition of commercial capital as specific to the framework of his analysis of industrial capital, and construct a circuit of commercial capital that would explain the movement of the kinds of capital exemplified by the Dutch and English East India Companies, for example. They dominated world trade for a period of centuries and brought about the kind of capitalist world economy that large-scale industry took for granted when it began its own expansion in the 19th century. But when these joint-stock companies were formed on the eve of the 17th century, they in turn built on the legacies of earlier and possibly less internationalised forms of merchant capitalism whose origins lie in Europe around the 12th century, and elsewhere – in the Islamic world and China – even earlier. As a broad periodisation I would suggest that we see the 12th to 15th centuries as the period of the growth of capitalism in Europe ('Mediterranean capitalism') and the 16th to 18th centuries as the period of Company capitalism, marked by more brutal methods of accumulation and competition.

From corporate capitalism to the earliest capitalist forms of association

The institutional framework of industrial capitalism only emerged towards the end of the 19th century with the so-called 'corporate revolution'.[30] Industrial capitalism *became* corporate capitalism with the spread of free incorporation, limited liability, and the legal doctrine of separate personality. These were developments underpinned by a huge expansion in the scale of enterprise, the evolution of investment banks, and the financing of investment by the capital market. When Hilferding wrote *Finance Capital*, he described a particular (national) form of this development, but he was the first Marxist to do so, that is, to come to terms with the new era of corporate capitalism.

Now, as Paddy Ireland has shown, the doctrine of separate personality evolved against the background of legal changes that reconceptualised the share as an autonomous form of property, a 'separate and distinctive form of money capital'.[31] This process was more or less complete in Britain by the third quarter of the 19th century.[32] If shareholders had 'no direct interest, legal or equitable, in the property owned by the company, only a right to dividends and the right to assign their shares for value',[33] the company, by contrast, was now seen as the owner of its own assets. Separate personality severed the link between the assets of joint stock companies and their shares, ‘externalising’ shareholders and depersonifying the company.[34] In other words, *before* these changes and throughout ‘the seventeenth, eighteenth and early nineteenth centuries, shares in joint stock companies, incorporated and unincorporated, were consistently conceptualised as equitable interests in the assets of the company. Shareholders were regarded as owners in equity of the company’s property and shares as an equitable right to an undivided part of the company’s assets’.[35] What this means is that there was no distinction in law between companies and partnerships. ‘[T]he first English partnership law treatise, written in 1794 by William Watson, differentiated partnerships and companies on a purely economic basis. In the second edition of the book, published in 1807, the distinction was drawn with particular clarity. In England, Watson wrote, the “first great division” was into “public and private partnerships”. Public partnerships were “usually called companies or societies” and “generally consist[ed] of many members” carrying on “some important undertaking for which the capital and exertions of a few individuals would be insufficient”. These companies were sometimes incorporated, sometimes not… [J]oint stock companies “not confirmed by public authority” were, legally speaking, mere partnerships, distinguishable only by the fact that “the articles of agreement between [their members were] usually very different”. Other treatise writers followed Watson’s classifications’.[36]

In short, partnerships remained the most common and dominant form of capitalist organisation down to the 19th century.[37] For example, the wealthy merchants who dominated the Glasgow tobacco trade in the 18th century – among the most successful capitalists of their time – came to form massive syndicates which basically consisted of interlocking partnerships. According to Devine, three such groups of interlocking partnerships handled over fifty per cent of the tobacco in the 1770s.[38] Scottish partnerships were exceptionally conducive to accumulation, since ‘partners were only allowed 5 per cent interest on the value of their shares [and] the vast proportion of company earnings were ploughed back’.[39] ‘[T]he larger Glasgow firms were miniature prototypes of later private joint-stock organisations’, notes Devine.[40] The same, of course, has been said about the colonial companies of the 17th century, and, before them, of the great Augsburg family firms of the sixteenth which Strieder was so impressed by.[41]

All of these enterprises were owned and controlled by merchants. It was *merchant* capitalism which innovated the unlimited partnership and the whole spectrum of forms of association that flowed from it. The large Italian mercantile and banking houses of the 13th to 15th centuries were relatively permanent associations (‘companies’) with international operations, sophisticated systems of accounting and control, branch organisations, and the division of capital into shares.[42] The Bardi of Florence had overseas representatives at Avignon, Barcelona, Bruges, Cyprus, Constantinople, Jerusalem, London, Majorca, Marseilles, Nice, Paris, Rhodes, Seville and Tunis.[43] Although maritime trade was generally based on the single-venture agreements called *commenda/colleganza*, by the 14th century even Venetian large-scale trade was dominated by *compagnie*. One of these, floated by the Corner brothers, involved a capital of 83, 275 ducats in 1365.[44] Federico Corner acquired the concession on massive sugarcane plantations in the south of Cyprus, with the aim of exporting refined sugar. His son Giovanni estimated some five to six thousand ducats would be needed annually to keep this business running.[45] By the 14th century, Venice was an economy *dominated* by capital, with the same families controlling trade, transport, finance, and industry.[46] More or less the same was true of Genoa in the 15th century. Here the largest of the stock companies, an enterprise set up to extract and import alum from the east – controlled a capital of 280,000 ducats in 1449. Like the Corner enterprise in Cyprus, this one enjoyed a veritable monopoly.[47] Genoese companies (*societates*) divided their capital into 24 shares ('carats') or multiples thereof, and were run by a close-knit board of governors. More generally, 'shares were transmissible within the lifetime of the company without breaking up the partnership. They were held not only by members of the families of the founders of a company, and by its principal employees, who were encouraged to put their own savings into their own company, but also by other rich men. These were investors not at all concerned with the actual running of the company. In addition to the *corpo*, that is, the capital raised by the shareholders when a company was formed or re-formed, additional capital could be put in later, by shareholders, by employees and by outsiders. Such *denari fuori del corpo* carried fixed rates of interest, like modern debentures. The sedentary merchant at home was no longer a simple individual capitalist…'. [48]

Thus the evolution of the corporate form in the course of the 13th century signified an expansion in the scale of enterprise. Yet, throughout the 13th and early 14th centuries the dominant form of association by far was the *commenda* or single-venture agreement in which an investor (the capitalist) advanced or entrusted capital to a second party, the merchant or factor, to be used in an overseas commercial venture and returned together with an agreed share of the profit, usually three-fourths.[49] Luzzatto notes that the capital was generally advanced in commodity form, i.e., was commodity capital.[50] The *commenda* was the chief mechanism of the capitalist expansion of trade which began in the 11th century, and the widespread recourse to it from that time presumes substantial liquidity, an accumulation of money-capital looking for investment. I shall argue that at least some of this was "primitive" accumulation from the raids and plundering expeditions that were common across the Mediterranean in the later 11th and 12th centuries, against the background of the Crusades.[51] The *commenda* broadened the investor base and vastly expanded the scope of accumulation. It was thus typical of the more egalitarian and expansive maritime capitalism of the earliest period, when, as Cracco argues, substantial sectors of the population had a stake in the expansion of trade (indeed, trade expansion was Europe's only way out of the growing demographic impasse, Cracco claims)[52] and 'many merchants were both investors and factors', that is, switched roles within the *commenda* contract.[53] The main part of the 13th century was characterised by a renewed stratification of capital, as the bigger merchants (*grossi mercanti*) preferred to form associations only between themselves and took decisive steps to regulate the competition of capitals in the Levant trade.[54]

A final link: whether or not Lopez was right in saying, 'La *commenda* a une origine islamique et peut-être plus ancienne',[55] the fact is that 'the *commenda* constituted one of the most widespread tools of commercial activity' in the Islamic world.[56] Islamic commercial law and business practice knew both *commenda* agreements (*muḍāraba, qirād*) and investment partnerships (*mufāwaḍa*), and, as Udovitch says, 'virtually *all* the features of partnership and *commenda* law are already found fully developed in the earliest Hanafite legal compendium, Shaybānī's *Kitāb al-Aṣl*, composed toward the end of the 8th century'.[57] Thus the major institutions of long-distance trade were firmly in place certainly well before the end of the 8th century. But even more interesting is the implication that the capitalism of the Mediterranean was *preceded* by (and could *build on*) an earlier tradition of capitalist activity which has so far received considerably less attention.

The Arab trade empire

Concepts of profit, capital, and the accumulation of capital are all found in the Arabic sources of the 9th to 14th centuries. For example, Shāfi'ī (d. 820) defines the function of partnership as the 'expansion of capital' (*namā' al-māl*).[58] *Al-māl* was primarily capital not money, and whenever it is translated as 'money' it means capital in money-form or money-capital. Again, discussing the discretion allowed to agents under *commenda* agreements, Sarakhsī (d 1090) writes, 'the investor's aim in handing over the capital to him [the agent] is the achievement of profit'.[59] In another passage where he defends the usefulness of such contracts, Sarakhsī says the contract is allowed 'Because people have a need for this contract. For the owner of capital may not find his way to profitable trading activity, and the person who can find his way to such activity may not have the capital. And profit cannot be attained except by means of both of these, capital and trading activity'.[60] A later writer Kāsānī (d. 1191) distinguishes the 'creation of capital' from its further expansion, arguing 'The need for the creation of capital takes precedence over the need for its augmentation'[61] and defining partnerships as a 'method for augmenting or creating capital' (*tarīq namā'al-māl aw taḥṣīlihi*).[62]

That this vocabulary was part of the wider cultural world of Islam and not confined to the legal schools is shown by other writings. Thus the tenth-century geographer al-Iṣṭakhrī describes the traders of Fars in southern Persia as having a 'passion for the accumulation of capital' (*maḥabbat jam'a al-māl*).[63] In the *Kitāb al-ishāra ilā maḥāsin al-tijāra*, 'Handbook on the beauties of commerce', a manual on trade probably written in the 11th century, the author refers repeatedly to the capitalist as *ṣāḥib al-māl* (lit. 'owner of capital').[64] It is clear from this manual that merchants involved in international trade normally relied on *commenda* agreements and that the *muqāraḍ* or factor usually received a share of the profit (*ribḥ*).[65] Finally, in Ibn Khaldūn (d. 1405), there is even a clear resonance of the labour theory of value (or *a* labour theory of value). In the *Muqaddimah*, vol. 2, he states clearly that 'labor is the cause of profit' (*sabab al-kasb*). '[H]uman labor is necessary for every profit and capital accumulation', while gold and silver are the only socially acceptable measures of value 'for all capital accumulations'.[66] He also defines profit (*ribḥ*) as the 'extent by which capital increases' (or is increased), and commerce as the 'striving for profit by means of the expansion of capital' (*muḥāwala ilā al-kasb bi-tanmiyat al-māl*).[67]

The Arabs inherited the intensely urban *and* – by the seventh century – very largely monetised territories of late antiquity, Roman and Sasanian, and integrated them into a powerful and strikingly cosmopolitan civilisation whose economic resources and stability were unrivalled, except for those of China.[68] Whatever the initial impetus behind the conquests, there is little doubt that further expansion was largely motivated by financial and commercial considerations. Al-Balādhuri reports that the conquest of Sind in 711 brought the Arabs a *net* profit of 60 million dirhams by the reckoning the Umayyad governor al-Ḥajjāj is supposed to have made.[69] Sind was also commercially strategic, a major entrepôt in the Far Eastern trade, which the Sasanians had traditionally dominated. The early eighth-century expansion to the east was like a pincer movement, driving northwards to the wealthy oases beyond Khurāsān and south to control of the Indian Ocean.[70] That the Arabs were seeking to dominate *existing* networks of trade, as the Portuguese would do centuries later, is proved by al-Ṭabarī's fascinating reference to 'ships from China' frequenting the harbour of al-Ubulla in 633, on the eve of the conquest of southern Iraq.[71] Trade with the Far East was conceivably the most lucrative sector of accumulation in the 8th to 10th centuries, generating the kind of wealth that was famously associated with Gulf ports like Baṣra and Sīrāf. In the west, the corresponding movement was Islam's commercial expansion across the Sahara, to the sources of gold in the western Sudan. This happened in the 8th century, when the Arabs broke the Berber monopoly of the trans-Saharan routes and sparked a long period of unbroken prosperity for the towns of Morocco. Ya'qūbī's geography, completed in 891, describes Fez as a 'splendid city and immensely prosperous'.[72] Sidjilmasa, according to Ibn Ḥauqal, who went there in 951, enjoyed 'uninterrupted trade with the Sudan' which brought in 'huge profits' (*arbāḥ mutawāffiratun*).[73] At Audoghast he saw a letter of credit (*sakk*), a private transaction, to the tune of 42,000 dinars, something he had never seen in the east. It is hardly surprising that the major dynasties that ruled this sector of North Africa in the 11th to 13th centuries sprang from the Islamised Berber populations of southern Morocco, and that Tlemsen, Fez, and Aghmāt were described (by the Spanish geographer al-Idrīsī) as the wealthiest cities of the Maghreb.[74] Indeed, 'North Africa with its supply of gold …became the driving force of the entire Mediterranean' in the 14th and 15th centuries,[75] showing us how unconvincing it is to look at the growth of capitalism in Europe without the significant ways in which this powerful commercial background shaped its evolution.

The Muslims created a vigorous monetary economy based on expanding levels of circulation of a stable high-value coinage (the dinar) and the renewed integration of monetary areas that had been distinct and indifferent to each other.[76] This was an enormous achievement, both for the kind of economy it allowed for (the sheer extent of the monetary sector) and for its role in enabling Europe to 'return' to gold.[77] However we characterise that economy, it was certainly not just some loose ensemble of feudal regimes. Trade was fundamental to its structure. The growth of cities and expanding urban markets, the diffusion of new crops[78] and *explosive* growth of cash cropping (rice, flax, hemp, sugarcane, raw silk, indigo, cotton)[79] are all general indications of the remarkable commercial vitality of the 8th to 11th centuries. We know little about the 'market systems' that sustained this huge expansion on the ground[80] but the tenth-century geographers refer repeatedly to substantial concentrations of capital in the port towns and numerous inland centres that acted as entrepôts or wholesale markets at the intersection of converging trade routes. Towns like Siraf, Nishapur and Narmāsīr[81] in Iran, Baikand near Bukhara,[82] Daybul in Sind, Mahdia (al-Mahdiyya) in the Sahel, and Cordoba, Almeria and Ceuta in the western Mediterranean were all consistently described in these terms by the geographers. For example, Ibn Ḥauqal's description of Nishapur refers to the huge market complexes called 'fonduks' (Ar. *funduq*, Italian *fondaco*) which were 'occupied by wealthy merchants specialising in a single branch of commerce, with huge quantities of commodities and large capitals' ( ).[83] The cloth merchants (*bazzāzīn*) were especially active here, as Nishapur was a manufacturing centre exporting silk and cotton fabrics as far away as Europe. Sīrāf with its densely packed multi-storied teak houses was a purely commercial site, the 'point of access to China, after 'Omān', in al-Muqaddasi's description. 'I have not seen in the realm of Islam more remarkable buildings or more handsome; they are built of teakwood and baked brick. They are towering houses, and a single house is bought for more than 100,000 dirhams'.[84] According to al-Iṣṭakhrī, the merchants of Siraf spent lavishly on their homes, over 30,000 dinars in some cases. 'In my time, one of them acquired assets worth 4,000,000 dinars, yet his clothes were scarcely distinguishable from those of a labourer (*ajīr*)'.[85] Daybul, too, on the barren coast of Sind just west of the Indus was consistently described as a 'place of merchants'.[86] Al-Muqaddasi, who visited Sind some time before 985, writes, 'Daybul is on the sea…The water beats against the walls of the town. It has an entirely merchant population, speaking both Sindī and Arabic. It is the port of the area, giving rise to a considerable income'.[87] In the Mediterranean, the late tenth-century Persian geographer of the *Hudūd al-'Ālam* described Cairo as the 'wealthiest city in the world, extremely prosperous'.[88] The records of the Cairo Geniza show that in that century and the following much of Cairo's commercial life was controlled by merchant houses, like that of Ibn 'Awkal, working through a network of agents spread across the Mediterranean. Ibn 'Awkal's firm exported large quantities of flax to Mahdia in the Sahel.[89] This was both a flourishing international port and a textile centre, and in the 12th century al-Idrīsī refers to its 'wealthy and generous-minded merchants'.[90] Even further west, Almeria with its 'bustling shipyards, vessels, and silklooms'[91] was described by al-Idrīsī as unmatched, in Spain at least, for the 'wealth, industriousness and commercial inclinations of its people', and said to include 970 hostels for merchants from all parts of the world.[92]

Finally, *scales* of business: these were huge. Ships which entered the Gulf ports laden with goods from China could contain cargoes worth 500,000 dinars![93] Ibn Ḥauqal notes that Kābul was a major wholesale market for indigo, and tells us, 'On y met en vente de l'indigo, et, sur ce chapitre *le chiffre d'affaires annuel se monte à plus de deux millions de dinars*, selon le témoignage des négociants, pour le produit seul de la capitale et de la campagne environnante, en négligeant les dépôts des marchands'.[94] Again, in the second half of the eleventh century Alexandria was exporting well over 5000-6000 tons of raw flax to markets in the Mediterranean.[95]

Thus Islam made a *powerful contribution to the growth of capitalism in the Mediterranean*, in part because it preserved and expanded the monetary economy of late antiquity and innovated business techniques that became the staple of Mediterranean commerce (in particular, partnerships and commenda agreements), and also because the seaports of the Muslim world became a rich source of the plundered money-capital which largely financed the growth of maritime capitalism in Europe. Indeed, Mandel stated this with unabashed bluntness when he wrote: 'The accumulation of money capital by the Italian merchants who dominated European economic life from the eleventh to the fifteenth centuries originated directly from the Crusades, an enormous plundering enterprise if ever there was one'.[96]

<u>From Genoa to Portugal</u>

The "Fourth" Crusade (1204) secured Venetian dominance over the East Mediterranean[97] and consolidated the hold of the purely capitalist element in the ruling oligarchy.[98] In the case of Genoa, it was Lopez who argued that the ability of a largely agrarian élite to finance trade expansion and set off a chain reaction of rapid accumulation through trade and shipbuilding derived, *in the first instance*, from the huge quantities of cash acquired by the Genoese in Crusading expeditions and raids on the Spanish and North African coasts.[99] It was the war with the 'Arabs' that gave Genoese enterprise its first decisive push. Thus Portuguese expansion *started* on a classically Mediterranean model, even if its consequences were destined to end the centrality of the Mediterranean (and "Antiquity") forever. To begin with, there was a long and peculiarly Mediterranean background to the Portuguese assault on Ceuta (1415). In 1087 the Genoese led a massive raid on Mahdia, seized the commercial quarter, and extracted the huge sum of 100,000 dinars.[100] Caesarea in Palestine was sacked in 1101 and 15 per cent of the vast booty reserved for Genoa's captains and officers.[101] In 1148, Sfax and other Sahel ports were seized by the Normans.[102] In 1234, the Genoese laid siege to Ceuta, demanding vast sums in reparation for losses sustained in the harbour, and in 1260 the Castilians attacked Salé on the Atlantic coast. Clearly, by the 12th century the Christians had recovered control of the seas, indeed one aim of these expeditions was to secure dominance of the sea, but linked to that and driving many of these attacks were the commercial interests at stake, above all the drive to gain access to the 'gold of Ghana'. The shortage of gold affected the European economies in waves all the way down to the mid-15th century. By the last quarter of the 12th century, the Genoese were heavily involved in northwest Africa, dominating the region's external trade and directing the third largest share of their investments to the Moroccan port of Salé in a carefully concealed bid to open an Atlantic gold route.[103] As Watson notes, it was probably 'this African gold reaching the shores of Italy which allowed Genoa to issue her precious gold coins at the end of the twelfth century or the beginning of the thirteenth'.[104] From the 1250s on, 'the gold which flowed into Europe from the ports of North Africa and Spain *largely remained in Europe*'.[105] In the following decades and centuries, Genoese commercial exploration of the Atlantic expanded hugely, with major spin-offs for the problem of long-distance shipping.[106] By the late 13th and 14th centuries Genoa was receiving 'enormous quantities of gold', and during the whole of the 15th century 'the "gold of Ghana" still reached Italy *mainly* through the port of Genoa'.[107]

Thus Genoa *prefigures* Portugal in interesting ways, indeed, it was Portugal that put a halt to Genoese expansion in Morocco in a veritable struggle for control of the gold routes.[108] The capture of Ceuta was a calculated move to subvert the entire balance of power in the Straits of Gibraltar, undermining the competition of the main Iberian powers (Aragon and Castile) as well as the Genoese,[109] without the clear perception at this stage of an 'Atlantic' strategy. The 'calculated imperialism' of the Portuguese monarchy which crystallised with Dom João II (1481-95) and his successor Dom Manuel was more a result than a cause of decades of exploration which were largely driven by private and commercial interests, such as those of the big Lisbon merchant Fernão Gomes or the Lagos merchants who organised the earlier expedition to the Rio Grande[110] and, of course, the private interests of the Infante Dom Henrique who carved out a substantial maritime estate in the Azores, a strictly commercial enterprise, in the 1440s.[111]

Company capitalism and the advance system

Portuguese maritime expansion *transformed* the nature of commercial capitalism, subsuming the legacies of the Mediterranean in a coherent imperial project of the expansion of capital as the 'basis of a nation's power and predominance in modern society'.[112] It was the Dutch and English Companies that embodied the new kind of (commercial) capitalism in its pure forms, but the *Estado da India* was not fundamentally different (*pace* Steensgaard), and Portuguese enterprise was clearly the frontrunner in this field. On the other hand, it was the Dutch company that embodied the logic of accumulation in it purest form, for only here, in the early 17th century, was there a conscious attempt to build a 'permanent circulating capital', that is, generate sufficient reserves for further expansion of the business.[113] By "permanent circulating capital" Coen meant the permanent and expanded circulation of capital mainly in the form of commodities extracted from one end of Asia to the other and circulating *between* the different Asian markets where the VOC had factories.[114] He had visualised this quasi-multilateral trading system as based formally on barter, as a great deal of international commerce was at the time,[115] but in reality the Dutch required vast quantities of precious metals to sustain the Europe-Asia trade.[116] By the late 17th century they dominated the trade in Spanish silver, so that Amsterdam was the world's leading centre in the trade in precious metals.[117]

Now, given that the age of Company capitalism (16-18th centuries) was one of ferocious commercial rivalries and repeated recourse to violence and the annexation of territories, it seems unreal to suppose that the self-expansion of commercial capital was simply grounded in some simplistic formula like 'buying cheap and selling dear'. *The stronger the competition of commercial capitals, the greater is the compulsion on individual capitals to seek some measure of control over production*. Marx was clearly aware of this when he referred to the 'colonial system' and the VOC in particular as a 'striking example' of the 'manner and form in which commercial capital operates where it *dominates production directly*'.[118] Here the abstract antithesis between circulation and production is abandoned in a realisation that mercantile companies might be involved in production in ways that contradict the concept of merchant capital as a mere mediation between extremes. But of course, today it is not sufficient to limit ourselves to a general characterisation of this kind, we need a more precise morphology of the possible ways in which 'merchant entrepreneurs'[119] have sought control over production or organised the production of capital, that is, of the forms in which circulation has dominated production. Here it is crucial not to confuse scale with centralisation. 'Scale' refers to the volume of capital deployed by the individual capitalist, not the degree of dispersal or centralisation of the labour force.[120] The mercantile houses which dominated the trade of colonial India in the late 18th and 19th centuries were relatively large units of capital but typically the mass of labour-power which they exploited was hugely dispersed. The 'advance system' was the crucial mechanism which allowed this paradoxical and seemingly fragile combination of large-scale enterprise and dispersed labour-power, and Bengal in particular provides us with some fine research on how it worked for commodities like indigo[121] and cotton piece-goods.[122]

Thus the 'circulating capital' visualised by J.P. Coen as the basis of the Dutch commercial capitalist system would to a certain if not very large extent have involved the circulation (investment) of capital in the form of advances. Van Santen has shown this for Dutch exports of indigo from northern India in the 1620s and 1630s, when, according to an English estimate, the VOC had 100,000-150,000 rupees invested each year in the variety known as Bayana indigo, that is, in the advances (*voorschotten*) themselves.[123] It was through a system of advances that commercial capital controlled almost every commodity within Europe or outside in which it had substantial business interests. The chief exceptions to this pattern were those enterprises, relatively centralised, where merchants integrated vertically through direct ownership of fixed assets, as happened in the Cuban sugar mills in the mid-19th century.

Our intellectual prejudice against commercial capitalism is so deeply rooted that whole swathes of the history of capitalism are ignored by Marxists, with the result that there *is* no specifically Marxist historiography of capitalism. This must surely count as one of the strangest intellectual paradoxes of all time, but it was not one that Mandel contributed to. *Marxist Economic Theory* is one of those rare texts that attempts to integrate history in an understanding of Marx's economic theory. Mandel was thoroughly familiar with some of the best work in medieval and early modern economic history, citing a very wide range of sources including writers like Armando Sapori, Robert Lopez, and Raymond de Roover. His chapter on the development of capital is one of our best short histories of early capitalism and assigned a major role to the 'expansion of trade from the eleventh century onward'. Certainly Mandel did not subscribe to the schematic contrast between 'exchange' and 'production' that so fascinated Dobb, and because he was too well read in European history he refused to minimise the role of commercial capitalism. That much of this history was seen as a "primitive accumulation" of capital stems of course from the almost universal orthodoxy that writes the history of capitalism as a genealogy of industrial capital. That this is not necessarily the best perspective to adopt is suggested by the history of industry itself. Thus traders dominated the English coal industry in the 17th century, one of the most heavily capitalised sectors of the British economy in that period.[124] They invented the 'factory system' by concentrating labour in the large silk mills of northern Italy in the same century. That was itself only possible because of technological changes in silk spinning and the more advanced technology of the Bologna silk mills.[125] They controlled the very advanced forms of enterprise found in South German mining in the 16th century,[126] and were responsible for the 'dramatic technological revolutions' that sparked the Central European mining boom of the 15th century.[127] Finally, they floated agricultural holding companies in Cuba in the mid-19th century and moved actively into the production of sugar through the rapid accumulation of mills, plantations and labour forces at a time when international competition made technological advances imperative.[128]

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2 Jakob Strieder, *Studien zur Geschichte kapitalistischer Organisationsformen: Monopole, Kartelle und Aktiengesellschaften im Mittelalter u. zu Beginn der Neuzeit* (Munich and Leipzig, 1914).

3 Jacob Strieder, 'Origin and evolution of early European capitalism', *J. of Economic and Business History* 2 (1929) p.1-19, at 3.

4 Strieder, 'Origin', p.5.

5 Earl J. Hamilton, 'American treasure and the rise of capitalism (1500-1700)', *Economica* 9, no. 27 (1929) p.338-57, at 344.

6 Hamilton, 'American treasure', p.347.

7 Sartre, *Critique de la Raison dialectique*, t.1 (Paris, 1960), p.235-45, using the work of Braudel and Hamilton.

8 Hamilton, 'American treasure', p.356

9 A. Da Veiga-Simoes, 'La Flandre, le Portugal, et les debuts du capitalisme moderne', *Revue économique internationale* 1932, p.249-98, at 291.

10 Vega-Simoes, 'Debuts', p.295.

11 To a 'northern, Atlantic, international capitalism', as Braudel called it, *The Mediterranean and the Mediterranean World in the Age of Philip II*, 2 vols., tr. Siân Reynolds (Fontana, 1975) vol. 1, p.510; 228; the phrase is from p.640.

12 Manuel Nunes Dias, *O Capitalismo monárquico Português (1415-1549)*, 2 vols. (Coimbra, 1963), vol. 1, p.37.

13 Nunes Dias, *Capitalismo monárquico*, vol. 1, p.57ff., esp. 65.

14 Nunes Dias, *Capitalismo monárquico*, vol.1, p.148-98.

15 Nunes Dias, *Capitalismo monárquico*, vol.1, p.211-2, 218-25; vol. 2, p.260-7.

16 Giorgio Cracco, *Società e stato nel medioevo veneziano (secoli xii-xiv)* (Florence, 1967), p.201f.

17 Subhi Y. Labib, 'Capitalism in medieval Islam', *JESHO* 29 (1969) 79-96, at 80.

18 Marx, *Capital*, vol. 2, p.136 (emphasis mine)

19 Marx, *Capital*, vol. 3, p.406

20 Marx, *Capital*, vol. 3, p.403

21 Marx, *Capital*, vol. 3, p.395 (emphasis mine).

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[23] Ellen Meiksins Wood, *The Pristine Culture of Capitalism* (London and New York, 1991) p.1.
[24] Elizabeth Fox-Genovese and Eugene D. Genovese, *Fruits of Merchant Capital: Slavery and Bourgeois Property in the Rise and Expansion of Capitalism* (Oxford, 1983) p.7.
[25] Dobb, *Studies in the Development of Capitalism* (London, 1963) **
[26] R. H. Tawney, 'A history of capitalism', *EcHR*, ser. 2, 2 (1950) 307-16, at at 311.
[27] Georges Lefebvre, 'Some observations', in Sweezy et al., *The Transition*, p.124ff.
[28] Lefebvre, p.125.
[29] Lefebvre, p.126.
[30] One of the best accounts is William G. Roy, *Socializing Capital: The Rise of the Large Industrial Corporation in America* (Princeton, 1997).
[31] Paddy Ireland, 'Capitalism without the capitalist: the joint stock company share and the emergence of the modern doctrine of separate corporate personality', *Legal History* 17 (1996) p.40-72, id., 'Company law and the myth of shareholder ownership', *The Modern Law Review* 62 (1999) 32-57,
[32] Ireland, 'Capitalism', p.53 ff.
[33] Ireland, 'Company law', p.41.
[34] Ireland, 'Capitalism', p.60.
[35] Ireland, 'Capitalism', p.49.
[36] Ireland, 'Capitalism', p.44, citing Watson, *A Treatise of the Law of Partnership*, 2nd ed., 1807.
[37] E.g., Stefano Angeli, *Proprietari, commercianti e filandieri a Milano nel primo Ottocento: il mercato delle sete* (Milan, 1982) p.107f., on the organisation of the business firms that controlled the silk industry.
[38] T. M. Devine, *The Tobacco Lords: A Study of the Tobacco Merchants of Glasgow and their Trading Activities c.1740-90* (Edinburgh, 1975) p.74
[39] Devine, *Tobacco Lords*, p.92.
[40] Devine, *Tobacco Lords*, p.79.
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[44] Gino Luzzatto, *Storia economica di Venezia dall' XI al XVI secolo* (Venice, 1961) p.93.
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[46] Luzzatto, *Storia economica*, p.72, referring to the 'supremazia che il capitale esercita a Venezia su tutte le attività economica…'.
[47] Jacques Heers, *Gênes au XVe siècle: activité économique et problèmes sociaux* (Paris, 1961) p.201.
[48] Peter Spufford, *Money and its Use in Medieval Europe* (Cambridge, 1988) p.253.
[49] R. S. Lopez and I.W. Raymond, *Medieval Trade in the Mediterranean World: Ilustrative Documents* (New York,) p.174ff.
[50] Luzzatto, *Storia economica*, p.84.

[51] An argument first advanced by Lopez, 'Alle origini del capitalismo genovese', in Carlo Cipolla, ed., *Storia dell'economia italiana: saggi di storia economica,* vol. 1 (Einaudi, 1959) p.285-312.
[52] Cracco, *Società e stato*, p.16, n.1.
[53] Hilmar C. Krueger, 'Genoese merchants, their associations and investments, 1155 to 1230', in *Studi in onore di Amintore Fanfani, I: Antichità e alto medioevo* (Milan, 1962) 413-26, at 42, about the 12th century.
[54] Cracco, *Società e stato*; Luzzatto, *Studi*, p.73-9.
[55] Lopez, 'Les méthodes commerciales des marchands occidentaux…', in *Sociétés et compagnies de commerce en Orient et dans l'Océan indien: Actes du huitième colloque int. d'histoire maritime* (Paris, 1970) p.345.
[56] A. L. Udovitch, 'Commercial techniques in early medieval Islamic trade', in D. S. Richards, ed., *Islam and the Trade of Asia: A Colloquium* (Oxford, 1970) 37-62, at 49.
[57] Udovitch, 'Commercial techniques', p.41-2.
[58] Abraham L. Udovitch, *Partnership and Profit in Medieval Islam* (Princeton, 1970) p.81, 'augmentation of the capital investment'.
[59] Udovitch, *Partnership*, p.205-6.
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[61] Udovitch, *Partnership*, p.82.
[62] Udovitch, 'Commercial techniques', p.55.
[63] Abu Ishák al-Fárisi al-Iṣṭakhrī, *Viae regnorum etc.*, ed., M.J. de Goeje (*BGA* i) (Leiden, 1870) p.138, repeated by Ibn Ḥauqal, *Opus geographicum auctore Ibn Hauḳal, etc.*, ed. J. H. Kramers (Leiden, 1938) ii.290 (henceforth *Kitāb*).
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[67] Ibn Khaldūn, *Muqaddimah*, vol. 2, p.336.
[68] Maurice Lombard, *L'Islam dans sa première grandeur (viii^{e}-xi^{e} siècle)* (Paris, 1971), esp. p.7-17.
[69] Al-Balādhuri, *The Origins of the Islamic State…(Kitāb futūḥ al-buldān)*, vol. 2, tr. F. C. Murgotten (New York, 1924), p.223.
[70] See Derryl N. Maclean, *Religion and Society in Arab Sind* (Leiden, etc., 1989) p.67, referring to the 'two-pronged Arab expansion', and p.68, to an 'Arab trade empire'.
[71] Al-Ṭabarī, *Ṭa'rīkh al-rusul wa'l-mulūk*, 1.2384.
[72] Al-Jakûbî [Ya'ḳūbī], *Kitâb al-boldân (BGA* vii) p.358, tr. Gaston Wiet, *Les Pays* (Cairo, 1937) p.223.
[73] Ibn Ḥauqal, *Kitāb*, i.99.
[74] Pierre-Amédée Jaubert, *La Géographie d'Édrisi traduite de l'Arabe…*2 vols. in one (repr. Philo Press, Amsterdam, 1975) p.27; *Kitāb nuzhat al-mushtāḳ fi'khtirāḳ al-āfāḳ*, eds., R. Dozy and M.J. de Goeje (Leiden, 1866) p.80.
[75] Braudel, *Mediterranean*, vol.1, p.467.
[76] The classic reference is Maurice Lombard, 'Les bases monétaires d'une suprématie économique: l'or musulman du VIIe au XIe siècle', *Annales* 2 (1947) 143-60.
[77] Andrew M. Watson, 'Back to gold – and silver', *EcHR*, ser. 2, 20 (1967) 1-34.

[78] A. M. Watson, *Agricultural Innovation in the Early Islamic World* (Cambridge, 1983).
[79] See Al-Muqaddasi, *The Best Divisions for Knowledge of the Regions: A Translation of "Ahsan al-Taqasim fi Ma'rifat al-Aqalim"*, tr. Basil Anthony Collins (Reading, 1994), with detailed descriptions of each locality.
[80] See Barbara Harriss-White, *A Political Economy of Agricultural Markets in South India* (New Delhi, etc., 1996) chapters 5-6 for the first proper discussion of these.
[81] Al-Muqaddasi, *Best Divisions*, p.407, referring to 'substantial merchants'; 'I heard some of them say that every year, between dates and costly Indian merchandise, about one hundred thousand [camel] loads are transported', p.412.
[82] [Narshakhī] Richard N. Frye, *The History of Bukhara, Translated from a Persian Abridgement of the Arabic Original…*(Cambridge, Mass., 1954) p.18, 'The people of Baikand were all merchants. They traded with *Chīn* and the sea and became very wealthy'; also Ibn Khordādhbeh, *Kitāb al-masālik wa'l-mamālik*, ed., M.J. de Goeje (*BGA* vi) (Leiden, 1889) p.19, *madīnat al-tujjār*.
[83] Ibn Ḥauqal, *Kitāb*, ii.342; *Configuration de la terre (Kitāb ṣūrat al-'arḍ)*, tr. J. H. Kramers and G. Wiet, 2 vols. (Beirut and Paris, 1964), vol. 2, p.418.
[84] Al-Muqaddasi, *Best Divisions*, p.378.
[85] Al-Iṣṭakhrī, *BGA* i.127, 139; cf. A. D. Mordtmann, *Das Buch der Länder von Schech Ebu Ishak el Farsi el Isztachri* (Schriften der Akademie von Hamburg, 1/2) (Hamburg, 1845) p.69ff. (generally unreliable). 'Omān may have been even wealthier, cf. the late tenth-cent. Persian geographer in V. Minorsky, ed., *Ḥudūd al-'Ālam: The Regions of the World. A Persian Geography 372 A.H.-982 A.D.* (London, 1937), p.148: 'Merchants are numerous in it. It is the emporium (*bārkadha*) of the whole world. There is no town in the world where the merchants are wealthier (*tuvangartar*) than here'.
[86] *The Chachnama, an Ancient History of Sind*, tr. Mirza Kalichbeg Fredunbeg (Karachi, 1900), an early 13th-c. Persian translation of a 9th-c. Arabic narrative of the conquest of Sind, which says, 'The people of Debal [Daybul] were mostly merchants' (about the year 632); al-Iṣṭakhrī, *BGA* i.**, *majma' al-tujjār*; Minorsky, ed., *Ḥudūd al-'Ālam*, p.123, 'the abode (*jāygāh*) of the merchants'; Ibn Ḥauqal, *Kitāb*, ii.223, French tr., vol.2, p.316.
[87] Al-Muqaddasi, *Best Divisions*, p.420.
[88] Minorsky, ed., *Hudūd al-'Ālam*, p.151.
[89] See Norman A. Stillman, 'The eleventh century merchant house of Ibn 'Awkal (A Geniza study)', *JESHO* 16 (1973) 15-88, at 28ff.
[90] Jaubert, *Géographie d'Édrisi*, p.257 (port), 259 (merchants); *Kitāb*, eds. Dozy and de Goeje, p.107, 109, *tijār mayāsīr nubalā'*.
[91] Braudel, *Mediterranean*, vol. 1, p.118.
[92] Jaubert, *Géographie d'Édrisi*, 2, p.44.
[93] S. M. Stern, 'Rāmisht of Sīrāf, a merchant millionaire of the twelfth century', *JRAS* 1967, p.10, citing the anonymous 12th-c. abridger of Ibn Ḥauqal.
[94] Ibn Ḥauqal, *Configuration de la terre* (n. 83), vol.2, p.436; *Kitāb*, ii.450; with a fascinating ref. to the testimony of the merchants themselves, ***
[95] A.L.Udovitch, 'International trade and the medieval Egyptian countryside', in Alan K. Bowman and Eugene Rogan, eds., *Agriculture in Egypt from Pharaonic to Modern Times* (Oxford, 1999) p.267-85, at 270f.
[96] Ernest Mandel, *Marxist Economic Theory*, tr. Brian Pearce, 2 vols. (New York and London, 1968), vol. 1, p.103.

[97] Luzzatto, *Storia economica*, p.29, Cracco, *Società e stato*, p.56-7.
[98] Cracco, *Società*, p.58.
[99] Robert Lopez, 'Alle origini del capitalismo' (n.51), esp. p.304-7.
[100] Ibn Khaldoun, *Histoire des Berbères et des dynasties musulmanes de l'Afrique septentrionale* tr. De Slane, rev. ed. Paul Casanova, 4 vols. (repr. Paris, 1969), vol.2, p.24.
[101] Robert-Henri Bautier, *The Economic Development of Medieval Europe* (London, 1971) p.100.
[102] Jaubert, *Géographie d'Édrisi*, p.257.
[103] See Roberto Lopez, 'I Genovesi in Africa Occidentale nel medio evo', in *Studi sull' economia genovese nel medio evo* (Turin, 1936) p.1-61, esp. 34ff.
[104] Watson, 'Back to gold', p.14.
[105] Watson, *ibid.*, my emphasis.
[106] Lopez, 'Genovesi', p.48.
[107] Watson, 'Back to gold', p.16, 19, also Heers, *Gênes au XVe siècle*, p.67-8, 477-9.
[108] Heers, *Gênes*, p.480f., adding the importance to Portugal of Morocco's grain markets.
[109] This is argued by Anna Unali, *Ceuta 1415. Alle origini dell'espansione europea in Africa* (Rome, 2000) p.209 ff.
[110] Dias, *Capitalismo monárquico*, p.168.
[111] The best analysis of the evolution of Portuguese policy is Luís Filipe Thomaz, 'Le Portugal et l'Afrique au XVe siècle: les debuts de l'expansion', in *Arquivos do Centro Cultural Português* 26 (1989) p.161-256, arguing that the Atlantic strategy emerged with considerable hesitation. Note Zurara's comment in the *Crónica da Guiné*, 'merchants only to sail to places where they know the profit is sure', cited Thomaz, p.223.
[112] Marx, *Capital*, vol. 3, p.921, 'The national character of the Mercantile System is therefore not a mere slogan in the mouths of its spokesmen. Under the pretext of being concerned only with the wealth of the nation and the sources of assistance for the state, they actually declare that the interests of the capitalist class, and enrichment in general, are the final purpose of the state…At the same time, however, they show their awareness that the development of the interests of capital and the capitalist class, of capitalist production, has become the basis of a nation's power and predominance in modern society' – a remarkable characterisation of Mercantilism.
[113] Niels Steensgaard, *The Asian Trade Revolution of the Seventeenth Century: The East India Companies and the Decline of the Caravan Trade* (Chicago and London, 1974) p.136-41, arguing that the English, by contrast, were interested in 'quick returns'.
[114] Steensgaard, *Asian Trade Revolution*, p.406.
[115] E.g., Ralph Davis, *Aleppo and Devonshire Square: English Traders in the Levant in the Eighteenth Century* (London, 1967).
[116] Om Prakash, *The Dutch East India Company and the Economy of Bengal, 1630-1720* (Princeton, 1985).
[117] J. G. Van Dillen, 'Amsterdam als wereldmarkt der edele metalen in de 17de en 18de eeuw', *De Economist* 1923, p.538-50, 583-98.
[118] Marx, *Capital*, vol. 3, p.446-7.
[119] Mandel, *Marxist Economic Theory*, vol. 1, p.112.
[120] The distinction derives from Sombart, 'Die Hausindustrie in Deutschland', *Archiv f. Gesetzgebung u. Statistik* 4 (1891) p.103-56, the best discussion of 'domestic industry' akin to Marx's own understanding (e.g., *Capital*, vol. 1, p.462-3, vol. 2, p.318-9).
[121] See Benoy Chowdhury, *Growth of Commercial Agriculture in Bengal (1757-1900)* (Calcutta, 1964).

[122] Hameeda Hossain, *The Company Weavers of Bengal: The East India Company and the Organisation of Textile Production in Bengal, 1750-1813* (Delhi, 1988).
[123] H. W. Van Santen, *De Verenigde Oost-Indische Compagnie in Gujarat en Hindustan, 1620-42* (1982), ch. 4.
[124] John U. Neff, 'Dominance of the trader in the English coal industry in the seventeenth century', *J. of Economic and Business History* 1 (1929) p.422 ff.
[125] Carlo Poni, 'All'origine del sistema di fabbrica: tecnologia e organizzazione produttiva dei mulini da seta nell'Italia settentrionale (sec. xvii-xviii)', *Rivista storica italiana* 88 (1976) p.444-97, esp. p.467-71 on the leadership of the *grandi mercanti*.
[126] Strieder, *Studien* (n. 2); Braudel, *Civilization and Capitalism 15th-18th Century: Vol. 2 The Wheels of Commerce* (London, 2002) p.321-5.
[127] John H. Munro, 'Precious metals and the origins of the price revolution reconsidered', in Clara Eugenia Núñez, ed., *Monetary History in Global Perspective 1500-1808* (Seville, 1998) p.35-50, underlining the role of the 'German merchant-financiers'.
[128] Laird W. Bergad, *Cuban Rural Society in the Nineteenth Century. The Social and Economic History of Monoculture in Matanzas* (Princeton, 1990), esp. p.132ff., 170ff.