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In the Grain of Salt

There was a time back in the 1990s when the division between the West and the East seemed to have been blissfully overcome. Francis Fukuyama prophesied the end of history and the concept of “former West” was born. Even a brief examination of the situation that we find ourselves in now reveals how misconceived that conviction was. Many phenomena—the refugee crisis of 2015, for example, and the conflict over the rule of law within the European Union, which are perhaps the most important ones—testify to the stubborn endurance of the East-West division in Europe.

There is yet another misconception that attempts to blame the divide entirely on the Cold War period. A more detailed and nuanced historical analysis reveals a complex and puzzling picture: the so-called Iron Curtain seems simply to follow an extremely persistent rift of the European continent that goes back ages, if not millennia, in time. The frontier between the East and the West was there when the Industrial Revolution took place during the eighteenth and nineteenth centuries. We find it in the patterns of urbanization that both followed and preceded the emergence of industrial order. As a matter of fact, it has manifested itself throughout the entire history of capitalism, dating back to early modern times. It had profound social and cultural consequences: as serfdom gradually relaxed in the West from the fifteenth century onward, it became reinforced in the East, making Central and Eastern Europe a veritable bastion of *de facto* slavery in the Old World. But we are not at the end of the line yet: the West and the East had evolved into culturally and socially different universes already in the Middle Ages, when classic feudalism developed in the West accompanied by different, less vertically integrated social arrangements in the East. We may even trace this divide all the way back to Antiquity when the cultural expansion of the Roman Empire in Central Europe stopped somewhere around what is now the River Elbe in central Germany. The East-West divide is not only far from being abolished: rather, it proves to be one of the most enduring cleavages we have ever seen in Europe.

What seems to be the key factor in shaping today’s situation is probably the uneven development of capitalist economy that established itself in Europe from the early fifteenth century onwards. Very quickly—as a matter of fact, within just one century—it created a split in Europe, between what contemporary sociological theory calls the “Center”—or the “Core”—of the capitalist system and its peripheries. The Center lay in the West and consisted firstly of the Iberian Peninsula, Northern Italy, and the Netherlands, before slowly expanding to

encompass most of the Western part of the continent. It monopolized those spheres of economy that represented high value-added activities: long-distance trade, financial services, high-grade crafting (clocks, tapestry, jewelry, furniture), early manufacturing and—later on—industrial production. The East became the peripheral zone and specialized in low value-added production: raw materials, cash crops, meat, wood, and other lowly processed agricultural products. This economic difference gave rise to a social and cultural cleavage: as serfdom diminished in the West, vast crowds of paupers migrated to the cities, transforming themselves into an urban (proto)proletariat. They created a social base for both urbanization and industrialization, and provided an indispensable pool of cheap labor for nascent factory production in the eighteenth century. None of that happened in the East: serfdom had locked the majority of the population into “the idiocy of rural life,” to use the expression of Karl Marx, and as a result both cities and industry—thus the bourgeoisie and its corpus of its liberal values—remained in atrophy.

It is only against such a backdrop that the uniqueness and originality of the salt mines managed by Mikołaj Serafin in fifteenth-century Poland can be fully appreciated. They not only represent an example of a quite modern capitalist company functioning within the shell of feudal society, but they also constitute one of the very few examples of high-value added capitalist entrepreneurship in Central and Eastern Europe. It should come as no surprise that Serafin was a scion of an Italian family. Contrary to what was claimed by Max Weber in his widely cited book *The Protestant Ethic and the Spirit of Capitalism*, it was not Protestant Northern Europe that gave rise to a capitalist mode of production in the fifteenth and sixteenth century, but rather Catholic Northern Italy a couple of centuries earlier. It was here that the French historian Fernand Braudel located the original invention of capitalist entrepreneurship. Quoting Armando Sapori, Braudel claims that “even today, it is impossible to find anything [...] which did not have some precedent in the genius of one of the Italian republics. ... Everything seems to have been there in embryo: bills of exchange, credit, minted coins, banks, forward selling, public finance, loans, capitalism, colonialism—as well as social disturbances, a sophisticated labor force, class struggles, social oppression, political atrocities.”¹ What makes the case of the Polish salt mines astonishing is that virtually all those elements can be identified there, as testified by the rare collection of Mikołaj Serafin’s letters that have been preserved until today.² Thus the grain of salt extracted from the mines reflects an image of capitalist enterprise virtually indistinguishable from today’s companies: it employed mainly waged labor, it was financed by obligations being issued on regular bases, and it produced chiefly for the market. Serafin’s letters reveal a spectrum of management issues and strategies that we find in

contemporary corporations: managing “human resources,” lobbying with authorities, conducting public relations and marketing campaigns, devising tools to conquer and control markets in attempts to establish—if possible—a monopolistic position for the company, competing with other producers, etc. The salt-extraction process was organized in an astonishingly complex division of labor that renders the pin factory that Adam Smith famously marveled upon in his *Wealth of Nations* stupidly primitive. What’s even more interesting, from the critical point of view, is the fact that Serafin had to deal with workers’ resistance on virtually a daily basis; several letters describe the various methods of struggle against exploitation that the workers practiced, from deliberately slowing their labor, to organized strikes, to sabotage and destruction of machines, to collective, coordinated refusal to work. It provides an interesting complementary illustration of the facts established by Peter Linebaugh and Marcus Rediker in their seminal book *The Many-Headed Hydra*³: resistance to capitalism is as old as the system itself, and it has been literally always aimed at fighting the exploitation inscribed in the capitalist mode of production as such.

There is yet another feature of Mikołaj Serafin’s enterprise that exposes its modern, capitalist character: extensive reliance on something that is nowadays called social capital – the network of cooperation and trust. Fernand Braudel gives an example of the Buonvisi family of Italian bankers who built a pan-European financial empire in the sixteenth century. It was this kind of network that allowed early capitalist firms to do continent-wide trade. He notes: “The Italian merchant who arrived empty-handed in Lyons needed only a table and a sheet of paper to start work, which astonished the French. But this was because he could find on the spot his natural associates and informants, fellow-countrymen who would vouch for him and who were in touch with all the other commercial centers in Europe—in short everything that goes to make up a merchant's credit and which might otherwise take years and years to acquire.”⁴ What it reveals is the degree to which capitalism has always relied on the exchange of not only merchandise but also information, be it in the form of digits circulating in the internet, promisory notes, or reputation ranking distributed in the networks of cooperation and trust. It comes as no surprise that, as the map shows, Buonvisi bankers made no business in Central and Eastern Europe, as the region remained excluded from early capitalist development. Also in this respect Mikołaj Serafin, with his vast network of proxies, dealers, and informants, may serve as an intriguing exception and a good example of the type of modern capitalist entrepreneur that was extremely rare in this part of Europe.

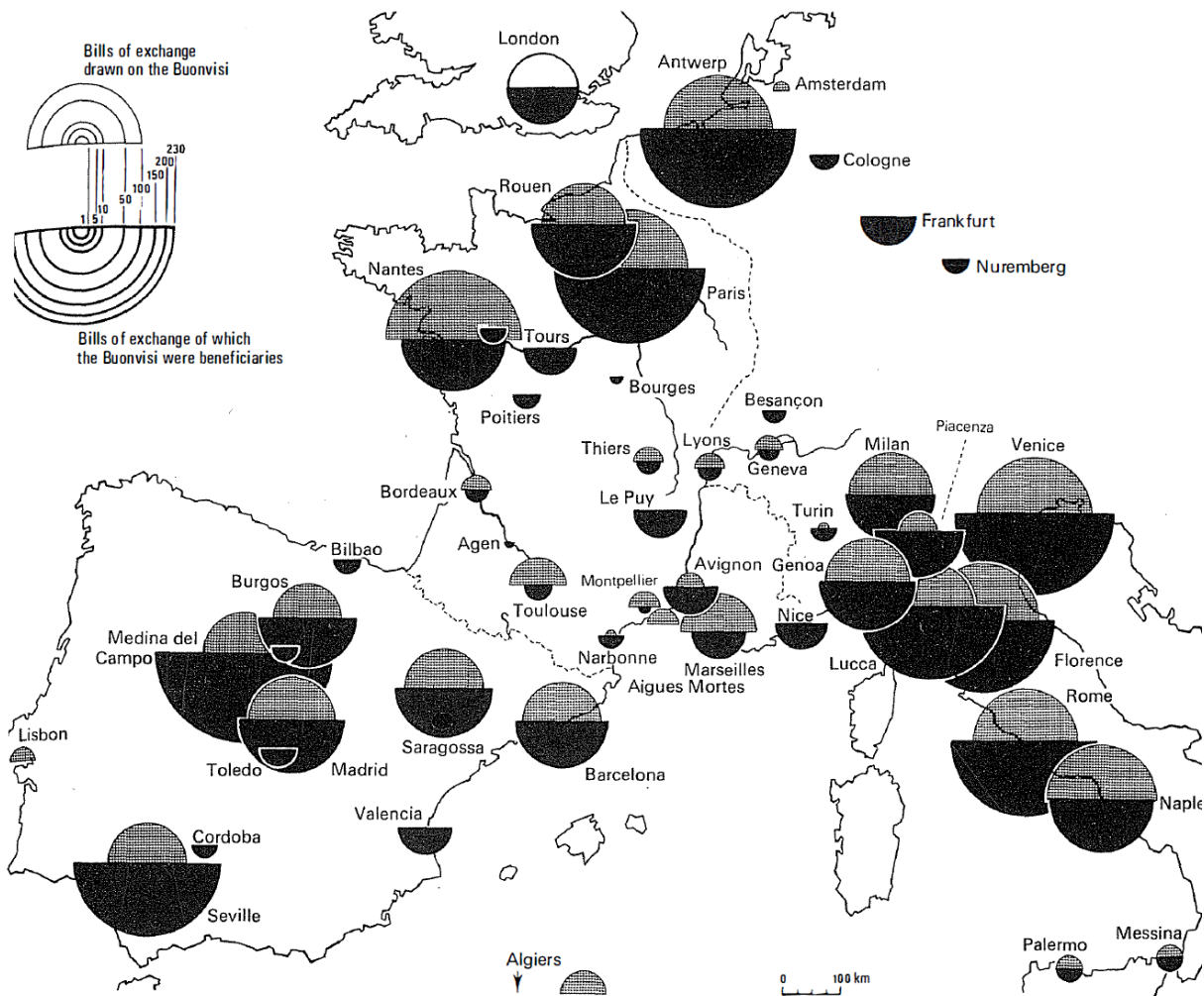


Fig. 1. *The Buonvisi firm conquers Europe in 16th century.* Source: F. Braudel, *Civilization and Capitalism 15th–18th Century*, vol. 2, *The Wheels of Commerce*, trans. S. Reynolds (London: Collins, 1982), p. 187.

There is, however, one thing that puzzles any modern consumer when they take a closer look at Serafin’s enterprise: it was one of the biggest European companies of the time—a genuine pillar of the state’s budget to which it contributed vast amounts of wealth—while its sole merchandise was salt, an item costing a miniscule amount of money on the contemporary market. What has happened with salt as merchandise since Serafin ran his salt company has been a passage from extreme scarcity to general abundance—even excess. The cost of producing one kilogram of salt is no more than a couple dozen cents. No economic empire can be built nowadays on salt. There is basically one factor responsible for this change: the growing technical and organizational capabilities of humankind. New technological methods of producing salt combined with global logistical networks of exchange have made it one of the most easily procured merchandises virtually anywhere in the world.

As we ponder upon this evolution, one may ask a more general question: Is a similar development possible in case of other products? Or, to put it in more general and technical terms, is there a possibility of a post-scarcity material world? Salt is, after all, the best but not the only example of such an evolution. At some point in the course of the twentieth century, due to technological developments in agricultural production, humanity as a whole started producing not only enough food to feed the entire world population but even a systematic surplus. The Nobel Prize-winning economist Amartya Sen neatly demonstrated that famines are not so much effects of the objective scarcity of food but of a failure of market mechanisms to provide the hungry with the entitlement to access food. Food scarcity is not a natural, objective circumstance but an effect of deliberate mechanisms aimed at producing scarcity by disabling access of some to the food that is available; as the poor lack money to buy it, it is exported from the famine-struck regions to maximize profits.

In a completely different realm of the economy, namely digital production, we have witnessed the consequences of excess ever since the global computer network has become fast enough to exchange audio and video files. The fate of a book follows the fate of salt: what once was worth a couple of villages is now accessible on the internet for almost zero marginal costs. Just as an average salary—by the way, the very term “salary” was derived from “salt” in the times of its utmost value—can buy more salt today than a king could afford 500 years ago; literally hundreds of millions of volumes produced by humanity are there at our fingertips.

These are, of course, peculiar products and special market niches. On the other hand, it is a general rule that every technology becomes cheaper and more accessible with time. As everything is now produced technologically, we are logically on the way towards post-scarcity societies. The problem is, we are not going in the same direction politically. The way in which post-scarcity looms on the horizon within the existing capitalist system is mainly an incredible excess of almost every kind of merchandise. We are able to produce more and more for less and less. There is a huge environmental cost attached to this mercantile expansion, which can in principle nonetheless be solved with technological means, given the political will is there. But as long as politics is disproportionately influenced by corporate interests—so, as long as capitalism exists—we will not see the world of post-scarcity; this would mean the end of capitalism, because without scarcity there would be no commodification and thus no markets. Even the economy itself is sometimes defined as the science of scarcity.⁵ So what we witness are rather new attempts to artificially reproduce scarcity by means of legal mechanisms: copyrights, patents, restricting access to digital content through geo-zoning, new oppressive regulations such as the US Digital Millennium Copyright Act, etc. It is impossible to predict

where the future will take us, as it depends very much on our collective efforts to shape it. What is revealed by the fate of the salt business of Mikołaj Serafin is a possibility of overcoming scarcity. It is up to us to make it into actuality and thus to complete the history of capitalism as one could see it in a grain of salt.

¹ Fernand Braudel, *Civilization and Capitalism, 15th–18th Century*, vol. 3, *The Perspective of the World*, trans. Siân Reynolds (London: Collins, 1984), p. 91.

² The collection is only available in Polish and original Latin. See Waldemar Bukowski, Tomasz Płóciennik, and Anna Skolimowska, eds., *Korespondencja żupnika krakowskiego Mikołaja Serafina z lat 1437–1458* (Kraków: Societas Vistulana, 2006).

³ Peter Linebaugh and Marcus Rediker, *The Many-Headed Hydra: Sailors, Slaves, Commoners, and the Hidden History of the Revolutionary Atlantic* (Boston: Beacon Press, 2000).

⁴ Fernand Braudel, *Civilization and Capitalism, 15th–18th Century*, vol. 2, *The Wheels of Commerce*, trans. Siân Reynolds (London: Collins, 1982), p. 167.

⁵ See Lionel Robbins, *An Essay on the Nature and Significance of Economic Science* (London: Macmillan, 2014).