ECONOMIC AND POLITICAL WEEKLY

April 1, 2006
Vol. XLI, no. 13 (pp.1241-6)

www.epw.in

Poverty and Capitalism

While it may be possible to mitigate poverty through social transfers, it is not possible to eradicate the processes that create poverty under capitalism. Eight such processes are discussed: the creation of the preconditions; petty commodity production and trade; technological change and unemployment; (petty) commodification; harmful commodities and waste; pauperising crises; climate-change-related pauperisation; and the unrequired, incapacitated and/or dependent human body under capitalism. Ways to regulate these processes and to protect against their impact are discussed.

Barbara Harriss-White

The 21st century has witnessed an impoverishment of the concept of development. From its start as a project of capitalist industrialisation and agrarian change, the political direction and social transformation that accompany this process – and the deliberate attempt to order and mitigate its necessary ill effects on human beings and their habitats – development has been reduced to an assault on poverty, apparently driven by international aid, trade and financial agencies and festooned in targets. At the same time, the concept of poverty has been enriched by being recognised as having many dimensions – monetary/income poverty, human development poverty, social exclusion and poor peoples' own understandings developed through participatory interactions [Laderchi et al 2003].

But though it is much measured, there is little theory of the condition of poverty. The choice of a poverty line of $1/day as a state to be eradicated is well recognised to be an arbitrary goal. The most robust modern theory has been supplied by philosophers who have defined development as "freedom to be and do" and have examined poverty as deprivation in the spaces of individual capabilities and functioning [Sen 1999; Nussbaum 2000]. In their focus on individuals however – their well-being, their rights, freedom, full humanity and dignity – the philosophers of poverty risk losing the connection to the material project of industrialisation. Already half a decade ago, the United Nations signed up to a set of targets – the Millennium Development Goals (MDGs) – representing aspirations to assault several dimensions of poverty through "development partnerships" and last year, the Commission for Africa issued a strong statement that the solution to Africa's intractable poverty was the expansion of business. Effectively this means that capitalism is to be the major "development partner" of the poor. But we have not yet come full intellectual circle because, in being stylised as "business" – and commonly also as "markets" and "economic growth", capitalism is robbed of its logic, its institutional framework and its dynamic.

In this paper I examine the idea that the poverty cannot be eradicated; that on the contrary poverty is continually being created and recreated under the institutions of capitalism. Capitalism is a mode of production in which capital – in the form of money and credit, physical machinery, stocks of goods and labour – is privately owned. Production is for sale, labour is for sale, sale is mediated through money. The owner of the means of production, often operating through specialised managerial labour, controls the hiring and firing and working conditions of labour, the choice of technology, the commodities produced and the exchange of the output. This owner has access to credit from specialised financial institutions, even though he may contest its control. An employer's control over capital takes place in the context of competition for market shares. This competition forces the capitalist to adopt new techniques which cut costs, and to accumulate in order to invest in new techniques. Labour contests the wage-profit relation, and governments seek to incentivise, regulate and tax capital [Bottomore et al 1985].

States may also seek to mitigate poverty, but in order to do so effectively the processes which create poverty must be openly understood and the – sometimes perverse – consequences of the various mitigating strategies on these poverty-creating processes must be recognised.

In arguing that poverty is created by the dynamics of capitalism, I am not arguing that the MDGs are not worthy aspirations, or that poverty is only created as a result of economic processes, or that capitalism does not create material wealth for working people as well as for capitalists; that poverty is also not created by non-capitalist forms of production. Since capitalism "bestrides the narrow world like a Colossus"[1] it is the way it creates poverty, as it also creates wealth, that needs above all to be understood. The relative strength of these processes will vary across space and time. It is beyond the scope of this paper to examine struggles over the distributive share[2] or the organisation of countervailing economic and political power. The purpose of this paper is to summarise what poor people have to struggle against; and the economic forces arranged against their empowerment throughout the world. There are at least eight ways in which capitalism creates poverty.

The Transition and Institutional Preconditions

For capital to be invested productively, there must be a prior process of generation and finance of initial or starting capital. For this to be possible and for capital to be concentrated, not just precapitalist rentier classes but also domestic crafts and industry have to be destroyed, or transformed out of all recognition. Labour must also be dispossessed of productive assets and the securities and the restrictions of craft associations or "guilds" so as to be forced to work for wages. Adam Smith called this the "pre-history" of capital, and it involves a dramatic reallocation of property rights.[3] To be forfeited, property rights need to be insecure and/or they are reallocated using force.[4] This process is required for the building of infrastructure, physical plant, spatially extensive production and for the concentration of production of food for the industrial labour force, and agricultural raw materials for industry.

The state is the only institution which can ensure that the transfer and seizure of assets does not degenerate into mere theft and anarchy but leads to productive investment. Its role is extraordinarily difficult and it frequently does not succeed. It must permit this process and allow for the possibility that its own assets are also transferred.[5] It must protect the private enclosure of common pool – and open access – resources. It must permit and organise the supply of credit and finance through reliably regulated banks. It must allow or directly provide the public goods, services and infrastructure without which private capitalism does not survive.[6] It must allow the provision of – or itself directly provide – enforceable rules through which capitalist companies are regulated. It must protect capital and raise the resources to protect not only capital but also the state's own project of creating the institutional preconditions to capitalism.

The barriers to the destruction of the ties of labour to land and other productive household assets must be destroyed. The parameters of independent household economy must be defined or limited. Barriers to the spatial mobility of labour must also be destroyed; labour must move; the state must either control the movement of labour or decide that labour may move freely or allow some types of labour to move, prevent others from moving, and manage the tension between the two.

The state may be required to compensate labour for its displacement and dispossession, both in the interest of political stability and in order to shape the quality of the resulting labour force. If it does so, resources must be mobilised for such compensation.

Opposition to the concentration of capital and dispossession of labour must be defeated or bought off, and resources raised for this process. As many kinds of non-market exchange are involved, coercion is unlikely to be avoided. Since these complex institutional preconditions for capitalism develop over a considerable period of time, and since the preconditions emerge in uneven and mismatched ways, the process of dispossession of labour is sure to create poverty.

Where states fail to perform the complex roles of developing institutional preconditions, other social institutions fill the vacuum but do so in ways which are incomplete, arbitrary and localised.[7] When such regulative institutions are firmly socially anchored, the state is delegitimated and/or captured in ways which make the establishment of the institutions of state-regulated capitalism – including the welfare of labour – even more difficult.

As the economy of a state or region is transformed from non- or precapitalist production to capitalist relations, this process may constitute an era of history. Marx certainly saw it thus, and located it in the 15th to 18th centuries in Britain. His term for it has been translated variously as "primitive", primary and original accumulation. But since the process is ongoing, original or primary accumulation may co-exist alongside advanced forms of capitalist accumulation – craft production may persist even as supermarkets proliferate. It can coexist inside a firm operating in regions at different stages of transformation – e g, when a multinational corporation evicts pastoralists in one site and operates under conditions of regulated market exchange in another. It can and does coexist inside a firm at one site – e g, when the same process is simultaneously carried out by wage labour under radically different conditions of contractual security.

Small-Scale Household Forms of Production

Along with the peasantry and the autonomous operation of commercial or "merchant's" capital, petty production has long been expected to disappear as capitalist development is consolidated.[8] But there is a kind of commercial capitalist development under which pauperised production in tiny firms using unwaged household labour takes place using money advanced by specialist commercial firms on terms and conditions which make accumulation by the small firms involved the exception rather than the rule. It is extremely widespread throughout the world, and extremely persistent. In the prevalent absence of state regulation, this kind of commercial capitalism is regulated through guilds and trade associations as well as through norms associated with social identities such as ethnicity, religion and gender. These forms of regulation are effective at the cost of being exclusive, arbitrary, localised and incomplete. This persistence and ubiquity strongly suggests that pauperised petty production, apparently outside the ambit of state regulation, may not be a precapitalist relic in the course of being eradicated but may actually be intrinsic to state-regulated capitalism and incorporated by it. It may even be deliberately developed, because it delivers clear advantages to business and the state.

Market or environmental risks may be shifted onto independent out-workers or home-workers, or onto unprotected and disguised wage labour. Costs may be reduced by avoiding overheads, abandoning or never meeting employers' obligations, undercutting legal wage floors and replacing wage work by family work regulated by patriarchal authority relations. New kinds of low-cost labour may be incorporated, or old forms of low-cost labour may be re-incorporated (e g, rural, female and child labour, migrant workers). The labour process is controlled by avoiding the creation of conditions where it might be organised in unions and exert some countervailing power. The state's regulative and welfare responsibilities towards labour can be shed and the state's infrastructural responsibilities toward business and capital can be reduced. A developmental state focusing on reducing poverty would need to promote the opposite of all these practices.

Under this common form of commercial capitalism, commercial firms indirectly control production and most producers are involved in markets from which they cannot possibly withdraw without becoming destitute. The mechanisms of control are money advances, and the state's protection of commercial firms through the regulated supply of credit. Commercial firms also undertake productive industrial activity. Trade cannot take place without processing (an interruption of the process of circulation for productive purposes) or transport (the use value of things is materialised in their consumption and their consumption may require a change of location) or storage (preventing deterioration). By these means petty production – surviving through the super-exploitation of family labour – and commercial capitalism – through which capital is centralised and concentrated to reap economies of scale – are intertwined. Rather than being phased out, increasingly large spaces are being allowed for such pauperising forms of capitalist production. Some observers even see this form of production, commonly associated with the term “informal economy”, as an anti-poverty tactic of last-resort labour absorption – even a sphere of resistance and empowerment of “the poor”;[9] whereas the analysis here shows it to be a form of production which inherently restricts accumulation.

Capitalism and Unemployment

Capitalism does not only search for cheap and even unwaged labour. Two mechanisms create unemployment. First, technological change: capitalism permeates society through a dynamic process based on the logic of growth and profit in which the productivity of wage labour is continually enhanced by machines.[10] By itself the elasticity of labour absorption with respect to growth declines – and indeed this is happening in agriculturally advanced regions of India now.[11] The second mechanism concerns the ways in which markets make adjustments to fluctuations. Under capitalism, all markets are related to each other in ways which are structured (at the very least through norms about future expectations). In practice supply, demand, property rights, prices and contracts are structured in densely instituted and specific ways. One of the elements of such a structure is the physical nature and cultural meaning of things transformed as commodities. For one instance, labour is a commodity with consciousness, which may reflect on and resist contracts in markets; labour is also not produced for sale. For another, money is not only a commodity but also a stock of wealth. As a result, its value vis-a-vis other commodities is, and must be, stickier. It will change more slowly than commodity prices do. As Patnaik (2005) has recently argued, it then follows that excess demand between money and commodities requires quantity adjustments in commodities and labour. So the dynamic of capitalism requires there to be idle capacity in machinery and plant, cash balances and unemployment regardless of the impact on labour of technological change.

The result is the creation of pools of unemployed labour.[12] Some people float in and out of work while others are seasonal migrants and a particularly stagnant pool is filled by those without work for long periods. These reserves of unemployed people are functionally useful to capital since their very existence disciplines and disempowers those in work, discouraging them politically from struggles over the distribution of wages and profits – which might result in their being deprived of livelihoods – and depressing the wages of workers by their mere existence. In the absence of state intervention, they reproduce a system which is self-reinforcing.

For political stability as well as welfare reasons, states need to control the rate of labour-displacing growth, but it is a very difficult task. The infrastructural preconditions for capitalism must be guaranteed. To keep capitalism competitive states also need to enforce the weeding-out of unproductive and wasteful forms of investment, to make some provision for the results of risky innovation, to make sure institutions are in place to manage information and technological change and to establish means of challenging the tendency to centralisation, concentration and monopoly.[13] At the same time, as Mushtaq Khan (2004) has pointed out, states require resources and authority to maintain political stability and to set economic limits to unavoidable political compromises.

Among this armoury of interventions, states may mitigate the poverty of workers by regulating wages, the length of the working day and the minimum rights of labour. They may provide healthcare and education as public goods in order to help supply the appropriate quality of labour needed by capital at any given stage. By various social security policies the state determines the manner in which unemployed people regulate the political assertiveness of those in work. Social security policies also reduce the vulnerability of those in work to shocks of ill health and enable them to return to work. Social policy may be understood in part as an economic policy for labour.

Without such regulation, capitalism seeks to maximise profit and to displace labour. Some have termed this the creation of waste people [Bauman 2004] – but they are not entirely “waste” for capitalism because, although they constrain demand for commodities, their existence disciplines those in employment. A key question for the state is therefore the extent to which it mitigates the poverty of waste people and reduces their threat to the labour force.

Role of Commodification

While industrial and commercial capital centralises and concentrates itself through the exploitation of scale economies and through primitive means, another process is at work which has the capacity to offset the process of labour-displacing technological change. This is the process of commodification under which capital invades domestic work carried on outside the money economy – uncommercialised services, the physical and emotional needs of the body (whether labouring or not), the non-market activity of the public sphere, and the non-market disposal of waste – and turns it into commodities. The process of converting work for direct use into wage work is commonly introduced through paid-for services.

These are then displaced by standardised mass-produced commodities, including commoditised services. Labour-intensive at the start, their production is subject to the same laws of technical change, labour displacement and economies of scale, under which capital strips itself of unprofitable tasks. Not only do such commodities and services require wage work to generate the incomes by means of which they are demanded, they also require labour time for their purchase, use and maintenance. This remaining unpaid labour time is shed from the firm and transferred to the consumer. Ursula Huws has called it "consumption work" [Huws 2003]. Waves of new commodities and commodified services in information, repair and maintenance, etc, are generated.

Commodification creates employment but the process is gendered. It is becoming evident that there is no equalisation of the wage in a capitalist labour market. Returns to labour are differentiated. Service labour is generally poorly paid and very often female.

As commodification intensifies its grip, public expectations based on a culturally-defined standard of private consumption become generalised. Wages are the compulsory precondition of these naturalised – but ever growing – levels of consumption. An inability to achieve the required consumption level means relative poverty.

Commodification is also associated with absolute poverty. In the conditions of petty production and commercial capital under which accumulation is blocked for the former and heavily focused towards the latter, petty commodification proliferates [Harriss-White 2005a]. The credit and exchange relations, the forms of super-exploitation of household labour (celebrated as "efficiency" in orthodox economics) and the denial of access to state-regulated incentives, all of which prevent accumulation, themselves preserve the supply of labour to a low-wage service sector. Wages are relatively low here because the alternative is unwaged petty production. At the same time these constraints to accumulation mean that demand for mass produced goods and services is constrained. Petty commodification is a process of capitalist development which is difficult to eradicate even when the form of petty commodity production faces competition from mass production, which – we saw earlier – was confidently predicted to destroy it.

Production of Pauperising Commodities and Waste

The capitalist mode of production is indifferent to the social consequences of the commodities it produces. There are many ways in which commodities are socially harmful. Society may be injured by commodities in their consumption (e g, weapons, tobacco and alcohol) or by uncommodifiable by-products which are dangerous to humans and other forms of life (e g, nuclear waste, pesticide residues, waste which permeates and contaminates water tables).

In damaging and incapacitating human bodies, these processes and these commodities create poverty – unless the state classifies injured workers as deserving of support, and underwrites their reproduction as injured beings. States have to raise revenue and incur expenditure if they are to deal with damaging commodities and by-products and the damaging effects of commodity consumption. Paul Sweezy [Lebowitz 2004] was among the most prominent to argue that, instead of dealing with these inevitably damaging aspects of capitalism, in the 20th century, states appropriated surplus and allocated it to military-cum-nuclear expenditure. This then reinforces the need for capitalist societies to deal with commodities which damage people.

Crisis and Poverty

Both in theory and in practice capitalism is associated with crises which may pauperise various fractions of society. In theory, crises are caused by the clash of the logic of accumulation and profit (leading to overproduction), and that of the demand for commodities and the distribution of wages permitting such demand (leading to under-consumption). A further tension exists within profit between its use in consumption (creating demand) and its use for productive investment. These are delicate interdependencies and shocks to them may have far-reaching repercussions.

The current era is one in which the movement of capital is global, while regulation is done by states. When currencies compete, states must manipulate interest rates so as to attract investment when exchange rates are weak. When risk is factored into the determination of interest rates, they rise. The accumulation of large-scale public debt in the biggest economies also raises interest rates. The current era is thus one in which returns to finance capital exceed returns to real economic growth [Altvater 2001]. Meanwhile many countries must export primary commodities to repay debt and pay for imports, commodities whose real prices fall (on coercively liberalised product markets) while the price of fossil energy – the key import – rises. Financial markets are inherently unstable because of the diabolical combination of necessarily incomplete information and herd behaviour [Fitzgerald 2002]. Under conditions of sudden mass exit, currencies collapse, the burden of debt service becomes so ruinous that states have to take it over, and import prices rise, inducing inflation. These conditions require a surge in exports to rectify the financial imbalances, but exports collapse due to both the decline in assets prices and the flight of finance capital. A new class of poor people is created from among those who saved as well as those made redundant. The global institutions through which finance capital is regulated will bail countries out only on condition they adopt austerity measures, which compromise the capacity of the state to help the old or new poor.

The result is the proliferation of informalised, subsistence-oriented petty production and trade; threats to the security of property; parallel systems of protection and governance; a reversion to primitive forms of exchange and the development of non-market social structures as instruments of economic regulation. The state can protect its population from such crises only by capping interest rates, creating employment and supplying social security. It is unable to do any of this without sovereignty to regulate finance.

Environmental Destruction and Poverty

While in logic it is possible to conceive of capitalism based upon renewable energy, in practice it is path-dependent on fossil energy. The tendency to increase labour productivity requires ever more matter and energy. It produces ever more physical waste and useless forms of energy. Its tendency to concentrate and centralise ownership does not prevent the dispersal of production sites and of waste but development as a process of catch-up is now understood to be a thermodynamic impossibility [Altvater 1993]. Indeed the petty commodity forms of capitalism make sense as means by which capital polices its own ecological limits. To see how the general argument pertains to poverty, the analysis of capitalism has to be made concrete and instituted.

There are many ways in which the impact of capitalism on the environment creates poverty. The logic of growth involves the growth of waste. In theory, at the micro-level, waste may be made useful, commodified and create employment. There is a literature on waste-pickers and recyclers in developing countries which celebrates their social role [Beall 1997; Gill 2006]. In practice, much waste is uncommodifiable, either by virtue of relative prices or because of its damaging qualities. Such waste will create poverty through its impact on pollution, disease, work and reproductive capacity.

It is now beyond doubt that the accumulation of waste gases (admittedly as a part of a global process of industrialisation and of "heavy agriculture" based on fossil energy – not always under capitalist production relations in the past) is leading to planetary warming and global climate change. Capitalist development in one part of the planet creates disastrous environmental conditions in others far away. Regions producing climate change and regions on the receiving end of its impact may have no material connections through flows of commodities, raw materials, or labour, being connected only by the atmosphere. The trajectory of human beings affected – pauperised – by climate change-related disasters has risen exponentially. These disasters have rapidly become a major cause of forced migration, exceeding the migrations caused by conflict. It is conservatively estimated that one million people were killed outright by such disasters during the 1990s and that 200 million were pauperised by flood or drought in part induced by anthropogenic climate change, which now takes place under the dynamic of capitalism.

Capitalism's Deserving and Undeserving Poor

Capitalism sees the working human being as one which has physical and cognitive capacities compatible with capital's disciplines of production. Those people who are not only unemployed but unemployable by virtue of their culturally defined age (old) dependent status (young, sick, disabled) or reproductive status (pregnant/lactating) are regarded as deserving of dependent status. This dependent status is generally pauperising – and instituted and borne socially in a variety of ways, ranging from state benefits, local alms and social transfers to the unrewarded caring work of female household members.

There is no hard division between the capacity to work and to have needs met, as is revealed by the many ways in which disabled people are continually reclassified and work or "leisure" are incentivised. These do not change according to the demands of labour, they respond to the demand for labour – as Marta Russell and Ravi Malhotra (2001) have demonstrated for US conditions.

A needs-based response requires a definition of the standard of living for a given definition of the deserving poor, together with fiscal resources to sustain social security and supportive and palliative infrastructure. Such standards may be set for projects of relief by the state at such punitively low levels that "the poor" self-select, in which case the impact of such relief on labour market prices is minimised.

All societies also have a category of person who amounts to a social enemy whom both society and the state endeavour to eliminate, and whom the state often criminalises and deprives of citizenship. This category of person is context-specific and socially defined. In the UK currently, the asylum-seeker is regarded as unwanted labour and the terrorist is defined as any individual in violent opposition to the state. In India, lepers or survivors of leprosy, people with HIV/AIDS, transgressors of certain social norms, certain kinds of disabled people, certain girl children and those who have forfeited or simply lost their social entitlement to the obligation to support are rendered destitute, left to fend for themselves and/or deliberately eliminated [Harriss-White 2005b]. Destitute migrants lack citizenship and are criminalised. They die or exist through predatory exchange (e g, the sale of the body or its organs). While not all social enemies or homeless people are poor, most are very poor indeed. Their relation to capitalism is not obvious or direct. While in some societies, where the state provides no social security shield, such people act as a discipline on the behaviour of unemployed people, in other circumstances destitution defines the extreme limits of state protection and is used by the state to define and limit the tolerated scope of resistance. It is no good calling for action in the general interest or appealing to the state for a developmental response to destitution, for the general interest consists in eliminating such people.

Conclusion: The Poor Are Always With Us?

Although it creates wealth, by itself capitalist growth is not a solution to poverty. On the contrary, there are many ways in which it causes poverty – even though that poverty may be exported to sites from which it is not visible, and bequeathed to generations, which do not yet exist and might well not come into being. The relative weights of the mechanisms through which poverty is created will differ among countries occupying different positions in the world's division of labour. The failure of capitalism to address its poverty-creating processes not only generates a continual material and political struggle but also threatens the ecosystem in which capitalism is embedded.

Two linked alternatives must be considered. The most urgent necessity to counter the poverty caused through environmental change by the dynamic of capital is a new model of industrialisation based upon renewable energy, on the contraction of standards of social consumption in polluting regions and on convergence in less polluting regions.[14] This would require – if not new systems of collective property rights – at the very least entirely new forms of regulation and governance and new levels of enforcement at the global and national levels. Current market-mediated pollution targets and compensation schemes have no purchase on the scale of the problem.

Of course, by itself, a new process of development (or "model") seeking to regulate, minimise and equalise the impact of capitalism on the environment still would not avoid the other forms of poverty created by capitalism without a second set of redistributive interventions. From the era of the genesis of industrial capitalism to the present-day, the most effective proximate response to unavoidable poverty-creating processes and institutions of capitalism has been perfectly well known. From, Thomas Paine in the 18th century to the International Labour Office in the current era, arguments have been made for "comprehensive systems of social security based on universal entitlements and funded by redistributive taxation", with the state identified as being the only agency able to energise such a convection system.[15]

Some societies have succeeded in realising the welfare state, after the shocks of an era of major economic depression and world war and in the face of a socialist alternative. But both the welfare state and the income guarantee are ideas deeply out of fashion with the international funding, aid and "development" agencies responsible for tackling the MDGs under neo-liberalism; and the material constituency which is damaged by current arrangements and which has an interest in a universal entitlement is comprehensively prevented from developing the countervailing power to claim it.[16] Calls for poor people to empower themselves and support for some of them to organise, while necessary, are not sufficient. Such practices are not equal to the ways in which poverty is embedded in the institutions and processes of the capitalist mode of production. It is the strength of the contestation to regulate capitalism that will decide the levels and causes of poverty.

Email: barbara.harriss-white@qeh.ox.ac.uk

Notes

[This paper was prepared for the workshop on 'Poverty, Empowerment and Institutions', Institut für Philosophie, University of Salzburg, October 2005 and also presented to the Advanced Leadership Development Programme (China), Oxford University, November 2005 and the Global Labour Forum in New Delhi in December 2005. I am grateful to Paul Bowles, Colin Leys and Judith Marquand for their comments.]

1 Shakespeare, Julius Caesar, Act 1 Sc 1 l. 134.
2 The relation between wages and profits.
3 The phrase is Mushtaq Khan's (2004).
4 See Khan and Jomo 2001 and Khan 2004.
5 Burawoy (nd) has called this process "primitive disaccumulation" in Russia's transition from communism to capitalism.
6 These public goods may not be confined to non-rivalrous and non-excludable activity but will include goods about which there is a political consensus that they be public; and attacks will continually be made on them by private capital since they form stable and lucrative fields

of accumulation.
7 I have tried to explore the regulation of India's informal economy through kinds of social identity in [Harriss-White 2003].
8 Petty production was acknowledged by Marx to persist outside the regulative framework of capitalism as industries, some of whose branches are either not yet carried on with the aid of machinery, or do not as yet compete against machinery and factory products [Marx 1982, p 595, my italics].
9 See Alvater 1993, for the first; de Soto 1989 and Dasgupta 2002 for the second.
10 Comprehensive data has been collected on this tendency worldwide by Angus Maddison (1995).
11 Sen 2002.
12 Marx called this unemployed potential labour the "reserve army".
13 This is a process which generates galloping inequality in the current era. The 10 richest people on earth have a combined net worth of $ 255 bn – roughly 60 per cent of the income of sub-Saharan Africa. The world's 500 richest people have more money than the total annual earnings of the poorest three billion (see sources in Monbiot, Guardian, January 11, 2005).
14 This is the project of Aubrey Meyer (1998), 'Contraction and Convergence'; but how it is to be achieved under contemporary capitalist conditions is not established, for it involves a 60 per cent reduction in greenhouse gas emissions and the establishment of a global average per caput to which advanced countries would reduce and underdeveloped countries grow.
15 See G Stedman Jones, 'A History of Ending Poverty', *The Guardian*, July 2, 2005 and 'And End to Poverty?' 2004, summarised in Bernstein (forthcoming). See also Standing (2004).
16 The commodification of pensions has been an extremely powerful way in which capitalism has emasculated labour dissent and made labour complicit with capital. As life expectation grows, as old-age provision – both income streams and all aspects of daily living – is commercialised, privatised and ever more risky and as minimum social consumption standards rise, it is irrational to take action which jeopardises the security of the second most vulnerable period of human life.

References

Altvater, E (1993): *The Future of the Market,* Verso, London.
– (2001): 'The Growth Obsession' in Panitch and Leys (eds), pp 73-92
Bauman, Z (2004): *Wasted Lives: Modernity and Its Outcasts*, Policy, London.
Bernstein, H (forthcoming): 'Studying Development/Development Studies', *African Studies.*
Beall, J (1997): 'Households, Livelihoods and the Urban Environment: Sociological Perspectives on Solid Waste Management in Pakistan', PhD thesis, London School of Economics.
Bottomore, T, L Harris, V Kiernan and R Miliband (1985): *A Dictionary of Marxist Thought*, Blackwell, London.
Burawoy, M (nd): 'The Great Involution: Russia's Response to the Market' http://sociology.berkeley.edu/faculty/burawaoy/publications.htm
Dasgupta, S (2002): *Organising for Socio-economic Security in India,* International Labour Office, Geneva.
de Soto, H (1989): *The Other Path*, Harper and Row, London.
Fitzgerald, V (2002): 'The Security of International Finance' in Harriss-White (ed), pp 149-72.
Gill, K (2006): 'Deprived Castes and Privileged Politics: An Urban Informal Market in Contemporary India', *Economic and Political Weekly,* 41, 2, January 14.
Harriss-White, B (2003): *India Working : Essays in Economy and Society,* Cambridge University Press, Cambridge.
– (2005a): 'Commercialisation, Commodification and Gender in Post Harvest Systems for Rice in South Asia', *Economic and Political Weekly,* Vol 40, No 25, June 18.
– (2005b): 'Destitution and the Poverty of Its Politics', *World Development,* Vol 33, No 6.
Huws, U (2003): *The Making of a Cybertariat,* Merlin, London.
Khan, M (2004): 'State Failure in Developing Countries and Institutional Reform Strategies' in Stern (ed).
Khan, M and K S Jomo (2001): *Rents, Rent-seeking and Economic Development in Asia*, Cambridge University Press, Cambridge.
Laderchi, K R, R Saith and F Stewart (2003): 'Does It Matter That We Don't Agree on the Definition of Poverty? A Comparison of Four Approaches', Working Paper 107 (QEHWP107) Queen Elizabeth House, Oxford.
Lebowitz, M (2004): 'Paul Sweezy', *Monthly Review,* Vol 56, No 5.
Maddison, A (1995): *Monitoring the World Economy, 1982-1992,* OECD, Paris.
Marx, K (1982): *Capital: A Critique of Political Economy*, Penguin, London.
Meyer, A (1998): 'Contraction and Convergence: The Global Solution to Climate Change', Green Books for the Schumacher Society, London.
Nussbaum, M (2000): *Women and Human Development: The Capabilities Approach,* Cambridge University Press, Cambridge.
Panitch, L and C Leys (eds) (2001): *A World of Contradictions*, Merlin, London.
Patnaik, P (2005): *The Labour Market under Capitalism*, Presidential Address, Indian Society of Labour Economics, Jawarhalal Nehru University, New Delhi.
Ramachandran, V K and M Swaminathan (eds) (2002): *Agrarian Studies: Essays on Agrarian Relations in Less Developed Countries*, Zed, London.
Russell, M and R Malhotra (2001): 'Capitalism and Disability' in Panitch and Leys (eds).
Sen, A (2002): 'Agricultural Employment and Poverty: Recent Trends in Rural India' in Ramachandran and Swaminathan (eds), pp 392-444.

Sen, A K (1999): *Development as Freedom*, Clarendon.
Standing, G (2004): 'Income Security: Why Unions Should Campaign for a Basic Income', *Transfer*, (ILO), Vol 4, pp 606-19.
Stern, N (ed) (2004): *Annual World Bank Conference on Development Economics (ABCDE) – Europe, 2003,* IBRD, Washington.