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Galanis, Giorgos. 2022. Review of "The Origins of Capitalism as a Social System: The Prevalence of an Aleatory Encounter" by Jon Milios (Routledge, 2018). *Review of Political Economy*, 34(3), pp. 598-599. ISSN 0953-8259 [Article]

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## **The Origins of Capitalism as a Social System: The Prevalence of an Aleatory**

**Encounter**, by John Milios, Abingdon, Routledge, 2018, 242 pp., £36.99 (paperback), ISBN 978-0-367-89467-2

The origins of capitalism and the transition to capitalism from previous systems have long been topics of interest and debate across the social sciences. Using a Marxist framework which emphasises capitalism's characteristic of 'monetization of the whole economy', John Milios provides a fresh view on these issues by arguing that Venice was the birthplace of capitalism.

The book consists of three parts. In the first part (chapters 1–7) Milios, argues that in order to be able to trace the origins of capitalism, it is crucial to have a clear understanding of the necessary and sufficient conditions which characterise the system. He adopts from Marx

six fundamental characteristics which, in their interconnectedness, distinguish capitalism from all other social systems: (i) wage labour; (ii) monetization of the whole economy (money-begetting money); (iii) concentration of the means of production and dissociation of the capitalist from the labour process as such; (iv) free competition and the fusion of individual capitals into aggregate-social capital; (v) the financial mode of existence of capital; (vi) the formation of a specific juridical-political-ideological structure and a corresponding state form. (p. 12)

This part of the book discusses different theoretical accounts of the transition to capitalism. There are chapters on Vladimir Lenin, Karl Kautsky, post-Second World War thinkers like Gilles Deleuze and Louis Althusser, and Non-Marxist historians like Max Weber, Werner Sombart and Fernand Braudel. These chapters show how different thinkers focused on different factors as drivers of the transition. Lenin and Kautsky, for example emphasised the agrarian sector in capitalism; Braudel placed trade and finance at centre stage; and Weber saw the evolution of ideology as the main causal factor.

The second and third parts of the book focus on the rise of capitalism in the city states of the Italian peninsula, and specifically on Venice and the broader role of Venetian capitalist formation in the Mediterranean and Western Europe until 1797. Milios argues that the birthplace of capitalism was Venice by showing that the abovementioned six conditions — and in particular the monetization of the economy, and the pre-eminence of finance — were achieved there earlier than anywhere else.

The book makes an important contribution by presenting an alternative Marxist account of the birth of capitalism. The most interesting insight of the book lies in its contribution to the post-Second World War debates on the transition from feudalism to capitalism, including the so-called ‘Brenner debate’. A key aspect of these debates concerned whether the transition to capitalism should be understood through focusing primarily on the economic or on the political and social aspects of capitalism, with authors like Giovanni Arrighi and Paul Sweezy focusing on the former approach (which is sometimes called the ‘commercial model’) and others like Robert Brenner and Ellen Meiksins Wood focusing on the latter.

Milios’s focus on conditions (ii) and (v) provides a novel approach which bridges the political/social and economic aspects of capitalism. This is due to the fact that the money-begetting-money aspect of capitalism presupposes a credit system, and credit itself depends on the social phenomenon of trust. Thus, this economic feature of capitalism is also necessarily a social one. Furthermore, Milios’s approach highlights the fact that the financialisation of capitalist economies since the 1980s is a specific instance of an aspect of capitalism which has existed since its birth in Venice more than four centuries ago.

A number of questions arise from Milios’s analysis but I will mention only three which in my view are the most important ones. The first has to do with the relationship between the Marxist approaches regarding the rise of capitalism and the six fundamental

conditions mentioned above. Even though it is clear that authors like Brenner and Wood do not focus on the monetisation of the whole economy, it would be interesting to know whether other historians have neglected the aspects of capitalism that Brenner and Wood do emphasise. This leads to a second (related) question of whether there exists a subset of the conditions which is sufficient for the emergence of capitalism, and hence whether there exists a hierarchy of relative importance within the set of conditions. The last question is related to one of the critiques Ellen Meiksins Wood directed at the 'commercial model'. Wood (2002) argues that if the emergence of capitalism is due to an economic relationship which pre-exists, albeit in a less developed form, we find ourselves in a circular argument: the features of capitalism exist before capitalism itself, yet if capitalism's defining features are present then we already have capitalism. The concrete question is whether capitalism's monetisation of the whole economy pre-exists in some form, in which case Wood's critique applies, or whether it defines a clear rupture with previous systems.

All three questions define new areas for research in political economy and historical sociology, demonstrating the relevance of the book for researchers in different fields. Overall *The Origins of Capitalism as a Social System* is a very informative book which brings together insights from Marxist analysis which up to now have been developing along separate lines. The book will be of interest not only to scholars working on the origins of capitalism, but to anyone interested in the topic, including readers without previous knowledge of the relevant debates.

## **Reference**

Wood, E. M. 2002. *The Origins of Capitalism: A Longer View*. London: Verso

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