

Between mercantile and agrarian capitalism

The Dutch colonisation of the Banda Islands, early 17th century

By Sam J. Miske, May 2023

After seemingly having been out of fashion for a while, the concept of agrarian capitalism seems to be re-emerging in scholarship on the economic development of the Low Countries in the early modern period. The concept, specifically as defined within the Political Marxist tradition, emerged as a way of explaining the origin of modern (industrial) capitalism while stressing its essential discontinuity with the (older) system of mercantile or commercial capitalism. Mercantile capitalism is typically contrasted with agrarian capitalism by emphasising that the former generated profits within the sphere of circulation (“buying cheap and selling dear”) rather than the sphere of production and its reliance on “extra-economic” means of extraction. Recent developments in scholarship on commercial capitalism have challenged these distinctions by exploring the long history of mercantile capital’s intervention in (agrarian) production as well as the fact that the intertwining of (violent, “extra-economic”) dispossession and capital accumulation is not limited to the early modern period. These strands of scholarship also tend to take a more global approach to the history of capitalism, while narratives centred on agrarian capitalism tend to be focused on England and, more recently, the Low Countries.

This paper seeks to contribute to ongoing debates by critically but constructively engaging with the concepts of mercantile and agrarian capitalism. This will be done by examining a case study: the violent social transformations accompanying and following the conquest of the Banda Islands (Indonesia) by the Dutch East India Company (VOC) in 1621. The conquest was meant to ensure a Dutch monopoly on the valuable spices nutmeg and mace, of which Banda was the world’s only source in this period. The VOC established a new system of production by dividing the nutmeg forests into small plots which were leased to private planters who exploited slave labour. The case of Banda, then, shows a mercantile capitalist company directly intervening in and subordinating agricultural production. It is therefore makes for an intriguing though unusual case study in light of this workshop’s overall aims: a critical re-examination of the usefulness and boundaries of the concept of agrarian capitalism.