

Economic Foundations of Society: The Historical Role of Peasants, Common Man, and Working Classes

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ABSTRACT:

This study investigates the economic foundations of society by tracing the historical role of peasants, the common man, and the working classes in shaping economic and social transformation. From agrarian civilizations to the rise of industrial capitalism and post-colonial development, these groups have remained the driving force behind production, distribution, and social change. Their labor sustained empires and industries, while their collective struggles challenged exploitation and redefined justice within the economic order. Grounded in economic history, Marxian political economy, and development theory, the study reveals that although technological and institutional advances have transformed modes of production, the underlying dependence on labor and surplus extraction endures. It emphasizes that peasants and workers have been both the architects and the conscience of economic progress, embodying the continuous dialectic between exploitation and empowerment. Ultimately, the research underscores that any understanding of economic development must center on these marginalized yet indispensable actors whose resilience and agency have shaped the material foundations of human civilization.

KEYWORDS:

Peasantry, Working Class, Economic History, Colonial Economy, Labor Movements, Development.

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1. Introduction

Economic history cannot be understood without recognizing the enduring role of the peasantry, common man, and working classes. These groups have supplied the labor, produced the surplus, and sustained social systems across civilizations. Whether tilling the soil in medieval Europe, harvesting indigo in colonial India, or operating textile machines during the Industrial Revolution, the masses have formed the backbone of the economic structure. Yet, their contributions have often been marginalized

in mainstream economic discourse, which tends to privilege capital, elites, or policy frameworks over the lived experiences of laboring people.

This study situates these classes within the long arc of global economic transformation, exploring how their productive roles evolved and how their struggles for justice redefined economic relations. It argues that the peasants and workers, through both compliance and resistance, shaped the social order and laid the foundation for modern development. The analysis proceeds through four phases—pre-industrial agrarian society, colonial economy, industrial capitalism, and post-colonial transformation—each highlighting shifts in production, class relations, and state policy.

2. Theoretical Framework: Labor and Economic Foundations

The paper draws primarily on historical materialism, emphasizing how material conditions and class relations determine social structure. Karl Marx viewed history as the story of class struggles rooted in economic exploitation, where the ruling class appropriates the surplus labor of the producing class. In agrarian societies, feudal lords extracted rent; in capitalist systems, industrialists appropriated surplus value through wage labor. Similarly, E.P. Thompson's *The Making of the English Working Class* and Eric Hobsbawm's studies on peasantry illustrate that economic transformation is inseparable from the lived realities of ordinary laborers.

From an economic development perspective, Arthur Lewis's dual-sector model and W. Rostow's stages of growth describe how surplus labor from traditional agriculture shifts to the modern industrial sector. Yet, such transitions are rarely smooth; they involve dislocation, inequality, and resistance. Dependency theorists further argued that in colonial and post-colonial contexts, peasants and workers were systematically underdeveloped to sustain metropolitan capital accumulation.

This theoretical grounding frames the subsequent historical analysis of how economic foundations rest on laboring classes whose contributions, though indispensable, were often exploited or unacknowledged.

3. The Peasant Economy in Pre-Industrial Societies

In pre-industrial societies, agriculture was the mainstay of economic life. Peasants formed the majority, producing food, raw materials, and surplus that sustained ruling elites and early states. Their relationship to land defined their economic and social position. Under feudalism, for

instance, peasants worked on land owned by lords, paying rent or taxes in kind or labor. Despite exploitation, they maintained vital knowledge systems of cultivation, irrigation, and animal husbandry.

3.1 Europe

In medieval Europe, serfdom bound peasants to the manor, limiting mobility but ensuring subsistence. Over time, population growth, market expansion, and enclosure movements displaced peasants from land, transforming them into wage laborers. This dislocation—described by Marx as “primitive accumulation”—was the precursor to capitalism.

3.2 Asia and Africa

In Asia, particularly India and China, peasants operated within complex agrarian systems. In Mughal India, land revenue formed the fiscal backbone of the empire, while the zamindari and ryotwari systems institutionalized peasant subordination under colonial rule. African economies, too, were primarily agrarian, with communal ownership patterns disrupted by colonial expropriation and the introduction of cash-crop economies.

3.3 Economic Functions

Peasants were both producers and consumers, forming the “subsistence economy” that ensured food security. They also generated surplus for rulers through rent, tax, or tribute. As Karl Polanyi observed, their economic activities were embedded in social relations rather than profit motives. However, their subjection to extraction and vulnerability to famine made them the first victims of economic crises.

4. Colonial Economies and the Marginalization of Peasantry

Colonialism restructured agrarian economies for imperial benefit. The colonial state prioritized surplus extraction, cash-crop production, and export orientation. Peasants were coerced into growing crops such as indigo, cotton, tea, and sugarcane, often replacing subsistence farming with market dependency.

In India, the British introduced the Permanent Settlement (1793), which transformed traditional land tenure into a system favouring landlords and moneylenders, pushing peasants into debt and dispossession. Similar patterns occurred in Africa and Southeast Asia, where taxes payable only in cash forced peasants into labor markets, undermining tradi-

tional economies.

4.1 Peasant Resistance

Economic exploitation provoked widespread revolts:

- The Indigo Rebellion (1859–60) and Deccan Riots (1875) in India reflected collective resistance to colonial extraction.
- In Africa, women led revolts like the Aba Women’s War (1929) in Nigeria, opposing taxation and forced labor.
- In Southeast Asia, anti-colonial movements drew heavily from agrarian discontent.

Such movements expressed what James Scott termed the “moral economy” of peasants—the belief that rulers had moral obligations to ensure subsistence security. Violations of this ethic led to rebellion.

5. The Rise of the Working Class and Industrial Transformation

The Industrial Revolution in Europe (18th–19th centuries) transformed the economic landscape, giving birth to a new working class. Displaced peasants became wage laborers in factories, mines, and mills. Urbanization intensified, and with it came exploitation—long working hours, low wages, child labor, and unsanitary conditions.

5.1 The Working-Class Question

Industrialization created unprecedented productivity but also deepened inequality. Thinkers like Marx and Engels highlighted how capital accumulation rested on surplus value extracted from workers. Labor unions, strikes, and socialist movements arose as workers demanded fair wages and humane conditions. The Chartist movement in Britain and revolutionary labor uprisings in France, Russia, and Germany reflected these struggles.

5.2 Colonial and Global Dimensions

Industrialization in the West was intertwined with colonial economies. Colonies supplied raw materials and absorbed manufactured goods, while cheap colonial labor—enslaved or indentured—fuelled capitalist expansion. In India, deindustrialization of indigenous handicrafts and the rise of urban working classes in ports and railways reflected this global restructuring of labor.

5.3 Gender and Informality

Women and children formed a significant part of the industrial workforce but were often paid less and denied rights. The informal and domestic sectors also became spaces of hidden labor, illustrating the gendered nature of economic exploitation.

6. Peasants and Workers in Post-Colonial Economies

After independence, newly sovereign nations sought to reverse the colonial economic order. Policies aimed at land reform, industrialization, and redistribution were launched to empower rural and working populations. However, outcomes varied widely.

6.1 Agrarian Reforms

In India, land reform initiatives sought to abolish intermediaries and redistribute holdings to cultivators. Yet, incomplete implementation allowed inequality to persist. The Green Revolution increased productivity but widened regional disparities. In Africa, state-led agricultural schemes often failed due to bureaucratic inefficiency and corruption.

6.2 Industrial Development

Post-colonial states viewed industrialization as the path to modernization. Public sector expansion provided employment, but inefficiency and capital bias limited benefits to the working poor. Informal sectors grew rapidly, absorbing underemployed labor without adequate protection.

6.3 Labor Movements

Trade unions became vehicles for political expression and economic bargaining. In India, organizations like INTUC and AITUC played crucial roles in post-independence labor rights. However, globalization and privatization since the 1990s have weakened collective bargaining power, increasing precarious employment.

7. Economic Contributions and the “Common Man”

Beyond peasants and industrial workers lies the broader category of the “common man”—small traders, artisans, and informal laborers—who sustain local economies through everyday production and exchange. Their role embodies the resilience of the popular economy.

In developing countries, informal employment constitutes over 80% of total labor. Street vendors, construction workers, and small-scale artisans ensure urban survival. Despite limited capital, their contributions to

GDP and employment are substantial. Yet, policy frameworks often marginalize them, prioritizing formal capital-intensive sectors.

The economic activity of the common man illustrates what Amartya Sen calls “capability deprivation”—the inability to transform work into well-being despite productivity. Recognizing their role requires inclusive economic models valuing social equity alongside growth.

8. The Political Economy of Resistance

Economic subordination has always produced forms of resistance. From agrarian uprisings to labor strikes and anti-colonial mobilization, the working masses have continuously negotiated power and justice.

8.1 Peasant Politics

Movements such as the Bardoli Satyagraha (1928) in India and the Mexican Zapatista Revolt (1910) combined economic grievances with political consciousness. They demanded fair taxation, land rights, and social justice—laying the foundation for modern peasant politics.

8.2 Working-Class Movements

The 20th century saw organized labor emerge as a transformative force. In Europe, social democracy and welfare capitalism were shaped by workers’ demands for security and equality. In the Global South, trade unions became vehicles for national liberation, linking class struggle with decolonization.

8.3 Economic Democracy

Movements for cooperatives, community ownership, and self-help institutions reflect attempts to democratize economic life. These initiatives challenge the notion that growth must rely on centralized capital accumulation, highlighting instead the collective agency of the masses.

9. Contemporary Challenges and Continuing Relevance

The neoliberal era has transformed the landscape of labor and production. Globalization, automation, and privatization have eroded traditional class boundaries but intensified inequality. Peasants face displacement through land acquisition and agribusiness expansion, while workers confront job insecurity in a gig economy.

9.1 The New Peasantry

In many developing economies, smallholders still constitute a large

portion of the population. They face declining terms of trade, environmental stress, and corporate monopolization of inputs and markets. Yet, movements like La Via Campesina advocate for food sovereignty and peasant rights, reviving moral-economic claims in modern contexts.

9.2 The Precariat

Sociologist Guy Standing describes the emergence of a “precariat”—a new class of insecure workers without stable income or rights. From delivery workers to migrant laborers, the common man now navigates a volatile economy shaped by digital platforms and global supply chains.

9.3 Policy Implications

Addressing these issues requires policies ensuring decent work, social protection, and equitable access to land and credit. Economic growth without social justice risks repeating the very inequalities that the historical struggles of peasants and workers sought to overcome.

10. Conclusion

The historical trajectory of peasants, common men, and working classes reveals that they are not passive recipients of change but active agents shaping the economic foundation of society. Their labor-built civilizations, sustained empires, and fueled industrial revolutions. Their struggles for justice, from agrarian revolts to labor movements, redefined the moral and institutional boundaries of the economy.

Yet, despite political independence and technological progress, many of their structural vulnerabilities persist. The exploitation and exclusion that characterized colonial and early capitalist systems continue under new forms of global inequality and market domination.

To build a truly inclusive economy, future development must recognize the centrality of these groups—not as residual categories but as co-architects of progress. By integrating equity with growth and participation with productivity, societies can transform economic foundations into instruments of human dignity and collective advancement.

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