

# **COMMODIFICATION AND THE CONSTRUCTION OF MAINSTREAM AUSTRALIAN ECONOMIC HISTORIOGRAPHY**

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Although Australian economic historians frequently talk about commodities, few stop to question what commodities are, where they come from or why they exist. Left, right and centre the commodity exists within Australian economic historiography as though it is a 'common sense', neutral backdrop to the main economic action – growth, expansion, progress and Depression - on centre stage. It seems that because the commodity is of such defining centrality to capitalist society - and recalling Marx's view of the commodity as capitalism's 'economic cell-form' - most Australian economic historiography has taken this centrality as its own explanation and justification (Marx, 1976:90).

It might be objected that, in adopting this 'common sense' stance towards the commodity, historians of Australian economy are simply reflecting the real circumstances of Australian history from 1788. Setting indigenous Australia 'aside', the objection might continue, there seems little to contradict the view that Australian colonists 'built their economy and satisfied their needs through the market' (Macintyre 2004:113). However, the simple fact that in our own times new spheres of commodity relations have been opened up, suggests some of the problems with assuming the commodity as an unproblematic, 'common sense' phenomenon in earlier phases of Australian economic history. Since about 1990 'everything' - from banking service charges, football and cricket, public education, environmental damage, telephony, human and non-human body parts and fluids, genetic material – has become

subject to commodification, either as an initial conversion from a non-commodity state, or as an intensification of a pre-existing and 'milder' commodity state. As a consequence, the commodity-form in its surrogate shape as 'market relations' intrudes into areas of life from which it had previously been absent. Although it remains to be seen exactly how far the current wave of commodification will be allowed to proceed, it is evident that it is accompanied by a palpable popular sense of anxiety that sometimes builds into outright protest and resistance. In this sense, contemporary experience reminds us that the process of commodification is problematic, contested and disruptive, even after two centuries of supposed market domination and habituation to the commodity-form.

Thus, rather than starting with the view that the commodity is and has always been an unproblematic phenomenon, contemporary commodifications suggest the opposite. If new realms are being commodified now, isn't that even more likely to have been the case in 19<sup>th</sup> and 20<sup>th</sup> century Australia? As these contemporary changes suggest, rather than a one-off event that ushers in a cataclysmic 'Great Transformation'<sup>1</sup>, commodification is a more continuous and long-term process with its own rhythms and patterns that nonetheless relentlessly converts use-values to exchange-values. That this was also the case in earlier phases of Australian history is subconsciously registered in the fact that mainstream economic historiography is far from unanimous about the history of 'market society' in Australia. Margaret Steven claimed that Australia became a 'rapidly growing capitalist economy' in the 1820s (Steven, 1969:176); Noel Butlin placed its timing more towards mid-century, noting that 'there was a remarkable development towards a private enterprise and market economy by 1840', although this conflicted with his earlier view that the post 1860 economy was 'a "mixed" economic system, a brand of capitalism ... that prompted the contemporary description of "colonial socialism"' (Butlin 1994: 109; Butlin 1976: 5-6). These earlier datings did not stop Whitwell from locating the 'making of the market' much later, in the 1950s and 1960s (Whitwell, 1989) and, despite this, some commentators, observing the

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1 The phrase 'Great Transformation' is that of the anthropologist economic historian Karl Polanyi (Polanyi, 1957).

contemporary expansion of the market, suggest that market domination has been far more recent than any of these historical estimates.

Despite the fact that different definitions of what constitutes market dominance are probably in operation here, these dramatic variations in historians' appraisal of the history of the market simply reflect an important truth: historians can discover the creation of 'market society' in a variety of periods because the commodification process is continuously expanding the domain of the market. All that historians' different timings capture is the part of the commodification process that occurred in the period they are examining.

For these reasons, to assume at the outset that 'the commodity' is an unproblematic phenomenon is a highly dubious starting point for building an accurate picture of economic processes in Australian history. This article is designed to illustrate that this assumption has been central to the construction of mainstream economic historiography in Australia, and to identify the consequences that have flowed from its adoption. The article is not a comprehensive survey of the heterodox field that is Australian economic historiography, with all its diversity of theoretical approaches and emphases. Rather, it intentionally focuses on a cluster of canonical texts that form the backbone of mainstream economic historiography in Australia, especially relating to the period to the mid-twentieth century.<sup>2</sup> This focus is adopted because mainstream economic history - of which Shaw, Shann and Butlin are some of the representatives examined below - has been extremely influential in setting the terms in which economic processes have been understood in Australian history. Illustrations of their influence can be seen in the journal articles that are surveyed below, and in the longer arguments of later writers such as those exemplified here by Snooks and Whitwell. In aggregate, the scholarship that is examined in this article represents one of the major canons within Australian economic historiography. Moreover, the influence of these canonical works has spread beyond economic historiography: they have had a profound influence on the way non-economic historians have presented the fundamental economic

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2 A later paper examines the impacts of commo-normativity in left wing labour, economic and social historiography.

dimensions that necessarily underpin political, social, labour and indigenous histories.

### **Commodo-Normativity And Commodity Fetishism**

In spite of their instinct to portray the commodity-form as timelessly unproblematic, most mainstream historians of Australian economy have been aware – at some level - of these commodification processes. One manifestation of this subliminal awareness is the variation in historical dating of the market that has already been mentioned. Like the ‘eternal return’ of repressed trauma, each generation of economic historians has been forced to confront and to ‘deal with’ the stubbornly-recurrent fact that commodities are premised on the transformation of non-commodified things and relations into the commodity-form – even in Australia. Yet, instead of resolving this tension by bringing the process of commodification into their narratives, most historians of the Australian economy have worked hard to repress or to ignore it.

In order to keep the commodification process at analytical arms length - in order to normalise the commodity-form - economic historians have used an ensemble of techniques and assumptions. I call these techniques, and the commodification-less historiography that is the result, *commodo-normative(ity)*.<sup>3</sup> The term *commodo-normativity* refers to analysis/discourse/description/argument organized around the assumption of the normalcy or desirability of the commodity-form itself. As the analysis below indicate, *commodo-normativity* is associated with commodity fetishism, but it is also useful to identify its differences from the latter. Commodity fetishism in its deepest Marxist understandings maintains that commodities are a specifically capitalist form of existence of objects, relations and value (thus, ‘the commodity-form’, as opposed to other ‘forms’ in which objects and value exist). Moreover, the way that commodities exist in capitalist society means that they are

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3 The author has developed the terms ‘*commodo-normative/ity*’, as adaptations of the terms ‘*hetero-normative/ity*’ developed in queer theory to describe the organization of gender relations around the assumption that heterosexuality is the ‘normal’ sexual orientation. For a detailed discussion see Hennessy (1993).

necessarily presented stripped of the labour – and more importantly, its exploitation in production, that is the reason for their existence in this specific form. Existing thus, without the active intervention of will, consciousness or culture, commodity fetishism is in this way a structural phenomenon necessarily engrained in the commodity-form itself, and not (as it is sometimes interpreted <sup>4</sup>) an ideological one (Marx, 1976: 163-77; Lukacs, 1971: 84-92).

Commodo-normativity, on the other hand, is commodity fetishism's guilty conscience trying to justify itself in public. As such it is a much more overtly ideological phenomenon. Commodo-normative approaches try to establish an epistemological structure that naturalises the commodity-form and represses its historically-specific, aberrant or unnatural character. In order to do so, commodo-normativity assembles the questions, categories, vocabulary, empirical evidence and logic which combine so that 'rational inquiry' (an example is 'Economic History') confirms what 'instinct' and 'common sense' already have been led to 'know': that the commodity-form is unavoidable, uncontroversial and irresistible.

This article uses the concept of commodo-normativity to analyse and to critique mainstream Australian economic historiography. By paying close attention to how canonical texts of Australian economic historiography deal with the commodity-form and its surrogate - the market – it shows how commodo-normativity has shaped this type of Australian economic historiography. It is important at the outset to emphasise that to critique mainstream Australian economic historiography as commodo-normative is not based in a desire to romanticize the non-commodity form. Anyone who has ever tried to do their own plumbing or toiled fruitlessly to grow tomatoes, will acknowledge that the commodity-form has its advantages! And although one of the effects of commodo-normativity has been to discourage research into the extent and significance and extent of the non-commodity form in Australia, to use the concept itself as a basis of critique does not imply any specific value-judgement about the extent and significance of the commodity-form itself. Thus, I am not trying to

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4 Examples are Bourke (1998) and Taussig (1980)

suggest in the concept of commo-normativity the existence of a hitherto undiscovered Australian peasantry (to mobilise an archetypical non-commodity category). Rather, the intention is to identify the mechanics and consequences of an approach that assumes the very thing that needs to be explained (the existence and purpose of the commodity-form), and how an alternative story (commodification) is necessarily repressed in the process. The concluding section of the article argues that the erasure of commodification that is effected by commo-normativity has facilitated the construction of a benign history about capitalism and class relations in Australia. This has been – as it continues to be – the main ideological function of commo-normativity.

### **Identifying Commo-Normativity**

It is no easy task to identify phenomenon that have been as deeply naturalized as the commodity-form is in Australian (economic) historiography. In general one needs to work with the aim of showing that key aspects within the field or argument rely on unexamined assumptions that are often deeply-buried rather than immediately available. Fortunately, even epistemological repression usually leaves traces - if only faintly - of the struggle that has been waged to establish domination, and these allow its presence to be tracked and identified.

Within mainstream Australian economic historiography, the repressions involved in commo-normativity can be tracked in a variety of ways. One of its manifestations is the almost unconscious way historians have de-problematized the existence of the non-commodity form. For example, Jackson's portrait of *Australian economic development in the nineteenth century*, automatically selected the commodity-form as its focus by examining the phenomenon of 'modern economic growth' defined as 'the excess of *per capita* product over the bare physical necessities of life' (i.e. subsistence), and excluded from its analysis of Australian economic history its most 'backward' rural sector – 'non-pastoral rural activity' – the precise sector in which the commodity-form was weakest in the nineteenth century (Jackson, 1977, Preface, 107-8). Similar self-selection shapes the emphasis Shaw gave to the pastoral and industrial sectors (Shaw, 1967), an emphasis that in many ways reflects

the assumptions of staple theory. As McCarty - the best-know Australian exponent of staple theory - put it, 'The first assumption in the definition of a staple industry is that its product is exported to an external market'. All of the economic history that follows is 'waiting for' the emergence of a staple, and then tracking its rise to dominance in a world that (the assumptions implies) is already commodified and dominated by the market (McCarty 1964: 5-9). Whitwell similarly relies on a commodified world, when he described the process of 'making the market' as one of replacing simple commodities with more technologically complex, mass produced ones - a feature of late 20th century mainstream economic historiography that is also found in contemporaneous works such as Snooks (Whitwell, 1989: 11-15; Snooks, 1991). Butlin gives perhaps the best summary of this stance when he suggests that European colonization of Australia could not have been sustained 'without the ability to develop rapidly towards a free market-oriented system' (Butlin, 1994: 108). In these teleological readings of Australian economic history, the least commodity-oriented sectors and activities are written out of the story from the start. The dominance of the commodity-form is thus invested with an aura of inexorable historical inevitability.

A further symptom of the pervasiveness of commo-normativity is the pejorative terms and associations that are used throughout mainstream Australian economic historiography for economic practices not organized around the market and commodity production and exchange. Few have been quite as blunt as Shann, who described the sharing of equal rations amongst convicts and marines as a period of 'economic childishness' and 'the economic last ditch, communism' (Shann, 1948: 4-12). Even a more measured historian such as Jackson similarly consigned the early colonial period, describing its economic activity as 'not very relevant', because it lacked significant 'export commodities', had only a small local market, and the flow of population and capital was 'the outcome of administrative decisions' attached to a penal colony rather than 'a market response to economic conditions'. The commo-normative criteria in operation here are obvious in Jackson's observations that before 1850 'many households made simple manufactures for their own use instead of resorting to the market in the fashion more typical of mature economies' (Jackson, 1977: 2, 113). McCarty's analysis deployed similar ideas about non-market economic activities. Development of a market

was muted in the early colonial period because 'the consumers' (*sic.*) were 'too nearly (*sic.*) self-sufficient in foodstuffs and simple manufactures to create an adequate internal demand ... many of them were self-sufficient' (McCarty, 1964: 4,12). Shaw similarly implied the 'immaturity' of economic activity in the early colonial period, when 'officers paid their servants in kind ... [and] its economy was largely carried on by barter'. He went on to implicitly critique the degree of government regulation of economic activity during World War I, citing with approval that in the 1920s there was 'a reaction against government interference in economic life (Shaw, 1967:132-3, 165). Already in this analysis he has constructed a healthy economy as a zone that has enough independent integrity as to make it possible to identify 'interference'.

Similar views about the market as an independent zone are implied wherever terms such as 'retarded', 'distorted', 'imperfect' are attached to 'market', denoting a potential purity denied. Butlin's work echoed many of these discriminations, for example commenting that in 1808-1810 economic activity was 'driven further back into barter', a 'retrogression'. Butlin similarly described the early colonial economy's reliance on imports of 'consumer (*sic.*) goods' as indicative of 'a primitive, inchoate economy', and shared with commentators such as Beever and Shaw the contention that 'Australian conditions (natural or physical) discouraged reversion to self-sufficient behaviour' on the part of the early colonial immigrants and convicts (Beever, 1970:80; Butlin, 1994: 132-3, 165, 107; Shaw, 1967: 4-7). Here the market meshes with nature to make economic self-sufficiency equate to the going-backwards to a less developed and less desirable state that is implied by 'reversion'. Even had nature and market not so fortuitously combined, non-commodity self-sufficiency would have been critiqued, as it was in Butlin's comments that the increasingly successful community of small farmers in Van Diemens land who were 'self-supporting ... was a limited merit' (Butlin, 1994: 205). Graeme Snooks, 1994 reactionary economic history for advocates of the unrestrained market provided a pithy synthesis of this commo-normativity when it noted that economies with a weak or non-existent market system were 'closed', in contrast with those market systems that were 'open' (Snooks, 1994: 98).

### Counting Sheep ...

Examining how economic historians deal with the issue of the increase in sheep numbers in Australia's 19th century pastoral economy provides a window into the interior logic of commo-normativity. Many historians see the issue of sheep numbers as an important part of the empirical evidence for calculating the growth of the Australian economy and its value in the 19<sup>th</sup> century. Despite the efforts of writers such as Wells, most economic historians operate with the view summed up by Shaw that the building of the pastoral basis for Australia's 19<sup>th</sup> century economy was 'to a large extent determined by ... facts of climate and topography' (Wells, 1988; Shaw, 1967:4-7). The commo-normative implications of this 'common sense' assertion can be observed when it is set in motion around the issue of explaining increases in the size of sheep flocks in the 19<sup>th</sup> century. It formed the core assumption in Butlin's comment that 'livestock changes occur on a large scale, as a natural genetic process or due to exogenous climatic changes' and that natural increase was 'a major source of output' (Butlin, 1962: 21; Butlin, 1994:193). Here Butlin echoed writers such as Beever, who argued that ' "capital gain" from natural increase was central to the economics of sheep raising ... a major source of profit.' (Beever, 1970: 81). Jackson repeated this view, claiming that 'The tendency for flocks to increase rapidly was inherent in the [natural] conditions' and lead to 'an increase in the capital stock in the form of a natural increase in its flocks' (Jackson, 1977: 57).

Yet as sound as this 'common sense' conjuncture of Australian environment and merino libido appears to be, its commo-normativity is displayed in the symmetry with capital's idea of itself as being the generator of its own value, and commodities almost spontaneously generating and reproducing themselves. As Butlin remarked, in classic illustration, 'livestock, through natural increase ... [constituted] a special form of capital accumulation' (Butlin, 1986:119). This illustrates one of the essential foundations of commo-normativity - its systematic erasure of the role played by human labour in the process of producing commodities. At least in the early stages of pastoral history, the expansion of flocks was dependent on the animal-birthing skills of a subterranean sector of the (often convict) pastoral workforce. Far from being satisfied with naturalistic explanations of the increase in sheep

numbers, contemporary observers described it as ‘entailing an immense amount of labour’ (James, 1942: 50). And, to extend this story, it appears that it was not until late in the 19th century, when lambs themselves had become more intensively commodified, that pastoralists began to systematically expand their flocks by purchasing lambs *en masse* as a commodity (Walker, 1966: 79). As a consequence, they no longer relied on the specific labour and skills that had previously contributed to the expansion of sheep numbers.

Engrained in these details of Australian pastoral history is the double movement of commodification that is erased by commo-normative approaches. On one hand, the crucial role of labour and, on the other, the later transformation of the mechanism of sheep flock expansion *via* the commodity-form. The fetishistic ‘forgetting’ of labour in this instance is a specific manifestation of a general erasure of issues to do with labour in commo-normative approaches (McNally, 2003). While Australian history is replete with examples that indicate a far more complex story, and despite the fact that many of these examples are included almost in passing in some standard economic histories, the presence of labour and how, whether, where and when it was commodified, is almost totally absent.<sup>5</sup> The problem here is more than just the played-out labourist concern with ensuring that that ‘labour is given its due recognition’ in the economic story. Rather, what is portrayed through the labour-less optic of commo-normativity, is commodities appearing historiographically as though they are produced - like lambs - by auto-genesis, or out of the actual demand for them. In the absence of the element of labour, the historiographical and conceptual reason for the existence of commodities is simply to satisfy consumer demand and human need. Commo-normativity in this way systematically excludes the possibility for developing alternatives, especially those that see commodities as vehicles for the extraction of surplus value in production.

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<sup>5</sup> The most significant exception to this is Wells(1989)

## Vanishing Non-Commodities

Despite their efforts in these ways to normalise and naturalise the commodity-form, most serious economic historians have been forced to grapple with the fact that, even in European Australia, the commodity-form and market relations have not perpetually, automatically and universally dominated. Indeed, much of the evidence for the existence and significance of non-commodity forms in Australia is derived from historians' attempts to deal with how the latter can be resolved into terms in which they can be incorporated into the economic growth analyses that dominate mainstream economic historiography.<sup>6</sup> Snooks summarizes the standard approach as defining economic activities as 'those undertaken primarily to generate income or at least goods and services *which could be marketed* rather than activities in which the act of production cannot be separated from the act of consumption, such as social and leisure time pursuits' (Snooks, 1994:157).

Noel Butlin was particularly prominent in translating non-commodity aspects of economic life into forms that made them commensurate with the commodity-form and principles of market alienation. One of the most important techniques is 'imputation' which, as Butlin explains, allows the attribution of market value to 'goods and services ... where this output is not sold or exchanged but consumed ... by the producers themselves'. Butlin used imputation extensively in constructing his picture of the course of late nineteenth and early twentieth century Australian economic development, especially in calculating 'the value of construction activity ... in primary industries, ... in the work of households (*sic.* read women's and children's unpaid domestic labour) for household use, ... the value of house construction by owner-builders'. Similarly he treated ... the value of 'domestic and personal services ... as contributing to gross domestic product the sum of wages and salaries of those engaged'. Noting that, especially before 1880, 'many important durable assets were produced without recourse to the market' in mining, pastoral industrial and commercial structures and

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6 As Shaw put it in 1966, 'We (economic historians) are more concerned with the problems of economic growth'; Shaw (1967: Preface).

equipment,' he 'adopted the practice of valuing the resources and the resulting fixed assets *as though* they were produced by ordinary commercial processes or were constructed for the purposes of exchange' (Butlin, 1962: 7-14).

The centrality of this technique to the numerical-based mode of economic history can be seen by noting its prevalence. For example, Carter and Maddock used it to construct an historical index of leisure in 20<sup>th</sup> century Australia. Their method was to use 'the going real wage' at different points in time, and to 'evaluate all leisure hours as if they were worked' (Carter and Maddock, 1987: 31). Butlin and Sinclair engage in similar 'translations' of the non-commodified into the terms of the commodity form. For example, when Butlin set out to build a comprehensive statistical picture of economic activity from 1788, he acknowledged the 'intransigent conceptual problem' presented by the fact that 'convict settlement implied a limitation on open market activity ... and hence on the presence of price measures'. In order to construct a complete set of economic growth estimates, Butlin and Sinclair used what evidence did exist of prices, and valued all economic activities according to these estimates (Butlin and Sinclair, 1986: 126-7).

In his later work Butlin extended the technique of imputation to extreme lengths. Here the commo-normative basis of imputation becomes most graphic as Butlin attempts to resolve the activities of Aboriginal societies into market terms. Comparing the economic activities of European and Aboriginal societies is difficult, writes Butlin, because 'Tastes and preferences of the two societies appear radically different, with little means of equating them through any pricing or shadow pricing of the commodities (*sic.*) produced'. Despite these difficulties, Butlin maintains that 'Aborigines prized (placed a price on) (*sic.*) some activities that would leave little room for exchange relations with colonists ... One can accept these reasons and still interpret behaviour *as if* (*sic.*) it were divorced from the explicit system of beliefs and traditions.' Butlin's reasoning here clearly revolves on the hub of the commodity and the market. Despite recognising the incommensurability of Aboriginal and European 'tastes and preferences', he persists in trying to force non-commodity activity into the commodity form and the market. To do this he needs to describe Aboriginal activities – even

cultural and religious practice – as producing ‘things’, which are in turn described as ‘commodities’, which itself constructs them as potentially market-alienable. An even more revealing linguistic slippage can be observed in Butlin’s contention that, because some activities such as religion and leisure are ‘prized’ in Aboriginal societies, this means that essentially they are ‘priced’. After battling in these ways through a number of the obstacles that make difficult the resolution of non-commodities into the commodity form – and ignoring his own 1986 observation that ‘the leap to a comparative statement of black/white performance in the aggregate would be too large to be very meaningful’ - Butlin finally produces a table that purports to show in 1830 prices ‘the rough approximations of Aboriginal GDP’ for Australia as a whole! (Butlin, 1986: 108; Butlin, 1991: 213-4, Fig. 14.5, 219).

The commo-normative reflex to translate all economic activity into market terms is not by any means confined to Butlin. Snooks also resorted to transposing market terminology to non-market phenomena. At one point he describes Australian households as being ‘*staffed* with a full-time female worker’ (emphasis added), an orthographic observation that becomes a little less pedantic when placed in the context of Snook’s view that households combine market and non-market resources ‘to produce higher “commodities” of children, “happiness”(sic.) and recreation’ (Snooks, 1994: 186).

### **Explaining The Market Historically**

Early generations of Australian economic historians saw no need to explain the existence of the market, so enmeshed were they in the commo-normative story of progress, development and growth that assumed its unproblematic existence. In the 1980s and 1990s, this view of the market and commodities in Australia was destabilised when the surge in contemporary commodification extended the reach of the market into areas of life from which it had hitherto been excluded. At the same time feminist economics contested mainstream claims to be engaged in neutral empiricism by showing that the categories it relied on reflected a range of unexamined patriarchal assumptions (Deacon, 1985; Waring, 1983). Both these factors meant that by the late 20<sup>th</sup> century the market

had been problematised to a degree that had not been seen since the late 19th century – since, that is, the progenitors of Australian economic historiography such as T.A. Coghlan, had last waged and won the conceptual war against the non-commodity form. Now, as they had done a century earlier, mainstream economic historians responded to these challenges by developing explanations of the origins, impact and extent of the market that were enmeshed in the assumptions and logic of commo-normativity.

One of the most ambitious of these was Graeme Snooks' elaborately simplistic 1994 attempt to paint 'A new portrait of the Australian economy' (Snooks, 1994: ch 6). While Snooks claimed to be innovatively reinterpreting the basis of economic history, in fact his fundamental premises are as old as bourgeois political economy and as original as the neo-conservative valorization of 'the individual' whose collective enmeshments extend no further than the 'household' (an institution which, according to Snooks, has been 'limited to about five people' for 'the last millennium' (Snooks, 1994: 125-6). The foundation of Snooks' argument is the assertion that 'the ever-present goal (of humanity in all its diversity) is to maximize individual material advantage'. Thus, he claims that despite the absence of the market in Aboriginal society, the 'economic motivation' of the system was the same as for all of humanity - 'the maximization of family/tribal, and hence (*sic.*) individual, material returns'(Snooks, 1994: 48-9, 97). While humans have thus invented various ways of trying to satisfy this trans-historical aspect of human nature, none achieves it so effectively as does the market system. As Snooks puts it, while 'all economic activity had its beginning in the household', at certain times and places 'it became clear that some economic activities could be undertaken more efficiently in a separate and specialized way. ... the household contracted out a number of its former functions to the fledgling market sector' in order to 'achieve increasing returns through specialization'. As a consequence individuals, through the mediation of households, could now 'enjoy the fruits of growth through an interaction with the market sector – which is why the market sector was initially established'(Snooks, 1994: 124).

While the massive historical inaccuracies and other absurdities in this account are evident, it is more difficult to identify its commo-

normativity. This is partly because Snooks hardly works with the category 'commodity' at all (far less a notion of commodification), substituting instead 'goods and services' produced in household and market settings. Indeed, he arrives at the counter-intuitive view that 'there is no evidence ... over the past 150 years' that the activities of the household are increasingly being 'contracted out' to the market (Snooks, 1994: 28). As an explanation of the origins of the market it relies on some critical assumptions. The first is the profoundly teleological one that when 'people' began to look outside the household (c.6000 years ago, 'at the dawn of civilization'), according to Snooks (Snooks, 1994:124,127), the only alternative they 'found' was the market. The market was thus the universal default position when existing economic systems proved inadequate. While this may well summarize the ideological assertions of capital in the late 20<sup>th</sup> century, it cannot be taken seriously as a comment on the origin of the market. Similarly, Snook's argument relies on a range of assertions about the 'acquisitive aspects of human nature', of which the market is both a response and reflection. Snooks cautions that not all human needs can be satisfied through the market (the household 'provides ... recreation in the sense of renewal of the spirit. And there is no perfect market substitute for this' (Snooks, 1994:28). He sees the market as the servant, rather than the exploiter, of human needs; an expression of 'the ultimate meaning of economic life'(Snooks, 1994: 126). Yet this 'innovative' perspective reflects what Polanyi described a half century earlier as 'the habit of looking at the last ten thousand years as well as the array of early societies as a mere prelude to the true history of our civilisation which started approximately with the publication of *Wealth of Nations* in 1776, [a perspective that is], to say the least, out of date' (Polanyi 1957: 45).

Other historians responded to the late 20<sup>th</sup> century problematisation of the market in ways that were mercifully free of this reliance on essentialist and Eurocentric views of 'human nature', 'the household', 'civilization' and the cult of the bourgeois individual. Operating far more as an historian, and far less as an ideologist, Butlin's 1991 attempt to explain the origins of the market in Australia had the virtue, absent in Snooks, of at least posing the problem of market relations in real historical terms. Instead of automatically assuming the existence of the market or an instinctive market rationality, Butlin sets out to explain how

a market system was established in Australia by about 1840. He does not rely on the inexorable march of the pastoral commodity in international trade, as had classically been the case. Rather, he begins with the assumption that the establishment of market relations was problematic and practical, and it had to be organized and nurtured, rather than grow automatically. The most important part of the problematic Butlin sketches is 'how the intellectual baggage of the immigrants [convict and free] was exploited and adapted to achieve a viable market economy'. The crux of his argument is that convicts and free working class immigrants in the period to 1840 brought with them from Britain 'a degree of understanding of the most advanced market system on earth ... the convicts were the most fully accustomed to the ways human beings might ... exploit market behaviour'. As economic refugees, they had direct experience and understanding of what it meant to operate and to respond to 'market stimuli'. Once in Australia, they quickly applied these understandings to the 'inchoate' system that was being established. That the mass of the new population was so well acculturated into the rules and rationalities of the market system, was, according to Butlin, 'a vital part of the rapid evolution of market behaviour in Australia' (Butlin, 1991: 107-122).

The main problem with this account is that it relies on a highly selective reading of British economic and social historiography, Butlin seemingly having censored out the vast body of readily accessible work that casts serious doubt on his characterization of British working class market mentalities. Butlin has avoided the literature that demonstrates the longstanding and deep hostility to the market among the 18<sup>th</sup> and 19<sup>th</sup> century British working class. As E. P. Thompson and Eric Hobsbawm argued in the 1960s, and a host of subsequent studies have confirmed, the British working class did not automatically submit to market rationality, in the degree that Butlin's work claims. Rather, they continued to draw on older ideas of 'moral economy', which refracted market practices through a normative lens of extra-economic considerations, such as ideas about the 'just price' for particular staples such as bread or cheese, or customary wage rates for specific occupations.<sup>7</sup> Most of this work was

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7 The conventional references here are E.P.Thompson (1966) and Eric Hobsbawm,(1964). These two essays spawned a mass of more detailed studies on

produced after the mid-1960s, and Butlin's ignoring of it contrasts with his preparedness to use much more contemporary sources (e.g. Nicholas and Shergold on convicts) elsewhere in the account (Butlin, 1994:110). This itself suggests a filtering out of evidence that contradicts the emphasis that he wants to give to the role of consciousness and consent in establishing the market.

Writing around the same time as Butlin, Whitwell also approached the market from a genuinely historical perspective. As its title indicates, *Making the Market* does not assume that the market evolved naturally, but had to be constructed. Moreover, of all the works of mainstream economic historiography, *Making the Market* acknowledged most explicitly the commodification process and its connection to what Whitwell called 'capitalistic progress' (Whitwell 1989:3). Writing about the post-1945 period, Whitwell noted that the increase in household consumption meant a decline in the household 'vegetable patch, backyard chicken coop and fruit trees ... in "do-it-yourself" skills'. He mounted an implicit critique of these processes, commenting that they constituted an 'erosion of self-sufficiency', and had the consequence 'that shopping and buying replaced creating' (Whitwell, 1989: 49). A similarly critical edge is implicit in Whitwell's analysis of the role of the state in transforming public housing into private commodity (Whitwell 1989: 38-43).

Despite these concessions to the commodification process, Whitwell ultimately returns to commo-normative explanations of the market. In fact, because commodification continually casts its shadow over Whitwell's account of the rise of the market, he has to work even harder and more explicitly than most other economic historians to keep that story at analytical arms length. The main technique used is a profoundly commo-normative view of the connections between human nature and the commodity-form. Thus, when first we meet historical Australians in Whitwell's argument, it is the later decades of the 19<sup>th</sup> century. Presumably they are later incarnations of Butlin's earlier 19<sup>th</sup> century

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the themes of working class responses to the market. Butlin can hardly have been unaware of them, and even uses Hobsbawm's key phrase 'learning the rules of the game' (Butlin, 1994: 119-22, 150).

immigrants, because they too arrive on the stage of Australian history with the 'cultural baggage' of market rationality. In this case, it is manifest in their collective aspirations to the commodity-form of housing provision – private home ownership. However, at this stage 'only a minority of families [*sic.*] had been able to convert their dreams [*sic.*] into reality' (Whitwell, 1989: 39). The story that Whitwell tells is how these 'dreams' and 'aspirations' were satisfied by the expansion and deepening of market relations. It was only after 1945, when the combined effect of changes in mass culture and state and commercial activities had created 'the suburban imperative' and a 'consumer society', that 'Australians could finally contemplate converting their dreams of material acquisition into some sort of reality' (Whitwell, 1989: 3, 38). While there are historical aspects to this account of the market in Australia, it relies on the idea that the market was an outgrowth of humans' trans-historical desire for the commodity-form, a desire that can, by definition, only be satisfied by the expansion of the market.

### **Market Populism**

The accounts of the origins of the market exemplified by Snooks, Butlin and Whitwell can be described as 'market populism'. Their accounts of the expansion of the market in Australia and elsewhere assume that the commodity-form was readily and enthusiastically taken up by populations that had market rationality ingrained into their consciousness. Moreover, they project the idea that the commodity-form was an original invention and authentic expression of popular will, a kind of economic democracy of exchange. Because market populism is founded on the assumption that the market was (is) the arena for the expansion and satisfaction of human desires, it necessarily sets in motion an accompanying historical argument that portrays the factors 'inhibiting' the development of the market as fundamentally opposed to the freedom and choice that the market is assumed to facilitate. It is this feature that allows market populism to be readily grafted onto older versions of commo-normativity, which portray the market as latent potential, the development of which only required the removal of a

number of 'obstacles' to its 'maturation'.<sup>8</sup> This highly teleological perspective – the market as latent potential – was already engrained within Australian economic historiography's tendency to describe the growth of the Australian economy as a process of overcoming 'constraints' – typically those imposed by physical environment, small population base and fragile domestic consumer market (see Jackson, 1977:4; Shaw, 1967: 4-7; McCarty, 1964). It can be seen in exemplary form in E.L. Jones' 1976 attempt to write 'A New Essay on Western Civilization in its Economic Aspects'. Here Jones argues that the rise of the European market system is best understood as 'a process of stripping away restraints in market activity, on a natural propensity to truck and barter' (*sic.*). The 'impediments' were such things as guilds, monopolies, price controls, taboos against scientific enquiry, taxation and tolls. Once these 'hindrances' were removed, the market was allowed to flourish in the way that it had always wanted to (Jones 1976: 105-6). Abbott and Nairn offered an Australian version of this same perspective when they titled the second section of their early colonial economic history 'Constraints on Progress' (Abbott and Nairn, 1969: vii)

Later writers, especially Butlin and Whitwell, offer more sophisticated versions of this conceptualization. In Butlin's account, a range of bureaucratic-legal 'obstructive conditions' to the operation of the market in the colonial economy – the low degree of social division of labour, the lack of commodified land, and restraints on 'freedom of (trading) behaviour' – are slowly reformed when it becomes clear that popular economic practice has established the market. This in itself is in a longer line of removing the 'many limitations' and 'restrictive conditions' of medievalism and mercantilism that started in Britain and Europe in the 17<sup>th</sup> and 18<sup>th</sup> centuries (Butlin, 1994: 109-115). Similarly, Whitwell's history is the story of how the satisfaction of the desire for home-ownership in the 1880s was thwarted by a range of inhibiting psychological, political and economic factors. It was only after 1945 that these factors were successfully eradicated, and this allowed people to finally fulfill their 'dreams' in the context of the rapid expansion of commodity-relations.

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8 A more detailed examination of this approach to the market can be found in Meiksins Wood (1999: Ch. 1).

## **Commodo-Normativity and the Construction of Benign Capitalism**

The commodo-normative character of mainstream Australian economic historiography has had profound consequences for how the story of Australian economic, social and class history has been told. Its most important effect is that it lays the basis for building an historical picture of Australian capitalism as an essentially benign process. In aggregate, the commodo-normative approaches examined in this article present as fact the utter fiction that the deepening of capitalist economic forms and the social relations that accompany them, has taken place since 1788 with few destructive consequences. While more recent versions have modified this in the light of the obvious consequences for indigenous societies in Australia, in general it is still the case that the growth of capitalism in Australia is portrayed as an expansion into an economic *terra nullius*. By assuming the natural existence of the commodity form, commodo-normativity automatically neglects the highly volatile and problematic process of how things and relations become transformed into a form where they are market-alienable – how and why commodities exist. Commodo-normativity erases the process of commodification and the politics that accompanies it, and fosters conservative analyses of the origins and character of market relations in Australia. Under the guise of common sense reading of ‘the economic facts’, it projects profoundly ideological views of the market and the commodity-form. It focuses attention on the market as a means to expand human freedom, choice and possibility, and excludes more unsettling aspects of the market as a series of compulsions, coercions and imperatives imposed as an inherent part of the deepening of capitalist economic and social relations.

Although a strong Australian left historiography draws attention to the efforts that have been devised to resist or to ameliorate the effects of the market in Australia, these nonetheless accept too readily the commodity and the market as the normalised or naturalised starting point. In doing so they miss the point that – as Meiksins Wood noted of the history of Anglo-European capitalism – ‘the market became capitalist when it became compulsory’ (Meiksins Wood, 1999:11). To start examining the history of capitalism and the commodity-form in Australia from this

perspective is immediately to draw away from seeing the history of capitalism in Australia as already pre-figured in theories of class relations and of a timelessly universal 'class struggle'. By problematising the commodity-form and the market at the outset, analytical attention is drawn to aspects of commodification, compulsion and coercion, and to the connections between these processes and the changing character of capitalist forms of class relations. Rather than focusing on identifying how mature capitalist class relations evolved from the prefigurements of a working class and a ruling class at earlier junctures, and the prefigurements of market relations that are the corollary to them, attention is directed to the problem of how market relations and the commodity-form have been imposed in a context where they were neither natural nor neutral.

When market relations and the commodity-form are considered in this way, the limitations of seeing Australian economic history as a narrative of market progress and the commodity-form become clearer. Rather than viewing instances of the non-commodity form as economically inefficient or predestined to become extinct, they become historically problematic. Popular lived experience of economic life for much of Australian history appears to have been a hybrid of commodity and non-commodity relations, in which the latter were often equally or more important than the former. Although much work remains to be done to identify the precise significance and history of this economy it is already clear from Australian local, regional, indigenous and social histories as well as working class and subaltern autobiographies that a vernacular 'people's economy' thrived even after 1788. Moreover, rather than this being a 'pre-history' of capitalism – 'inhibiting' the mainstream's beloved 'economic growth' or the lefts' 'mature' capitalist class relations – from below the vernacular economy was constituted at least in part as an alternative to becoming fully-incorporated into market relations. It is also clear that this vernacular economy was successively destroyed from late in the 19<sup>th</sup> century – at precisely the time when, as many historians have noted – the class structure became 'rigidified'.<sup>9</sup> A sketch such as this suggests that the Australian economic landscape was not (as it is not), a featureless, or 'empty' economic space in which commodity

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9 See for a recent example, Macintyre (1986: 45)

relations could be established without consequence. Rather, the dismantling and destruction of the vernacular economy was the precondition for more deeply entrenching the commodity-form at the heart of economic and social life. The intensification of market relations – the tendency to increasingly route all economic life through the market – or the tendency to turn the social into the economic – reshaped and destroyed these indigenous and non-indigenous vernacular economies.

In short, Australian capitalism did not expand into an economic *terra nullius*. Like capitalism in general, it was built on the bones of alternative vernacular modes of living that were destroyed in order to establish the domination of the commodity-form. The key to comprehending this aspect of Australian history is the commodification process that commodo-normativity works so hard to suppress.

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