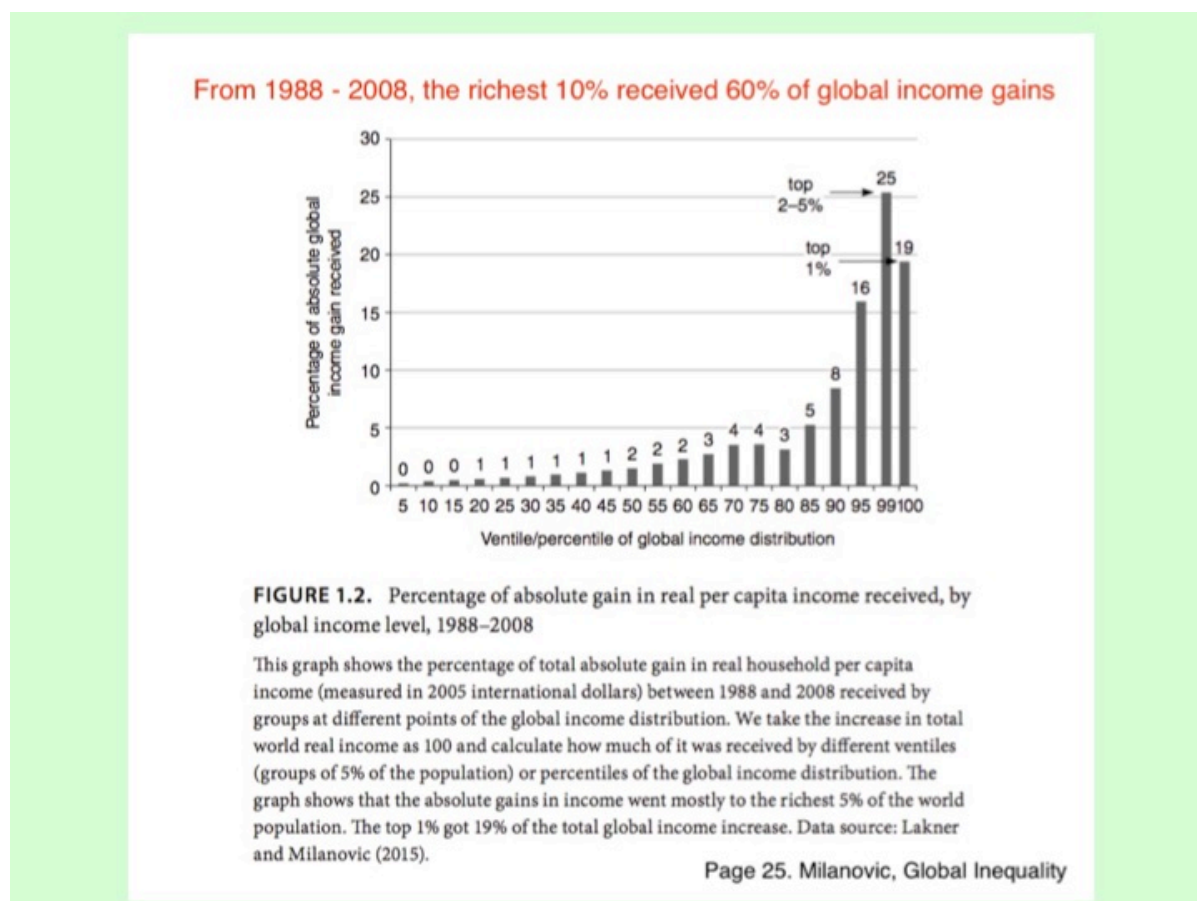


**2016-05-23 From the preparatory notes for Class 05 of the introductory course on political economy: ‘The evolution of property and how it rules the world’.**

From *Global inequality: a new approach for the age of globalization* by Branko Milanovic, published by Harvard University Press, April 2016:



Last time, we considered the two meanings of ‘wealth’ — first, as **objects of utility**; second, as **socially recognised entitlements** to those objects. These two meanings are linked together in the concept of ‘property’ which we have been exploring so far.

The graph above illustrates the unequal distribution *worldwide* of entitlements to income — more specifically here to income *gains*. As the course proceeds, we shall be analysing how this situation has come about historically; how the social mechanism which reproduces and increases inequality actually works; and what can be done about it.

Next we hear the **report-backs by members of the class** who agreed last time to think about and attempt to answer the following questions (which arise from the material covered in earlier classes):

- ❖ What is the role of force in creating and protecting property?
- ❖ What role does scarcity play in providing the basis for social recognition of entitlements to objects of property?
- ❖ What does 'scarcity' mean — what does it depend on?
- ❖ Is there a distinction to be made between needs and wants?

Each of these topics is then discussed.

### **In the light of what we have learned so far, how should 'property' be defined?**

This is what the anthropologist **E. Adamson Hoebel** wrote in *The Law of Primitive Man* (p 58):<sup>1</sup>

Property in its full sense is a web of social relations with respect to the utilization of some object (material or nonmaterial) in which a person or group is tacitly or explicitly recognized as holding quasi-exclusive and limiting demand-rights, privilege-rights, powers, and immunities in relation to that object. Thus there are two essential aspects of property: (1) the object, (2) the web of social relations, which establishes a limiting and defined relationship between persons and the object.

This limiting relationship is traditionally referred to by orthodox lawyers and economists as an exclusive right of use, but modern economists and most legal thinkers today recognize that plenary control over any object of property is relative, and that the so-called exclusive right of control is at best a quasi-exclusive right, always limited by implicit, customary claims and restraints imposed upon the property owner by others. Even when there appear to be no explicit legal limitations upon the use and disposition of a person's object of property this is true.

Even though the individual may create or acquire the object of property through his own efforts, it is society and not the individual which creates the circumstances that make property out of it. For although an individual may be the possessor of some valued object, some *res nullius* that he has picked up, occupied, or created, that object does not become property until the members of the society at large agree, tacitly or explicitly, to bestow the property attribute upon the object by regulating their behavior with respect to it in a self-limiting manner. They recognize a special status in the owner with respect to the object in question.

Discussion.

This passage by Hoebel emphasises the **social recognition** that is fundamental to sustaining property in any system of property. The ingredients of that recognition, and thus the recognition itself, undergo development and change.

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<sup>1</sup> Footnotes omitted.

Hoebel's passage quoted above does not deal with the significance of the element of **scarcity**, or the role that has historically been played (and is still played) by **force** in establishing the basis for creating and maintaining proprietary entitlement.

A printout of a one-page note entitled *Outline of the concept of property* handed out in class.\* Class members are asked to read the note at home.

We then set out briefly some basic 'theses' relating to the question: 'What is property?'. Some of these we have already covered. Some of them are based on looking ahead to subject-matter of future classes. We shall constantly revisit (and re-discuss where necessary) all of these statements as the course proceeds.

## What is property?

Property is not a thing.

Property in a thing is really a relation between people regarding the thing.

Property is a social relation.

Property is a socially recognised exclusive entitlement to material wealth or the means of producing it.

This socially recognised entitlement appears as a customary entitlement before being expressed as a legal entitlement.

The legal relationship (legal recognition of the entitlement) attains relative autonomy from the underlying social relationship.

However, property cannot effectively be legislated away unless the social relation can be legislated away, otherwise it will come back.

The general basis for the social recognition of the entitlement cannot simply be abolished; it has to wither away.

While force plays a part in the establishment and maintenance of property, the general basis of property is not force, but scarcity.

[Through lack of time, it was not possible to begin the discussion of the extracts from *The German Ideology by Marx and Engels*. This was deferred to the next class. Class members are asked to bring their printout of that text (which was handed out on 25 April 2016) to the next class.]

\* See next page

## 'The evolution of property and how it rules the world'

### OUTLINE OF THE CONCEPT OF PROPERTY

The following is a very brief and general outline of the approach taken in this course to understanding the origin and evolution of property:

While things may be the objects of property, property is not a thing. It is a social relation – a relation between people in regard to things.

**Property can be defined as a socially recognised exclusive entitlement to material wealth or the means of producing it.** 'Material wealth' here refers to the means of satisfying needs and wants of all kinds. The resources and implements necessary to produce material wealth have historically also become objects of exclusive entitlement.

The socially recognised entitlement may be an individual entitlement or a collective group entitlement. The nature and extent of the entitlement may be limited or qualified in various ways.

The *recognition* of the entitlement arises from and is constantly reinforced by the interaction of human beings with their natural environment and with each other as they go about producing their subsistence with the means historically at their disposal and the means which they create. From natural roots, property takes shape as custom and gains further relative autonomy as law. At the same time it undergoes change along with changes in that basic interaction, which has both co-operative and competitive features — the latter at least while scarcity and insecurity prevail.

Tracing the evolution of property from hunter-gatherer societies to the advanced capitalist societies of today, we identify the qualitative changes that have occurred in property relations as the means of production have developed and the characteristic mode of production, distribution and exchange has undergone change.

We see in the production of **surplus** the conditions initially for the development of social stratification, for the growing predominance of the power of propertied classes and of relations of exploitation. But we also see in the reliable production of surplus the necessary conditions for overcoming the predominance of property itself.

While force or the threat of force is integral to property, neither its origin nor its persistence is ultimately attributable simply to force. Nor can prevailing property relations simply be abolished, either by law or by force. This is not to discount the potential role of both law and force as instruments of change.

Within this framework we examine critically not only the features of class society — among them maintaining the enslavement or subordination of women as the property or quasi-property of men — but also utopian conceptions of overcoming the power of exploitative property relations in the absence of a solution to the problem of scarcity itself.