

THE REPRODUCTION OF EMPIRE OF CAPITAL THROUGH INCURSIONS OF  
CAPITALIST PROCESSES INTO NON-CAPITALIST  
PROCESSES SINCE 1989

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ABSTRACT

This dissertation lays out a theoretical framework for a non-capitalocentric theory of the empire of capital since 1989. Following a complementary holistic approach, it sees the economy as reflecting the society that it is a part of. Thereby, certainly, the economy comprises the capitalist system but it also comprises kinship, community and state systems, necessary for the capitalist system to reproduce itself. The incursions of capitalist processes into the non-capitalist processes is an entry point into conceptualizing empire. This dissertation examines the incursions of capitalist processes into non-capitalist processes and their effect on the politics of identity and emancipation. Its contribution lies in its focus on reproduction and on the relationship between capitalism and systems on the ‘outside’ of its empire.

## APPROVAL PAGE

The faculty listed below, appointed by the Dean of the School of Graduate Studies, have examined a dissertation titled “The Reproduction of Empire of Capital through Incursions of Capitalist Processes into Non-capitalist Processes Since 1989,” presented by Ruchira Sen, candidate for the Doctor of Philosophy degree, and certify that in their opinion it is worthy of acceptance.

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To the students and teachers of JNU, India and UMKC, USA. May we continue to celebrate and preserve education as a public good.

## PREFACE

### What Makes an Empire of Capital and Why Study It

The Empire was quickly becoming the other, a featureless grey enemy that species of varied sorts would be able to state off only if they united, all differences set aside. It was almost heartening to witness the dawn of hope, as cautious and fragile as it was (Luceno, 2016).

‘Empire’, the featureless grey enemy, conjures an image of an omniscient power structure, an Orwellian world where ‘big brother is watching you’, a world that is uniquely repressive. The image is a powerful one and is frequently drawn upon by different actors in the politico-economic universe for different ends. Ronald Reagan who made his ‘Evil Empire’ speech<sup>1</sup> invoking Star Wars’ imagery to describe the Soviet Union, failed to mention that the so-called “Free World” was also built on empire. In the early years of capitalist development, without the British empire, which provided cheaply produced raw cotton, dyes, spices, tea and opium - extracted by coercive taxation and Enslavement -there could have been no Industrial Revolution (Patnaik, 2006). British current account deficits generated demand for manufactures of other industrializing economies stimulating economic growth and fueling inter-imperialist rivalry. For three decades, this inter-imperialist rivalry forced a state of World War, with the inter-war years characterized by one of the greatest capitalist crises in history. The post war years saw a shift with the end of the dominance of the United Kingdom and the rise of the United States as a contender for global dominance. The United States developed phenomenal military strength and bargained to maintain the international role of the dollar, first through the Bretton Woods Agreement which ensured the preponderance of US financial interests in global finance

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<sup>1</sup> (Reagan, 1983)

and later, when Fixed Exchange Regimes became a liability, through deals for international cooperation.

By the neoliberal era, discussion on empire of capital could no longer be avoided due to the continued resurgence of wars despite the fall of the Soviet Union. Wars have continued to be waged against “rogue states”, “axis of evil” states and several militias. War for empire has emerged as a war without end. The constant state of war has reproduced a system where the most dominant players are relied upon to maintain the power system which underlies their dominance. Wars also provide a platform for contenders to emerge as defenders of the global order through which they can acquire the power to influence the order in their own interests. Yet what are these interests? What is the relation between states and empire? The empire of capital cannot be reduced to the states alone. True, with their monopoly on violence, states can exert their agency to reproduce empire through war to preserve the global order. But the job of states goes beyond the use of legal violence to wage war. States are a platform for myriad interests -and some of these interests oppose the constant state of war -the loss of youth, the civilian casualties, the human rights violations. Other interests uphold the isolationist desire to get away from empire, to focus on domestic matters regarding poverty and jobs. Still others clamor for war to protect the ideals of capitalist empire -the notions of ‘freedom’ and ‘improvement’ -whereby persons are freed from their assets, lands, livelihoods, their savings, and their homes through numerous exercises of state violence. Here, wars are no longer wars waged on foreign soil but are also exercises of state violence on domestic soil against rebellion by persons who resist their displacement.

The empire of capital is a power structure hegemonized by the capitalist interests. Capitalist interests are of two types -those that are directly concerned with the extraction of labor from labor power (or fundamental capitalist interests) and those that receive portions of

the surplus as rents, interest, managerial salaries, dividends, CEO bonuses and so on (subsumed class positions which includes financiers, executives etc.). Capitalist interests are varied and often contradictory. Nonetheless, it is possible to make the generalization that all capitalist interests require the provision of labor to the sites of production owned by them at low wages. Higher wages may result in higher wage shares and thereby lower profit shares -which is against the interests of most persons in capitalist positions whether fundamental or subsumed (lower profit shares imply lower rents, interest, managerial salaries, dividends etc.) It is of course possible to work out compromises such as in Fordist regimes where profit shares were lower but higher growth meant that capitalists were still able to ensure large profits. However, there is usually a class conflict regarding the distribution of claims on the output of society. In this dissertation, I will show that it is also possible to generalize the chief motivation for capitalist interests - monetary profit. I will argue that it is not enough to simply ensure the production of output through the exploitation of labor. Instead, that output must be sold in markets. What is more, for the system to expand, I will substantiate the claim that the monetary value of social output must be larger for every production cycle -otherwise, there is little incentive in continuously reinvesting capital into the production process.

Capitalism as we know it today, derives its foundations from empire-the enclosures of commons that began in 15<sup>th</sup> century England spread to Scotland and Ireland and later to India, North and East Africa. Colonists drew upon the power of their states to enforce the enclosures though private militias were also employed. Enclosures and distress imposed by taxation and debt created a class of persons freed of their livelihoods and dependent on markets to earn the money to purchase the means of life for their families. Though this class of persons was spread across the globe, divisions of nationhood, race, caste and gender existed and were continuously perpetuated across it, preventing it from unifying to confront empire. Similarly, wars were

fought, protectionist barriers were dismantled, persons were forcibly kidnapped and Enslaved, and regulations were imposed to create a dependence on global markets for infrastructure, primary goods and addictive substances such as sugar and opium. In Chapter 2 of this dissertation, I will argue that what is true of the accumulation of capital in the old empire of capital remains true in the contemporary neoliberal era. Here, enclosures and displacement take newer and equally chilling forms.

Nonetheless, when the story of empire is told, the focus is on the hegemonic -the capitalist interests, the empire. Yet, there can be no empire unless there is an abject. To abject is to dispel, to cast out or away (McClintock, 1995). The concept of abjection derives its origin in psychology. It was Freud who first suggested that civilization implies the casting away of certain pre-oedipal pleasures and incestuous attachments (Freud, 1913). Julia Kristeva drew upon the work of Freud to argue that in order to become a social being, the self has to expunge elements that society considers impure such as incest, masturbation and so on (Kristeva, 1982). However, the expelled elements can never be completely obliterated because the self cannot possibly survive without them. According to Kristeva (*ibid*), expunged elements haunt the edges of the subject's identity with the threat of disruption, even dissolution. The abject is everything a subject must expunge to become social. It is also a reminder of the failure to expunge such elements completely. The compromise between 'condemnation and yearning' creates an ambiguous border whereby the abject is something that is rejected but cannot be parted from. McClintock (*ibid*) extends Kristeva's concept of abjection (*ibid*) to modern industrial imperialism. She argues that through the processes of displacement associated with capitalist development, certain groups are expelled and obliged to inhabit the periphery of modernity. According to McClintock (*ibid*), the periphery is characterized by spaces such as slums and ghettos, brothels and convents, colonial bantustans and segregated neighborhoods. On

extending her analogy, one can also think of the ‘witch villages’ of West Africa, the homes of “housewives” all over the world, homeless shelters and “servants’ quarters”. Abject persons are those that are cast away by the empire of capital such as the enslaved, the sex workers, the colonized, the domestic workers, the mentally ill, the drug addicts and the unemployed, who are then confined to the periphery of the empire of capital. Certain threshold or peripheral zones on that ambiguous boundary between expulsion and reliance are the abject zones that are policed with vigor. McClintock cites Jewish ghettos, Irish slums, Victorian garrets and kitchens, squatter camps, mental asylums, red light districts and bedrooms as examples (ibid). Such abject zones inhabit the cusp of domesticity and market, industry and empire. According to McClintock (ibid), modernity is not possible without these spaces that are considered backward- a phenomenon representing the inner contradiction within the empire of capital. In order to emerge as ‘modern’, as socially acceptable, as a global order, empire must expunge such elements and yet they continuously return to haunt empire because there can be no empire without them.

This dissertation is motivated by the urge to develop an economic theory of empire, by the abject and for the abject. When Graham-Gibson developed their anti-capitalocentric theory of capitalism, they foregrounded, not the hegemonic capitalism but the abject spaces -the local (Gibson-Graham, 1996). Graham-Gibson emphasized the radical potential of organizing the local to emerge as an egalitarian alternative to capitalism. Chakrabarti, Dhar and Cullenburg (2012) contrast Gibson-Graham’s (ibid) approach to the approach of Hardt and Negri (2000)<sup>2</sup> where the former emphasized the non-hegemonic, non-capitalist local while the latter emphasized the hegemonic global. Chakrabarti, Dhar and Cullenburg (ibid) argue that Hardt and Negri’s approach misses the foreclosed, the displaced or what they call ‘the world of the third’

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<sup>2</sup> (Hardt & Negri, 2000)

while Gibson-Graham's approach tends to "orientalize" the local. Orientalism, as developed by Edward Said (1978), is both, a style of thought that sets up a dualism between East and West based on perceived ontological and epistemological differences between the two, as well as an institution of domination that authorizes a certain treatment of the Orient as inferior and backward (Charusheela & Zein-Elabdin, 2003). According to Chakrabarti, Dhar and Cullenberg (ibid), Gibson-Graham (ibid) orientalize the local by drawing a rigid dualism between 'global' and 'local', and omitting from their analysis, the relations between global and local. This dissertation is appreciative of Chakrabarti, Dhar and Cullenberg's (2012, ibid) 'World of the Third' critique of existing political economy of empire and capitalism. While Hardt and Negri (2000, ibid) miss the agency of the abject persons and spaces in empire, Gibson-Graham (1996, ibid) do not adequately study the ambivalent identities, the ambiguities and the contradictions that underlie the abjection of the local. Chakrabarti, Dhar and Cullenberg (ibid) present a version of empire that avoids the problems in both, Hardt and Negri (ibid) as well as Gibson-Graham (ibid).

This dissertation takes both approaches. In Chapter 1, it describes a non-capitalocentric economic system inspired by Gibson-Graham wherein the capitalist system is only one system amongst others but all systems are mutually interconnected and opposed. The approach is derived from Complementary Holism as defined in 'Liberating Theory' whereby economy, kinship, community and the state are subsets of society and are defined by society just as they determine the nature of society. In Chapters 1 and 2, I begin with the capitalist economy and arrive at the conclusion that capitalism is unstable unless it can constantly make incursions into other economic systems. I then go on to highlight the incursions of capitalist processes into kinship processes in Chapter 3 and how women and women's work are expunged into the abject within the empire of capital, specifically in the neoliberal period. By Chapter 4, I explore both,

the role of the state in empire and also the incursions of capitalist processes into communal and state run economic systems. I describe the hegemony of the capitalist interests within the state system and the impact of the incursions of capitalist processes on identity and emancipatory politics. By Chapter 5, it will become possible to lay out a sui generis theory of empire and suggestions on how the abject or the 'outside' can confront it.

## CHAPTER 1

### EMPIRE: WHAT'S ON THE 'OUTSIDE'?

Our strategy should be not only to confront empire, but to lay siege to it. To deprive it of oxygen. To shame it. To mock it. With our art, our music, our literature, our stubbornness, our joy, our brilliance, our sheer relentlessness -and our ability to tell our own stories. Stories that are different from the ones we're brainwashed to believe. -Arundhati Roy, 2003.<sup>1</sup>

When Arundhati Roy was addressing the above to the World Social Forum in Brazil, she was already anticipating (along with other political commentators at that time) that the United States would gather up a coalition of forces to invade Iraq. Soon enough, in less than two months, the world saw the opening up of a new front in 'Iraq' of what had already become a 'war without end'. Nonetheless, the concept of contemporary empire had started to occupy the popular imagination even earlier. Since the first Gulf War in 1990, discourse on empire has accompanied an increase in overseas deployment of the U.S. armed forces, extensive U.S. support to counter Left-insurgency operations in Latin America and an acquisition of military bases by the United States in South and West Asia, Latin America and the Caribbean (Monthly Review, 2002). In 2000, at the turn of the twenty-first century, Hardt and Negri published their seminal volume, 'Empire' and opened up a conversation on conceptualizing empire. Later in 2003, Ellen M. Wood published 'Empire of Capital' distinguishing between contemporary empire and various other categories of empire, based on the distinct factors that have historically reproduced empires as social systems. While these conversations presented theories of empire, in praxis there was still a great deal of confusion about what empire is and what it looks like. In the same speech to the World Social Forum in 2003, Roy admitted that the movement against empire must first adopt a clear definition of empire.

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<sup>1</sup>Roy was speaking at a Life After Capitalism session at the World Social Forum, 2003, Porto Alegre, Brazil, January 27, 2003. Roy is a writer and a social activist based in India. While I appreciate this particular speech (ibid), I have problems with Roy's endorsement of militant resistance to empire though she does an excellent job of humanizing the 'security threats' (Roy, 2010). As I will demonstrate later in this chapter, as well as in chapter 4, I believe militancy compounds the logic of empire instead of presenting an alternative.

When we speak of confronting ‘Empire’, we need to identify what ‘Empire’ means.

Does it mean the U.S. Government (and its European satellites), the World Bank, the International Monetary Fund, the World Trade Organization, and multinational corporations? Or is it something more than that? -Roy (ibid).

This dissertation in Economics, informed in part, by political science, sociology and history and inspired by a love of the literature and culture of resistance, attempts to propose a theory of contemporary empire. It is a ‘story’ of empire that is different from the ones we are ‘brainwashed to believe’ -different from the stories of ‘just war’, ‘improvement’, ‘freedom’ and of lack of alternatives to capitalism that form the dominant, mainstream rhetoric that justifies empire. Instead, it is a ‘story’ of violence and enclosures, hegemony and conflict that reproduces a power structure accompanying a complex interaction of class, race and gender. Of course, it is a ‘story’ only in the sense that an economic theory of empire is a story. As a theory, it lays down a series of premises, outlines a methodology for analysis and arrives at a conclusion. Nonetheless, it is not a purely deductive theory- it follows the complex dialectics of human history in a particular era, studied through interdisciplinary literature in the social sciences, attempting to make sense of often contradictory historical trends. In that sense, it is a genealogy, explained through the lens of political economy.

This chapter introduces a framework to conceptualize empire as an empire of capital vis-à-vis its abject, foreclosed ‘outside’ and situates it in the contemporary neoliberal period. Section I deals specifically with the neoliberal context of the empire of capital as laid out in this dissertation. Section II attempts to examine the need for an ‘outside’ or a set of ‘abject zones’ to the empire of capital. Section III lays out the purpose that the ‘outside’ serves in the reproduction of the empire of capital. Section IV uses a Complementary Holistic framework to understand the ‘outside’ of the

empire of capital, thus seeking to find out what is the ‘abject’ that the empire of capital in the neoliberal era must expunge but cannot do without.

## **Section I: Empire since 1989 – a contemporary empire of capital**

A contemporary theory of empire must disentangle the threads of politico-socio-economic thought on empire as we see it today. I will begin with an area of agreement. There appears to be a consensus within the social sciences that the era from 1989 to 2017 is a neoliberal era. Neoliberalism is characterized by the idea that the best social outcomes can be achieved if collectively held resources are privatized (‘freed’) and business is deregulated. This idea acquired a powerful grip on the Gramscian notion<sup>2</sup> of ‘common sense’ in the late 1980’s, following a long campaign in which it was reiterated by students’ movements, corporate-backed think tanks and Reagan-Thatcher politics in the USA and UK (Harvey, 2005). Already, the seventies and early eighties had seen the so-called ‘economic miracle’<sup>3</sup> in Pinochet’s Chile which was accompanied by severe human-rights violations to quell dissent against the privatization of collectively owned assets (such as the copper mines, the schooling and pension systems<sup>4</sup>). Though the crimes and corruption were decried with the ousting of Pinochet by plebiscite in 1988, his economic advisers, the ‘Chicago boys’, had left a legacy in which privatization policies were applauded for ‘stabilizing’ inflation, reducing government ‘populism’ and ushering ‘freedom’.

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<sup>2</sup> (Gramsci, 1971)

<sup>3</sup> The term ‘economic miracle’ was used to describe economic policies of slashing tariffs and spending and privatizing social security and schooling (through a voucher system) by Milton Friedman whose economic theory had inspired these policies and whose students from the University of Chicago were actively designing them (Friedman, 1982). Friedman’s 1982 Newsweek article (ibid) ignored the politics of torture and enforced disappearances that went into implementing these ‘reforms’ as well as the rise in poverty and inequality under Pinochet’s regime (Reuss, 2007)

<sup>4</sup> (Riesco, 2007)

Moreover, by 1989, some of the worst incursions of the interests of finance capital<sup>5</sup> had been made on the policy sovereignty, lands and public assets of more than 25 African countries. Between 1980 and 1984, the International Monetary Fund imposed ‘conditionalities’ on African countries that had defaulted on interest payments to their creditors in exchange for stand-by loans. Debtor nations were forced to impose cuts in subsidies to products and programs, wage freezes, retrenchment of the public sector and massive devaluations. In 1985, the World Bank foisted the Structural Adjustment Program (SAP) on a number of African countries including Nigeria, Ghana and Morocco. The SAP imposed capitalist relations on daily aspects of life forcing people to grow cash crops they couldn’t eat but would have to sell in global markets. It pushed enclosures and purchases of land and subsequent displacement. As lands were enclosed off, people were displaced. As displaced persons had to depend on markets for their livelihoods paying money for food, food prices began to increase. Affording a basic life had become so difficult that it had resulted in a mass emigration of skilled labor. Hunger reappeared in Nigeria, traditionally, the yam basket of Africa - even in times of big harvests, meat disappeared because it became unaffordable and flour which was the daily staple became as expensive as whiskey in the past (Federici, 2001).

1989 is most famously, the year of the ‘autumn of the nations’ and the fall of the USSR. It is also the year prior to India’s program of liberalizing trade tariffs, import quotas, and licensing ushering in an era of privatization, a gradual dismantling of caps on foreign investment and an increased dependency on private, transnational finance. As for China, in another two years, President Deng Xiaoping was to tour southern China to see for himself the effect of the reforms he had been gradually initiating since 1978. By 1992, the whole of China was opened up to market forces and foreign investment under the watchful eye of the Chinese Communist Party (Harvey,

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<sup>5</sup> Finance capital refers to a particular subset of subsumed capitalist class positions which advance money capital to those in fundamental capitalist class processes and earn interests, dividends etc.

ibid). Deng Xioping was reportedly pleased with his visit and famously added, “What does it matter if it is a ginger cat or a black cat as long as it catches mice?” In the countryside, agricultural communes had been privatized and re-structured as Town and Village Enterprises. These had become centers of entrepreneurialism, flexible labor practices and open market competition. While some rural incomes increased, the collapse of the communes now meant increasingly burdensome user charges for schools, medical care etc. which worsened the rural/urban divide and imposed a downward pressure on wages and migration into the cities. With a large labor force willing to work for low and insecure pay, there was a shift towards contractual jobs even in the state-owned enterprises. Also by the early 1990’s, the Chinese Communist Party had already committed to an export led path towards ‘development’ (Harvey, *ibid*).

Neoliberalism was accompanied by a tendency towards rapid, speculative and predatory financial flows. With the suspension of the gold convertibility of the dollar at a fixed exchange rate in the 1970’s, and a tendency towards economic stagnation, declining profit expectations, over-capacity and over-production in the United States, finance for investment became increasingly transnational. Compared to the 1950’s, it may have seemed that the position of the United States vis-à-vis other newly emerging economies had declined. In their influential work, ‘Empire’, Michael Hardt and Antonio Negri (2000, *ibid*) argued against the notion of US hegemony -defining ‘imperialism’ as an extension of the sovereignty of the European nation-states beyond their own boundaries, they declared it dead. ‘Empire’, on the other hand, was according to them, postcolonial and post imperialist. It was economic domination and exploitation without direct political control. For Hardt and Negri, the global ‘constitutional’ regime of the period before the Vietnam War and after the Vietnam war differed. Before the Vietnam War, it could be said that the constitutional regime was characterized by US imperialism. However, post-Vietnam War, post Bretton Woods, it was argued that the world market became globalized through the autonomous flows of finance

which undermined the nation-state and all imperialism based on the nation state. According to Hardt and Negri (ibid), 'empire' as opposed to 'imperialism' was a decentralized, globalized order transcending national boundaries and reproduced by 'just war' (war in defense of freedom/peace/order or war as police action). They likened it to a global orchestra conducted by the singular logic of just war. By extension of their arguments, the Gulf War was not motivated by US 'national interests' but by the imperative to punish the challengers of the global order (Forster, 2001).

Hardt and Negri's framework of empire was severely critiqued. Ellen M. Wood reflected that the usage of the notion of 'just war' or 'jus ad bellum' in Hardt and Negri (ibid) was incorrect (Wood, 2003). According to Wood, the US aggressions since the 1990's could not be considered an application of the classical concept of 'war in defense of peace'. She acknowledged that the concept of just war was "notoriously elastic and infinitely capable of adjustment to the varying interests of dominant classes, encompassing everything up to and including the most aggressive and predatory imperial adventures (ibid, page 147)." However, the doctrine of just war had a few essential requirements -i) the cause was considered just, ii) war was declared by a proper authority with the right intention and after other means had been exhausted, iii) there was a reasonable chance of achieving the desired end and iv) the means were proportional to that end. In case of US aggressions since the 1990's, clauses iii) and iv) were not fulfilled even if clauses i) and ii) could be claimed, however debatably. Since there were no clear ends as to what the wars hoped to accomplish, there was no question of means to meet the end or a chance to achieve the end. Instead, the Gulf Wars, the Operation Enduring Freedom and other US aggressions were an exercise of 'War Without End' in defense of a world order that revolved around US hegemony. Wood did not agree with Hardt and Negri's (ibid) dismissal of US national interests -or for that matter, any national interests.

“It should be clear by now that just as globalization is not a truly integrated world economy, it is also not a system of declining nation states. On the contrary, the state lies at the very heart of the new global system...the state continues to play its essential role in creating and maintaining the conditions of capital accumulation; and no other institution, no transnational agency, has ever begun to replace the nation state as an administrative and coercive guarantor of social order, property relations, stability or contractual possibility, or any of the other basic conditions required by capital in its everyday life” –(Wood, *ibid*, pg 139)

According to Wood (*ibid*), the current world order is certainly an imperial world order but it is influenced by an economic impulse which allows us to distinguish it from the economic motivations of other empires. In the current world order, the economic motive is a universalized capitalism. This distinguishes it from the empires of property and commerce but also from the older form of empire of capital characterized by British hegemony. The ancient Roman empire is one of Wood’s examples of an empire of property. Territorial conquest and capture of slaves allowed the displacement of Roman citizenry (also aided by taxation) who were recruited as legionaries for further territorial expansion. As an empire of commerce, Wood cites the Arab Muslim empire or the Dutch empire as examples where the focus was capturing trade routes and obtaining favorable terms of trade. British imperial adventures certainly had commercial dimensions but a new impulse came about through the phenomenon of enclosures justified as “improvement”. The idea of “improvement” was tied to notions of ‘value’ and ‘property’ that evolved in England between the 15<sup>th</sup> and 18<sup>th</sup> centuries. English imperialist practices in Ireland involved the enclosures of land owned in common, capture of church lands etcetera which were justified by William Petty, surveyor of confiscated Irish lands, as an ‘improvement’ in land values by the exercise of English agricultural practices which were supposedly more efficient than the Irish. The idea of improvement was echoed in a 1607 document cited by Karl Polanyi (1944) as presented to the lords of the realm in England

outlining the phenomenon of 15<sup>th</sup> century enclosures as the revolution of the rich desirous of 'improvement' against the poor who desperately clung on to their 'habitations' (Polanyi, *ibid*, Chapter 4). The motivation for imperialism was capital gain or profit. Wars in the old empire of capital were inter-imperialist rivalries where states fought for opportunities for their national business interests to make profit.

The old empire of capital began to shift gears from British hegemony to US hegemony with political independence to former colonies after the Second World War. The post war period was marked by the proliferation of newly independent, sovereign nation-states -India and Pakistan in 1947, the People's Republic of China in 1949, Ghana in 1957, Kenya in 1963 and so on. The Bretton Woods Agreement pegged all world currencies to the dollar and the dollar to gold, which opened markets all over the world to US financial interests with unique 'seignorage' advantages. The US Mint could print a \$100 note at negligible costs while other nations could only obtain the \$100 to maintain international reserves by enabling sales of products of labor to US markets (Eichengreen, 2010). Moreover, the Marshall Plan ensured European markets for US manufactures. Post-Vietnam War however, with the end of the Bretton Woods era, the nature of empire changed. Since the gold convertibility of the dollar at a fixed exchange rate was suspended, the dollar became the international reserve currency, more or less universally accepted and bought back in return for US Treasury Bills or US financial instruments. Therefore, though finance for investment became transnational and though jobs began to move overseas, becoming increasingly informal, increasingly contractual and causing job losses in the United States, the overwhelming presence of the US military and the dollar remained. Meanwhile, a number of nation-states remained, mostly enacting policies benefitting capitalist interests but with a potential to challenge them.

Global capital needs local states. But while states acting at the behest of global capital may be more effective than the old colonial settlers who once carried capitalist imperatives throughout the

world, they also pose great risks. In particular, they are subject to their own internal pressures and oppositional forces; and their own coercive powers can fall into the wrong hands, which may oppose the will of imperial capital. In this globalized world where the nation-state is supposed to be dying, the irony is that, because the new imperialism depends more than ever on a system of multiple states to maintain global order, it matters more than ever what local forces govern them and how -Wood, *ibid*, pg 155.

Given the complexities of the importance of neoliberal States and the transnational nature of global finance, the notion of US hegemony has been problematized. Radhika Desai (2013) critiques Hegemonic State Theory as inaccurate. Unlike in the old empire of capital where the British government could obtain imports of raw materials from colonies with taxes collected from the colonies or through insurance and shipping payments extracted from the colonies (in essence getting a free lunch as in Patnaik, 2006), this kind of exploitation was no longer possible in a world with sovereign, politically independent nation-states. Desai (*ibid*) affirms that an HST view ignores the role played by contender states to the Empire. Wood (*ibid*) agrees that there are threats to US hegemony from the chance that contender states like China or present-day Russia may rise up to challenge US hegemony, and perhaps contender states like Venezuela may even work against capitalist interests. Similarly, 'failed states' which endanger the stable and predictable environment that financial interests need for capital gains may threaten the empire of capital and the US dominance within that empire. She cites the leaked Defense Planning Guidance authored by Paul Wolfowitz in 1992 and produced by the Pentagon which made its way into the New York Times. Through this document, it becomes apparent that the military superiority of the US is motivated by the US government's need to protect the delicate balance of power in the world. The idea is to constantly remind any potential adversary that it cannot reasonably surpass the US in military capability. It would thus have to rely on the US to ensure that the world remains stable and

predictable for financial interests, and that it remains 'free' and deregulated for business. According to the Defense Planning Guidance, the US government insisted upon the "unilateral and exclusive" right to "preemptive attack" in all circumstances "unfettered" by international agreements to "dissuade potential adversaries from pursuing a military build-up in hope of surpassing, or equaling, the power of the United States" (Lieven, 2002).

The conversation between Hardt and Negri (2000, *ibid*) and Wood (2003, *ibid*) reveals certain insights about contemporary empire. Both reject the classical Marxist theories of imperialism as irrelevant to contemporary empire. For Hardt and Negri, the world is a global, decentralized order in which sovereign nation-states are undermined -the older theories of imperialism have no place in this picture as they refer to the extension of national interests in response to economic impulses. Wood is interested in constructing a material basis to contemporary empire. It is an empire of capital and like in the old empire of capital, it uses extra-economic, military means to protect capitalist interests. Nation-states are even more significant within this set-up. Global capitalism depends on local states to exercise the extra economic forces to ensure economic imperatives. The hegemony of the United States is maintained through the international acceptance of the dollar and constant expressions of military might. Nonetheless, in both Hardt and Negri and in Wood, there is an assumption that capitalism is "more or less universal" (Wood, *ibid*, pg 151). Unlike in the classical Marxist theories of imperialism, capitalist processes have already spread all over the globe and that the rare corners of the globe that have not seen capitalism are somehow irrelevant. While Wood talks about a "universal capitalism", Hardt and Negri talk about empire as a modulating network of command telescoping an apparatus of rule through the production of a single, unified totality (Chakravarti, Dhar & Cullenberg, 2012). The global order encompasses all and everything in its way. There is no "outside" in this construct.

The concept of Empire is presented as a global concert under the direction of a single conductor, a unitary power that maintains social peace and produces its ethical truths. And in order to achieve these ends, the single power is given the necessary force to conduct, when necessary, “just wars” at the borders against the barbarians and internally against the rebellious. -Hardt and Negri (ibid, pg 10)

As Chakravarti, Dhar and Cullenberg (ibid) ask, who are the “barbarians”, where do they live, what are their interests and what are the processes by which they are reproduced? Where are the “borders” of empire? If empire has engulfed the entire globe, what lies on the “outside” of the empire?

## **Section II: Why does the empire of capital require an ‘outside’?**

The absence of an outside in the contemporary literature on empire causes a very peculiar problem. Since one considers capital as a material dimension<sup>6</sup> of contemporary empire, one must explain how capitalist processes are perpetuated period after period. After all, a system that relies on expectations of profit to induce private investment cannot be very stable.

There are two situations where the lack of inducement to invest may pose problems for capitalist accumulation, i) the Goodwin (1967) situation, and ii) the Luxemburg (1951) situation. Regarding the Goodwin (1967) situation, private investments are cyclical. When expectations of future profits are bullish and inducement to invest is high and the economy is nearing full employment, the prospect of ‘being fired’ is no longer an effective disciplinary measure. Trade unions tend to become stronger and are able to negotiate increases in wages (Kalecki, 1943). An upward pressure on wage share implies a downward pressure on the profit share and thus, a decline

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<sup>6</sup> Though certainly not the ‘economic base’ as in the older kind of Marxian analysis, notably in Oscar Lange’s (1959) conceptualization of political economy.

in the inducement to invest (Goodwin, 1967). Unless there is an ‘outside’ to the ‘empire of capital’ which can meet the increased demand for labor while checking the upward pressure on wage share, the inducement to invest declines and the capitalist system goes into the recessionary part of its cycle. The following sections of this chapter will illustrate how the presence of an abject ‘outside’ enables longer booms in the business cycle.

In case of the Luxemburg (1951) situation, the system of capitalist processes cannot reproduce itself if it does not grow. By the nature of the capitalist production process, a sum of money is put into circulation to purchase raw materials and labor power i.e. commitments of a certain number of hours of workers’ time. As workers labor, they create not only the value of their own labor power (which must compensate them and reproduce their families in their current state of existence, however poor) but also a ‘surplus value’ which when realized, accrues to capitalists as profit. Unless workers can be expected to produce realizable surplus value at every stage of production, they will not be hired and the means of production that they work with will not be purchased. The production process will screech to a halt. Therefore, one of the conditions for capitalism is the presence of increased expected demand for output at every stage in the production process. Since the shortfall is a shortage of expected rather than actual demand, this is not a case of underconsumption. There is no assumption of a “general glut”. Instead, it is a question of expectations. If expected demand falls short, production will simply fail to take place. In this sense, the Luxemburg (1951) situation becomes akin to a Keynes (1936) situation. Moreover, there is no assumption that a “glut” of goods would have to be exported to abject zones in the periphery of empire. Since the issue is an issue of expected rather than actual demand, there is no need to assume that the abject ‘outside’ must serve as a receptacle for a glut of produced goods.

Suppose a sum of money “M” is used to purchase labor power and means of production “C” to be put into the production process “P”. The use of labor on the means of production creates a

qualitatively different commodity “ $C'$ ” which is sold for a quantitatively different amount of money “ $M'$ ”. Unless the average agent in the capitalist class position can expect to realize a larger amount of money “ $M'$ ” than was initially introduced into the production process i.e. “ $M$ ”, the agent will in all likelihood refrain from investing “ $M$ ”, and the concomitant labor power and means of production will remain unemployed and unutilized. In other words, in order for the system of capitalist class processes to keep reproducing itself, we must get a system like this:

$$\textit{Period 1: } M - C - P - C' - M', M' > M$$

$$\textit{Period 2: } M' - C' - P - C'' - M'', M'' > M' \dots\dots$$

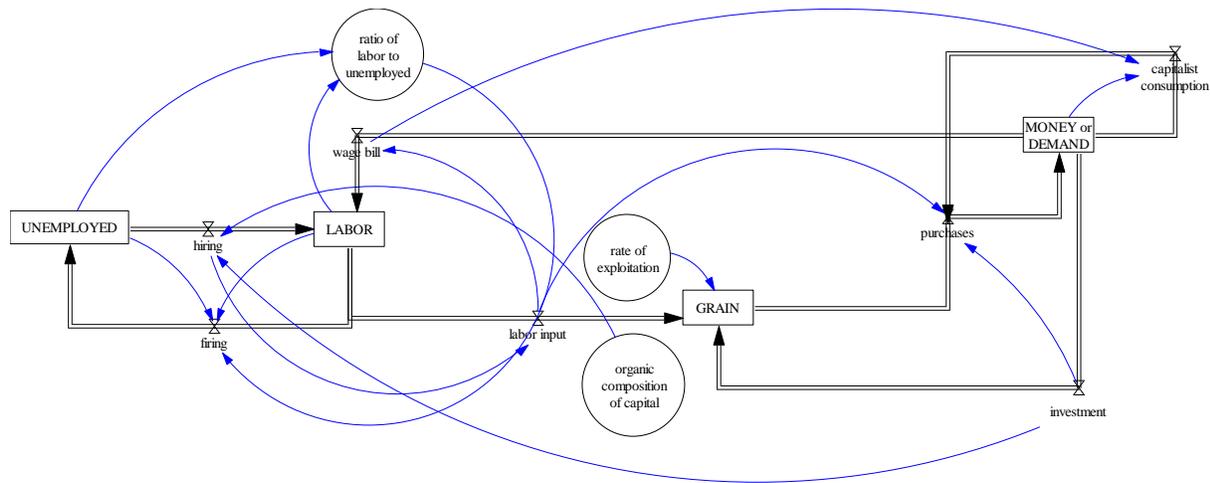
$$\textit{Period k: } M^{k-1} - C^{k-1} - P - C^k - M^k, M^k > M^{k-1}$$

For the k conditions:  $M' > M, M'' > M' \dots\dots M^k > M^{k-1}$  to hold, it must be possible to find an increased demand for the produced output of society period after period. There is no reason for such a possibility to hold. At any point k, investors may, one by one, feel bearish and stop putting money into circulation. The moment investors start expecting an  $M^k \leq M^{k-1}$ , they will start refraining from restarting the next few rounds of accumulation of capital. Why can't a capitalist system continue to perpetuate itself under an  $M - C - P - C' - M', M - C - P - C' - M' \dots$  system, where  $M' - M$  is not reinvested into the production process? This is because capitalist systems usually involve competition among capitalists, not only for larger and larger shares of the market but also for loans and financial investments, for capital equipment and land on rent, for access to technology etc. Consequently, capitalist systems unlike several other provisioning systems survive and thrive on growth alone.

Additionally, when considered in isolation, the capitalist system tends to a situation where a realization crisis may be expected. Let us consider a very rudimentary capitalist system in Figure 1.1 below. Here, we have a class of persons in capitalist class positions and a class of persons in the positions of workers. The two types of class positions are not necessarily disjoint sets. A person may

belong to both sets. As a capitalist, she would put means of production into circulation and insist on the exploitation of labor to produce surplus value. Her investment would be conditional on the expectation that the produced output will be sold for money, and eventually, she would retrieve her investment (if not more) as profit. As a worker, she would contribute labor inputs into the production process. Through the exploitation of labor, she would produce value over and above the labor hours required to purchase the necessities of sustaining her own life (and that of her family)<sup>7</sup>. Eventually, she would receive a wage to compensate her for her labor input. This is not to say that all capitalists and workers break even. Some do not and fail to reproduce themselves but the class of capitalists as a whole, recovers profit equivalent to investment and the class of workers receives wage equivalent to the labor hours needed to reproduce the workers' households in their current state of existence, however poor.

Figure 1.1 depicts a one-good, system dynamics model. The output is grain which is both, a means of production as well as a means of consumption.



**Figure 1.1: System Dynamics of a One-Good Monetary, Production Capitalist System**

<sup>7</sup> However, meager the sustenance

As a systems dynamics model, Figure 1.1 looks at stocks and flows. Since the grain that is produced here is a product of labor, we will consider 'labor hours' as the unit of analysis. One 'hour of grain' equals the quantity of grain that is produced by one hour of labor on average. One 'hour of money' implies the number of dollars (or any other currency unit) that can purchase one hour of labor power (producing one hour of grain). This usage of equivalency between labor time, money and output is not unusual for analysis at the level of aggregates. It is not only used in Ricardo and Marx but also in Luxemburg (1951), Keynes (1954, *The General Theory of Employment, Interest and Money*, Ch. 4), Sraffa (1960, *Production of Commodities by Means of Commodities*) and Foley (1982). The rationale is that all social output is produced by labor and therefore, as an aggregate, equivalent to the total labor power embodied. This approach avoids the transformation problem as it does not assume a proportionality between prices of goods and labor time embodied in them. Instead the analysis is confined to aggregates where the total value of money equals the total labor power embodied.

Moreover, when we think of "one hour of grain" as the quantity of grain that can be produced by one hour of labor on average, we also distinguish between labor power contracted and labor time embodied. The amount of grain that one hour of labor power can produce is not only a function of time spent but also of the intensity of labor. The latter may be ensured by a variety of disciplinary measures that agents in capitalist class positions may enforce on agents in the positions of workers. The intensity of labor may be reduced by the power of labor unions to enforce certain workers' rights such as smoke breaks, bathroom breaks and so on. Of course this is not to say that workers instinctively shirk -however, with the need for capitalists to ensure control over the output as well as the production process, capitalists have tended to institute myriad institutions of discipline, stripping workers of their ability to exercise creativity and to enjoy the work process (Marghlin, 1974). Since we say "one hour of grain" rather than a physical quantity such as x "lbs of grain", we

do not make any assumptions about the institutions of coercion in the average workplace which determine the physical quantity of grain an hour of labor may produce.

The model in Figure 1.1 is a systems dynamics model. It spans over a period of time. I have considered a time period of 100 years. The model considers a stock of “LABOR”, “MONEY”, “GRAIN”, and “UNEMPLOYED” (denoted in uppercase). UNEMPLOYED has an initial value of 15 hours which means that at year 0, 15 labor hours are available for employment. Unlike neoclassical models that assume full employment, I will begin with the economy in a state of unemployment. MONEY is a stock of claims on labor and product of labor i.e. grain for both, production and consumption. It is not a stock of commodities with exchange value. Instead, it signifies no more than claims on produced output. The initial value of MONEY is 0. At time 0, there are no claims on output -since there is, in fact, no output. The stock variable GRAIN is a stock of produced output. Its initial value is 0. LABOR depends on flows of “hiring” from the pool of UNEMPLOYED and is constantly depleted by flows of “firing”. The flow variables (denoted in lowercase) are “hiring”, “firing”, “investment”, “wage bill”, “purchases”, “capitalist consumption” and “labor input”. They represent flows of labor time, grain and money from one stock to another. The model in Figure 1.1 assumes a constant organic composition of capital equal to one. Every year, an “investment” of two hours of grain is made. The ratio of investment to the organic composition of capital equals “hiring”. In the notation used by Marx (1887),  $\frac{c}{q} = \frac{c}{v} = v$ , where  $q$  is the organic composition of capital,  $c$  is the constant capital which we can think of as “investment” and  $v$  is the value of living labor or “hiring”. With an “investment” of two hours of grain and an organic composition of capital of one, “hiring” equals two hours of labor. The units may appear confusing but since “two hours of grain” implies the quantity of grain produced by two hours of labor, we can safely deduce that with an organic composition of capital equal to one, two hours of grain will draw two hours of labor. The stock of LABOR now takes a value of 2 which is inputted into the process

of grain production. “Labor input” equals “hiring”. In this model, the rate of exploitation is also constant and equal to one. Therefore, two hours of labor will produce a surplus of two hours of grain. Using the notation used by Marx in Capital Volume I (ibid),

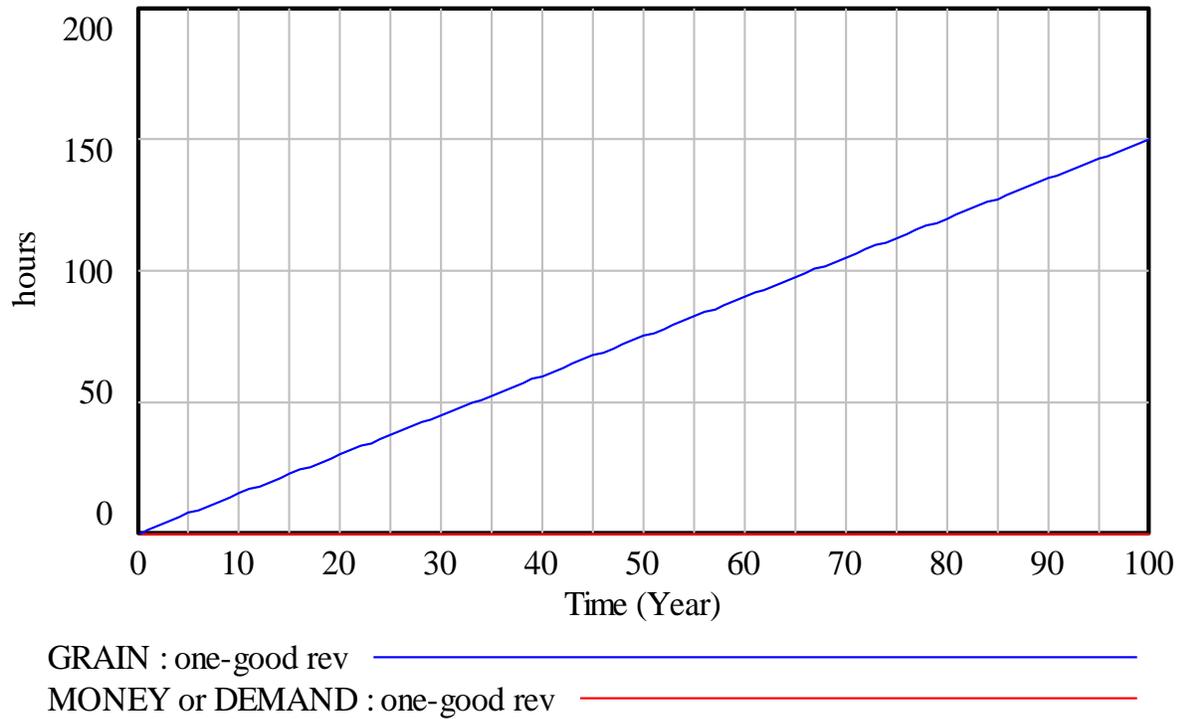
$$\frac{s}{v} = 1$$

$$v = 2 \text{ hours of labor}$$

$$s = 2 \text{ hours of labor} = 2 \text{ hours of grain}$$

Grain is drained away from the stock of GRAIN through “purchases”. “Purchases” are affected by claims from workers and capitalists. Workers can purchase up to the equivalent of their labor input for which they are compensated, in this case two hours of grain every year. Capitalists will want to recover the grain invested into the production process so they will purchase the equivalent of their investment, in this case two hours of grain. However, they would also like to consume some grain. In this model, capitalists consume fifty percent of the residual of MONEY and wage bill which is equivalent to profit. With “purchases” equal to investment + consumption by capitalists + labor input, the purchases flow into MONEY or the stock of claims on output. There is no question of the system running out of money to purchase grain as the stock of money is determined by the purchases of grain. MONEY is drained out as “wage bill” which is equal to the labor input or the value of living labor (by definition). In this system, profit is a residual of all MONEY net of the wage bill since all realized surplus in society is appropriated by the capitalists. Fifty percent of this residual is used for consumption which eventually results in a “purchase”. With profit as a residual of MONEY net of wage bill, it equals capitalist consumption + investment. Eventually, Kalecki’s (1938) result plays itself out, “When workers spend what they earn, capitalists earn what they spend”. It is to be noted that a constant state of unemployment is maintained in this model. When the ratio of LABOR/UNEMPLOYED rises over one, then “firing” equals the excess of LABOR over UNEMPLOYED, else “firing” =0.

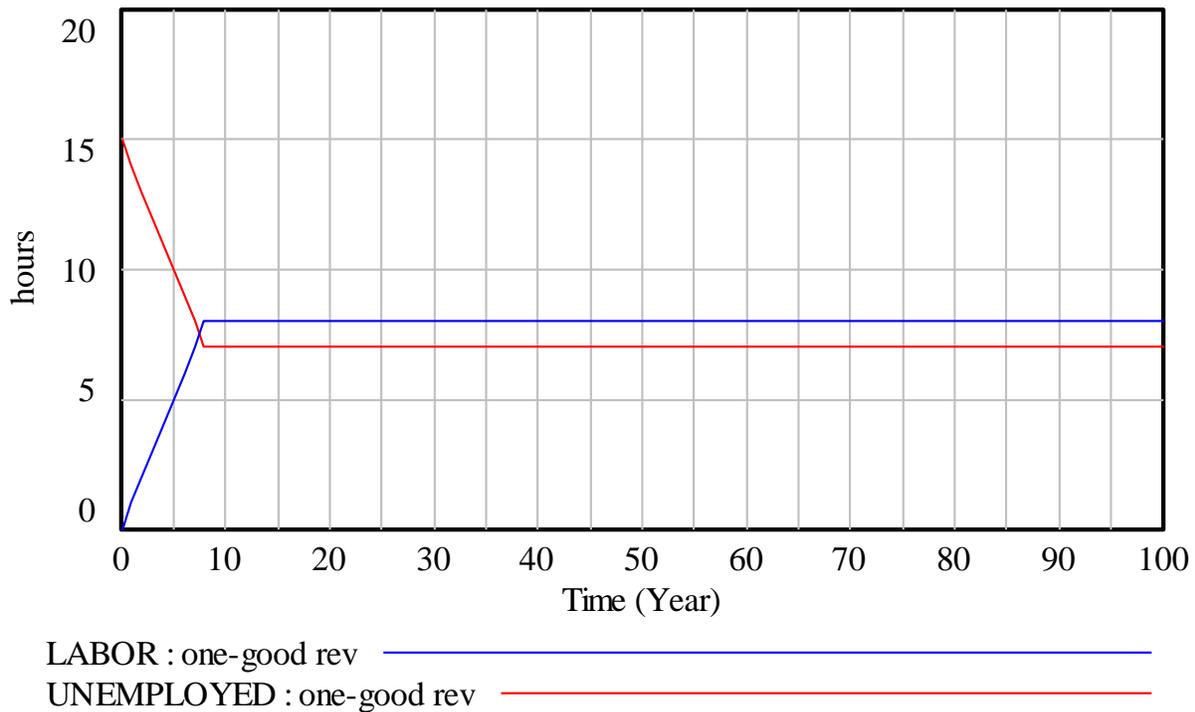
On comparing the stock variables, one obtains the following charts in Figure 1.2 and Figure 1.3.



**Figure 1.2: GRAIN and MONEY in a one good model with capitalist consumption.**

Figures 1.2 above shows us that since the purchases of grain are limited by claims of workers and capitalists, there is no demand for the surplus grain that is produced via the exploitation of labor. This is not to say that there will be an unlimited growth of grain. In fact, in a system like this, the system will not progress beyond the first year as capitalists will realize that while surplus grain can be produced through the exploitation of labor, there is not enough demand to purchase the surplus produced. The constraint is one of demand. This is not to say that there are no supply constraints in capitalist development -only that this model aims to demonstrate a demand constraint. An ameliorative role may be played by the state which can choose to purchase all surplus output.

Alternatively, the development of a managerial or a subsumed class can increase capitalist consumption and thus, play a role in realizing some of the surplus grain. However, it remains true that a capitalist system is bound to hit a demand constraint at some point unless an external fix can be provided in terms of new markets (to boost expectations of profit) or the recruitment of the state as a source of demand.



**Figure 1.3: UNEMPLOYED and LABOR in a one good model with capitalist consumption**

Figure 1.3 above shows us that the pool of LABOR and UNEMPLOYED have remained roughly stable. Once the proportion of LABOR to UNEMPLOYED has been reached, workers have been fired such that a constant pool of unemployed persons is always maintained. It is this assumption that lies behind the stable claims on output by labor (or wage bill) -if there were no Reserve Army of the Unemployed, wages would start to rise. To summarize, Figures 1.1-1.3 show that under

conditions of unemployment, the system of capitalist processes is in general, a demand constrained system because there is no guarantee that the surplus 'hours of output' produced will be realized. The systems dynamics model outlined above is inspired by Rosa Luxemburg's attempt to demonstrate that by itself, the capitalist system is unlikely to perpetuate itself for all eternity (*The Accumulation of Capital*, *ibid*). Similar to the approach in the model illustrated in Figures 1.1-1.3, she uses a constant organic composition of capital (ratio of means of production to labor input) and a constant rate of exploitation. She assumes a constant wage rate ensured by the presence of a reserve army of the unemployed which is also similar to the approach that I have taken. However, she takes a two-sector model of capital and consumer goods and assumes that the surplus in each sector must be realized within that sector (Robinson, 1951). Needless to say, there is no reason why the surplus of one sector cannot be realized through purchases within the other sector. However, Luxemburg was possibly among the few Pre-Keynesians who looked at the monetary, production economy as a whole -which is why when she explained that there would be a shortage of 'money' (as in Figure 1.2) to realize the total product of labor, she was widely misunderstood (Bellofiore, 2014). Her contemporary Bulgakov tried to answer the question 'where does the money come from' by replying "from the gold miner". Contemporary economist and politburo member of the Bolshevik Party, Nikolai Bukharin went on to defend Bulgakov by pointing out that money is a means of exchange, "not an element of real reproduction". According to Bukharin, money "flows ceaselessly from one pocket to the other, leads a nomadic life similar to the gypsies among the civilized peoples of Europe" (Bukharin, 1972).

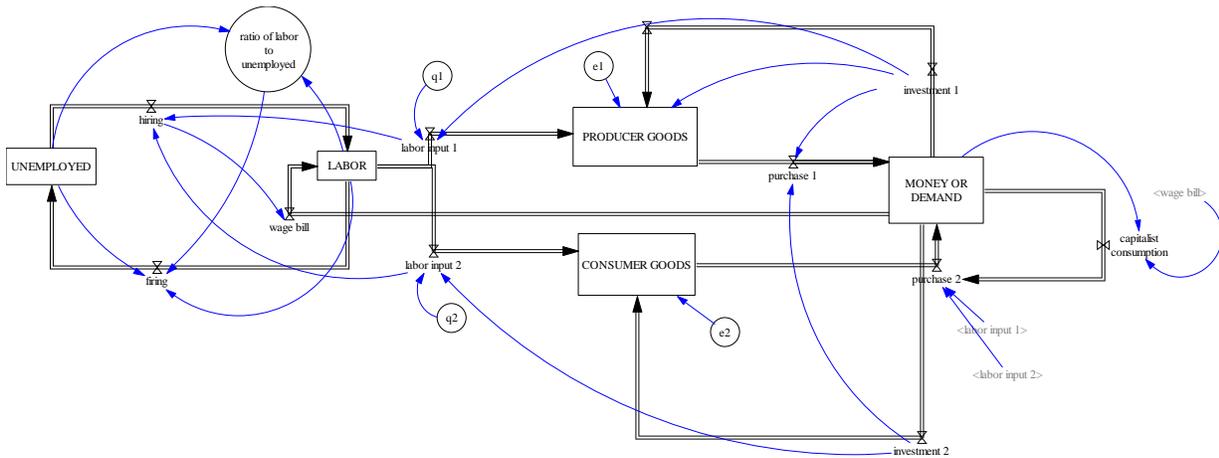
That money does not fall from heaven and must be produced in our earthly vale of tears, is in itself as little mysterious as the fact that iron ore is produced in the mining industry, rye in farming and machines in the machine industry. (Bukharin, *ibid*, Page 183)

For Bukharin, money is a commodity like any other. However, it does not belong to “real production” (ibid, page 183, paragraph 3) -already a contradiction. He would not have one forget that “the commodity pre-existed money (ibid).” Since Bukharin looks at money as a stock of gold rather than a stock of expected claims on produced output as in Luxemburg, he interprets Luxemburg’s ‘shortage of money’ as an inadequate stock of gold. Then he goes on to make the argument that an inadequate stock of gold is not a problem if the velocity of circulation of gold is high enough. This is however, an irrelevant point because Luxemburg does not look at money as a stock of gold. Instead, money is ‘demand’ -a claim on the produced output. Also, money is not a neutral medium of exchange. It has real effects upon the economy as it represents the claims on output produced in that economy. Given that money is a claim on produced output, there is no reason why the stockpiling surplus must necessarily expect to be claimed by money. That is what Luxemburg means by “shortage of money”.

Another critique of Luxemburg is that she takes an underconsumptionist stand (Sweezy, 1967) and believes that on account of a shortage of demand, a glut or a stockpiling of output will necessarily result. It is possible that the model presented above may also be misinterpreted the same way. However, when one takes a Post Keynesian lens to an otherwise Pre Keynesian idea, one understands that the stockpiling of grain in this model is not a physical stockpiling- it’s an expected stockpiling. As capitalists start noticing that the inventories of grain are increasing, they will discontinue the production process -and there may be no overproduction or underconsumption in the physical sense. The question of an inducement to invest or the realization question is the question of demand and Luxemburg’s contribution was to connect the realization question to the spread of capitalist processes as a continuous phenomenon which I will illustrate in Chapter 2.

Because Luxemburg’s model was a two-good model, we should relax our own assumption of a purely grain economy where there is only one homogenous kind of output and consider a two-

good economy with two types of produced output. Figure 1.4 below considers two types of produced output- producer goods or ‘means of production goods’ and consumer goods or ‘means of consumption’ goods. In this kind of economy, the consumer goods sector purchases its means of production from the capital goods sector and the workers in the capital goods sector spend their wages on the output of the consumer goods sector. Therefore, for realization of capital goods, we may rely on the capitalists in both capital and consumer goods sectors to replace their inventories of means of production. And for realization of consumer goods, we may rely on the workers of capital and consumer goods sectors to demand one hour of consumer goods each as compensation for their labor input. Capitalist consumption will also involve consumption of consumer goods. Unlike in Luxemburg (ibid), there is no assumption that the surplus generated in each sector should be realized within that sector.



**Figure 1.4: System Dynamics of a Two-Good Monetary, Production Capitalist System**

Like in Luxemburg’s approach (The Accumulation of Capital, ibid, Ch. 25), the organic composition of capital or the ratio of means of production input to labor input is constant. The producer goods industry being means of production intensive uses two hours of means of production input to one hour of labor input. As in the previous example, an ‘hour of means of

production' implies the quantity of means of production which can be produced using one hour of labor. The consumer goods industry uses one hour of means of production input to one hour of labor input. Following Luxemburg who was following Marx (The Accumulation of Capital, *ibid*, pg 333), the rate of exploitation is also constant. The capital goods industry has a rate of exploitation of 1.5. This means that for each hour of labor input in production, 1.5 surplus hours of means of production are produced. The consumer goods industry has a rate of exploitation of 1. For each hour of labor input in production, a surplus hour of consumer goods is produced.

As a systems dynamics model, this model spans over a number of years. I will be studying its behavior over 100 years via simulations. The stock variables are UNEMPLOYED, LABOR, PRODUCER GOODS, CONSUMER GOODS and MONEY OR DEMAND. Unemployment is initially at 15 hours of labor and we shall start with a position of unemployment. As labor is hired into the production process, the number of unemployed hours come down but once the ratio of labor to unemployed hours exceeds one, the excess of LABOR-UNEMPLOYED is fired, thus maintaining a pool of unemployment, keeping wages down. Labor is hired into the production of both producer and consumer goods according to the organic composition of capital in each industry. As labor is applied to means of production (which the consumer goods industry purchases in the previous period) surplus hours of producer and consumer goods are produced. However, demand is limited in both industries. In the Producer Goods industry, demand depends on the means of production input requirements of each industry. In the Consumer Goods industry, demand depends on the labor requirements of each industry (who purchase consumer goods as their claims on output) and on capitalist consumption which equals half of the residual of MONEY OR DEMAND (which we can think of as realized output) and the wage bill (equivalent to the *value of living labor = v = hiring = labor input 1 + labor input 2*). Neither the demand

in the producer goods nor the demand in the consumer goods sector is sufficient to absorb the expected stockpiling of surplus as shown in Figure 1.5 below.

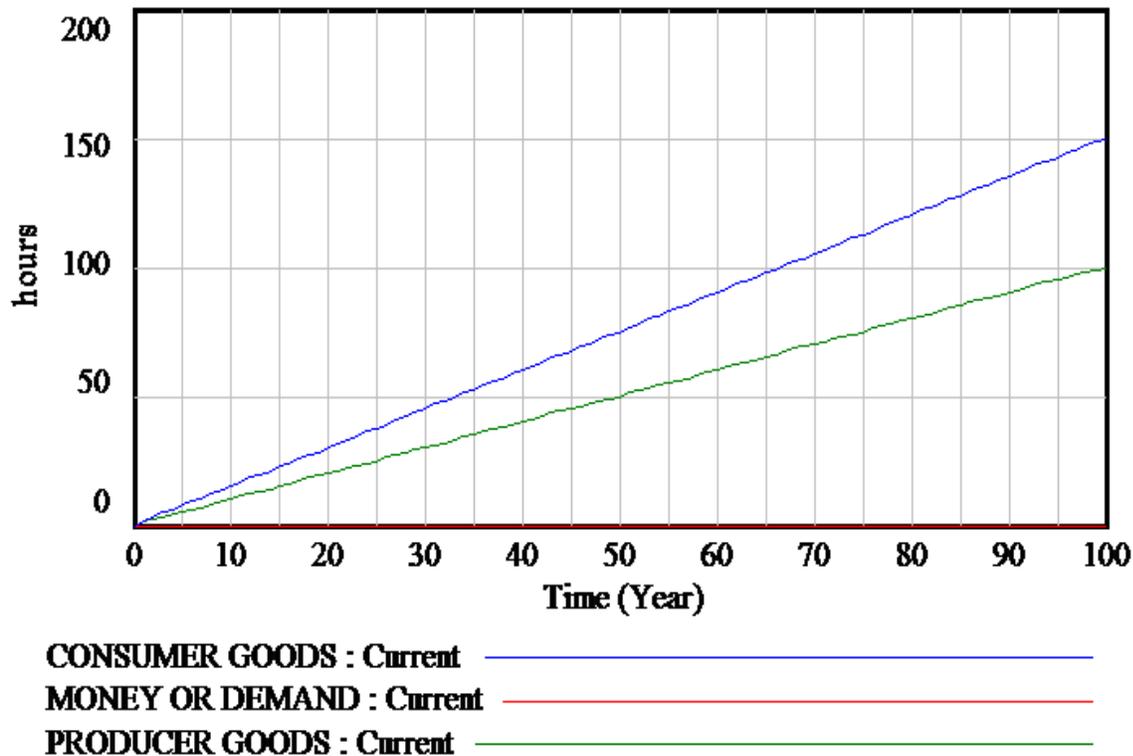


Figure 1.5: PRODUCER GOODS and CONSUMER GOODS in a Two Good model

Having made the above explorations into the possibilities for realization in a monetary, production, capitalist economy taken in isolation, one sees that in general, the capitalist system tends towards a realization crisis. One additional point needs to be made. A capitalist economy comprises not only of workers and capitalists but also of a class of third persons who do not produce surplus value but are accorded a claim on the surplus product in the economy. Examples of third persons are landlords, financiers, supervisors, managers, government employees and so on, the ‘hangers-on’ within the production process in capitalism who are accorded positions of prestige and status. Third persons or the State may create an additional demand. In the one-good case, an additional incremental consumption by third persons may, in some cases depending on the rate of exploitation

and the rate at which third persons consume, realize the surplus product of the economy. However, they would have to consume more at every period to realize the surplus which is expected to stockpile. There is no reason why third persons must consume more in every period unless they are compelled to do so through social norms of status and prestige or through institutions like the perishing of grain at an increasing rate so that more grain has to be purchased each year to maintain inventories.

To summarize, the empire of capital needs an abject outside for three reasons:

- i) The system of capitalist processes tends to be cyclical. With increasing capitalist economic activity, comes increased hiring of labor. As soon as unemployment starts going down, there is a tendency for wages to rise. As soon as the latter becomes a possibility, there is a decline in the inducement to invest. With the decline in the inducement to invest, the system of capitalist processes tends towards downturns. Unless there is an 'outside' to the empire of capital which can be drawn into the labor force, keeping wages down, the system of capitalist processes tends to be more volatile.
- ii) The system of capitalist processes tends to follow an expanded reproduction scheme where making monetary or pecuniary profit is the *raison-d'être* of capitalist accumulation. As soon as there is an expectation that at the end of the production cycle, the produced output may not be sold for more money, the grinding wheels of capitalism tend to screech to a halt. New sources of spending work as new markets- the prospect of new avenues for new production to be realized.
- iii) Even if persons in capitalist and labor class positions keep inputting labor and means of production into the capitalist production process, there is no guarantee that the entire surplus produced will be realized. Even with capitalists spending on consumption, even with consumption by third persons, in general, there is a tendency towards realization

crisis in which there is a shortage of demand to realize produced output. Unless there is an external source of demand such as the State or new markets, the capitalist production process tends to secular stagnation. There is no need for a glut of goods per se as production tends to be discontinued as the chance of a realization problem is anticipated. The existence of new spending serves to postpone chances of a realization problem facilitating increasing production and further capitalist accumulation.

### **Section III: What does the ‘outside’ do?**

The periphery/outside/other of the empire of capital implies a certain set of systems, incursions into which keeps the system of capitalist processes growing and stable. Graham-Gibson refers to the State or the command economy system as the socialized ‘other’ of the system of capitalist processes and to the households as the feminized ‘other’ (Gibson-Graham, 1996).

The State or the ‘socialized other’ of the capitalist processes exercises countercyclical spending to counteract business cycles in the capitalist system. In fact, without State spending, capitalists can, on aggregate, earn only what they spend in private investment. Capitalist spending (investment) leads to the generation of output which is either consumed by workers (and thus, under classical assumptions<sup>8</sup>, refunded to capitalists as workers’ compensation) or which accrues to capitalists generating the savings which ex post, pays for the investment (Kalecki, 1938). With State spending, an *additional demand* for produced goods is generated which in turn accrues to capitalists as profit (after allowing for taxation). If State spending increases at every period at the rate at which the

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<sup>8</sup> Under classical assumptions, workers consume all of their income. If workers save a part of their income, then private investment leads to a smaller increase in output which is refunded to the capitalists as payment for workers and capitalist savings. Ex post, private investment generates capitalist and workers’ savings equal to itself. If capitalists consume a part of their income, then the concomitant increase in output from an increase in private investment pays for capitalist consumption, workers’ consumption, and savings of both capitalists and workers- the latter is ex post equal to private investment (Kalecki, 1938).

surplus value of output increases, it can provide the additional demand required to realize the additional surplus value produced.

The State provides for certain conditions of capital accumulation. With its monopoly over violence, it ensures law and order providing an environment of social stability such that private investments can be expected to make profit. With its monopoly to issue universally accepted currency (backed by its monopoly over violence used to impose taxes in that currency and other fiscal obligations) it ensures the provision of wage labor and goods for sale -people have to work and earn money in order to pay their taxes (Forstater, 2004). In the old empire of capital, colonial states helped introduce capitalist relations of production -at times by imposing direct taxes as in West Africa (Forstater, 2005), Egypt (Banaji, 2001) and India (Bagchi, 1982), at times by imposing enclosures and laying down private property norms such as in Ireland (Linebaugh, 2014), in Libya (Luxemburg, 1951)<sup>9</sup> and in the Maasailand in Kenya and Tanganyika or modern day Tanzania (Forstater, 2002).

In the new empire of capital, sovereign states continue to facilitate the spread of capitalist relations of production. Until the neoliberal era, state activism to ensure certain levels of economic activity, state spending in certain “key” sectors or “commanding heights” of the economy and state provision of basic services was considered desirable. In fact, certain industrial lobby groups argued for more state intervention rather than less. For example, the 1944/5 Bombay Plan drawn up by Indian industrialists post-Independence took for granted the need for state intervention to ensure markets for manufactures by the fledgling national industry (Chibber, 2006). In these cases, states were able to regulate business cycles through long term spending, occasionally guaranteeing jobs, education and healthcare, thereby ensuring additional demand for the additional surplus value

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<sup>9</sup> Chapter 27.

produced. However, by the late 1980's, the 'commonsense' about state activism shifted to the notion that collective ways -including command economy ways -of organizing production and distribution are inefficient. The latter became evident in economic theory -as in the influential theory of the tragedy of the commons (Hardin, 1968). The tragedy of the commons implied that collectively used resource pools become depleted. This is because users tend to over-use the commons since they incur no upkeep costs on an individual basis. While the theory of the 'tragedy of the commons' continues to be influential in economics textbooks today, it has been challenged by more recent literature which perceives Hardin's treatment of the commons as a misrepresentation. The latter defines the 'commons' as perceived by the people who live off them -as governed by a collective establishment of rules and traditions -not a 'free-for-all' (Ostrom, 1990), (Bollier, 2014 a). Nonetheless, partly under the influence of ideas such as the notion of collective management and usage of resources as a tragedy, the role of the state shifted to the facilitation of incursions of capitalist processes into collective ways of organizing resources.

Neoliberal states have privatized a variety of state functions- such as maintaining roads (and thereby obtaining the right to collect tolls), managing parking meters in public places, and in some cases, even managing visa applications and passport renewals. Privatization of prisons in the USA and the burgeoning of private universities with reduced funding to public universities are also prominent examples. Neoliberal states have imposed private property relations by facilitating enclosures of land and natural resources such as water, air and mineral deposits, and by enforcing copyrights and patents allowing private players to lay claim to collective stocks of knowledge and cultural traditions (Bollier, 2014 b). On the other hand, states in the neoliberal era, have also served as sites of struggle for forces opposed to incursions of capitalist processes. Social movements such as the struggle against the Dakota Access Pipeline in the USA and the struggle against illegal mining in the Bastar region in Chattisgarh, India address their advocacy efforts to preserve their ecological

systems to their respective states. Movements to protect the rights of workers, especially informal and contractual workers<sup>10</sup> address their critiques of neoliberal globalization to the states. Similarly, women's movements around the world advocate for the rights of women -addressing their arguments about how globalization interacts with the gender dimensions of labor markets -to the states. The neoliberal state is a site of struggle between the disembedding forces of the market<sup>11</sup> and the 'countermovement'<sup>12</sup>. At times, democratic pressure on states may compel States to stay incursions on collective systems -such as the stay on the construction of the Dakota Access Pipeline by the Obama led US government, later lifted by the Trump administration. However, at other times, States may concede to rhetoric about 'freedom to do business', 'modernization' and 'progress' advanced by advocates in favor of advancing capitalist incursions. Capitalist incursions on non-capitalist economies displace persons who must now i) supply their labor in capitalist labor markets, no matter how low the wage, in order to earn a livelihood and ii) purchase the necessities of life from markets since they can no longer draw upon the commons to fulfill their needs.

Returning to Graham-Gibson (*ibid*), households are the 'feminized other' of the system of capitalist processes. When conceptualizing the economy as a system of provisioning, households are certainly a material provisioning system. They involve the expenditure of labor in producing the means of life -food for the family, care for those who need it, clean spaces around which to organize the daily tasks of living, clean clothing, and shelter. While such tasks tend to be disregarded within the subject matter of economics as "non-wage labor" or "reproduction" rather than "production" and are excluded from calculations of total national production in most countries, they are important systems through which human beings obtain their necessities. In the United States of America

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<sup>10</sup> Such as the struggles of the Honda and Maruti Suzuki workers in India.

<sup>11</sup> What Karl Polanyi (*ibid*) calls the incursions of capitalist processes into collectively owned and managed resource systems.

<sup>12</sup> Those who oppose the disembedding market forces in a bid to preserve "the natural and human substance of society" (Polanyi, *ibid*, Ch. 5).

before the Civil War for instance, the farmstead produced not only output for sale but most farming implements, garments, home goods such as pillows and blankets- in fact most necessities of life - through family labor. Practices of home-based production and repair of tools continue in small farmsteads till date. Rosa Luxemburg (*The Accumulation of Capital*, *ibid*, pg 397) quotes a Senator Peffer from the Farmers' Alliance writing in the 1890's about the pre-Civil War era,

The American farmer of today is altogether a different sort of man from his ancestor of fifty or a hundred years ago. A great many men and women now living remember when farmers were largely manufacturers; that is to say, they made a great many implements for their own use. Every farmer had an assortment of tools with which he made wooden implements, as forks and ploughs, spokes for his wagon, and various other implements made wholly of wood. Then the farmer produced flax and hemp, and wool and cotton. These fibers were prepared upon the farm; they were spun into yarn, woven into cloth, made into garments, and worn at home. Every farm had upon it a little shop for wood and iron work, and in the dwelling were cards and looms; carpets were woven, bed-clothing of different sorts was prepared; upon every farm, geese were kept, their feathers used for supplying the home demand with beds and pillows, the surplus being disposed of at the nearest market town... One of the results of that sort of economy was that comparatively a very small amount of money was required to conduct the business of farming -quoted in Luxemburg (*ibid*, pg 397)

Of course, after the Civil War, the farmsteads were saddled with tax obligations which had to be met through monetary payments. Since farmers needed money to pay taxes, they had to re-orient their production towards sales rather than meeting the needs of household members.

There are several other examples of households as sites of production. The Maasai in pre-colonial Kenya and Tanganyika for example, practiced transhumance pastoralism while maintaining a fixed homestead. Each homestead comprised of several independent polygamous/polyandrous

family units (Galaty, 1980). A married woman along with her children comprised the basic unit in terms of milk production (Rigby, 1985)<sup>13</sup>. Division of labor in the homestead was regulated by age and gender. Younger children looked after the younger livestock close to the homestead. Long distance herding, protection of the family and cattle and long distance communication were carried out by young men. Male adults and elders supervised the herding and settled disputes. Retired elders were keepers of history and oral tradition and supervised rituals. Women did the milking and cleaned, sterilized, smoked and stored the milk. They controlled the distribution of milk and non-ritual consumption of other products. They built and owned the houses over which they had authority and determined the allocation of inheritance of the herd amongst their children. Similarly, the Hopis of Northern Arizona for instance, based their lives around the pueblos -complexes of multistoried adobe buildings that served as centers of agriculture, storage of water and grain and ceremony, ritual and sport.

A discussion of households and division of labor within households requires a discussion of patriarchy. Patriarchy refers to a historical subjugation of women's object-relation to nature to men's object-relation to nature (Mies, 1986). In the course of their history, women have observed changes over their own bodies and acquired through observation and experiment a vast body of experiential knowledge about the functions of their bodies- menstruation, pregnancy and child-birth, production of milk as well as the productive capacities of their hands and feet. The productivity of women's bodies has historically transcended the social binaries of 'productive' and 'reproductive' labor that exist in the conventional wisdom in the social sciences -child care and care of adults being as 'productive' as textiles and garments production, sanitation etc. Women have learned to appropriate their generative and productive forces -to decide how many children they want to give birth to. The

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<sup>13</sup> Galaty, *ibid* and Rigby, *ibid* as cited in Forstater, *Bones for Sale: 'development', environment and food security in East Africa, ibid.*

usage of contraceptives was common amongst native Australians, the Bororo women in Brazil, the Ute people of Utah and Colorado, and even the women of ancient Egypt (Mies, *ibid*). Nevertheless, a series of processes have subjugated women's productive capacities to men's productive capacities.

In the twelfth and thirteenth centuries in England for instance, before the Enclosure Movement, came the witch hunts (Federici, 2004). The witch hunts, along with State tolerated rapes, were particularly targeted at the heretic cults in which women and men interacted as equals, where women made contributions to the production of knowledge and decisions over their own bodies through contraception. The witch hunts were among the first persecutions in Europe which made use of multi-media propaganda creating mass psychosis exhorting men to fear the power of women, and thus dividing the peasantry and making it more amenable to oppression and eviction. Federici (2004, *ibid*) argues that a pattern exists whereby several women who were hanged as witches in Chelmsford, Windsor and St. Osyth were also very poor women holding on to small land holdings, barely surviving, women who had incurred the hostility of their neighbors by grazing cattle on their lands or not having paid the rent. Witch-hunting created a new patriarchal order in which women's bodies, their labor, their sexual and reproductive powers were transformed into economic resources. It made the freedom of women to own their own product, their labor power and their sexuality abominable and conceived of the woman's subordinate position in the home as "natural". The witch hunts led to the creation of hierarchies in the pool of labor and the confinement of women proletariat to the household such that their labor was not even seen as 'labor' - instead, it was seen as something 'natural' and taken for granted: the realm of reproduction was separated from the realm of production and hidden.

Witch hunts were not only carried out in Europe but also exported to the Americas. (Federici, *ibid*). When Columbus sailed into the 'Indies', the use of the term 'devil worship' as a political tool to vilify entire populations such as Muslims and Jews was already common. With the

incursions of the conquistadors, the Europeans fed by militarism and religious and cultural intolerance understood the American aboriginal cultures, religions and customs from the lens of “cannibal”, “infidel”, “barbarian”, “devil worshipper”, “nakedness” and “sodomy”. Between 1536 and 1543, several political leaders and religious leaders were burned at the stake in present day Central Mexico. Federici (ibid) argues that practices such as human sacrifice amongst the Aztecs or cannibalism of the sort mentioned in colonial accounts were deliberately exaggerated and misunderstood to dehumanize the indigenous populations, and justify the Spanish takeover of Tenochtitlan. Similarly, other ethnographic studies of Aztec warring culture demonstrate that human sacrifices were an essential aspect of Aztec religion, associated with the agrarian cycle but they were in no way, as widespread or rampant as described in Spanish accounts (Clendinnen, 1985).

By 1660 in present day Mexico and Peru, mostly women were targeted as witches for practicing their traditional religions and severely tortured and humiliated. According to Federici (ibid), women had defended the pre-Columbian ways and opposed the ‘new’ ways introduced by the Spanish most strongly as they were the ones most adversely affected by them. Pre-Conquest American women had enjoyed a somewhat respectable position in society as seen in the worship of several female deities, they had socially recognized spheres of activity and in addition to being farmers and homemakers, they were also weavers, potters, herbalists and healers. With the arrival of the Spanish, polygamy became illegal. Several women were either separated from their husbands or reclassified as maids while their children were deemed illegitimate. Meanwhile, there was a prevalence of rape culture where it was rare for an Amerindian woman to be safe from rape or appropriation. For these reasons, women participated in anti-colonial movements, escaped to inaccessible and distant spaces and continued to practice the indigenous traditions. The witch-hunts and torture of Amerindian women was aimed at crushing both types of opposition to the colonial regime.

Federici (ibid) also reports witch-hunts and burning at the stake in other parts of the colonized world. Women from forest communities in Western India enjoyed a greater degree of freedom and autonomy than in the caste societies in the plains. The repression against these women went hand in hand with the general decline in worship of female goddesses accompanying colonial rule.<sup>14</sup> In Africa, witch-hunts are as recent as the 1990's in Northern Transvaal. Witch hunts have also been reported in Kenya, Nigeria and Cameroon in the 1980's and 1990's concomitant with the structural adjustment policies imposed by the Washington institutions (Federici, 2001, ibid).

Women in the present-day Empire of Capital are the historical product of decades of oppression that have disproportionately burdened them with the task of running the home. By historical processes of housewifization such as the witch hunts in addition to the normalization of violence against women, the curtailment of women's freedoms in response to the violence and so on, women found themselves confined to the non-wage tasks of care and the reproduction of the household. These are not capitalist relationships as they involve non-wage work, not for a wage but because of 'family values' (Folbre, 2001). According to Nancy Folbre, the family values are love, reciprocity and obligation. Care requires love and obligation and it is hoped that one can expect a similar kind of care from the family system that one puts into it. Certain streams of literature in Marxist and feminist schools of thought have demanded wages for housework such as Costa and James (1971). However, it remains unclear as to who should pay these wages –the household male workers whose labor power non-wage women workers produce, the firms that employ the labor power of the household male workers, or the State (Mies, ibid).

Since the rise in women's participation in industrial processes, the relationship between patriarchy and the accumulation of capital has become particularly peculiar. While as I will proceed

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<sup>14</sup> (Chatterjee, 1988)

to show in Chapter 3, women provide a majority of labor hours in tasks related to the reproduction of the household in the United States as in several other countries, women also provide a significant portion of wage labor in capitalist processes. In this sense, women perform two work shifts –one within the capitalist sector and one within the non-capitalist sector. The work performed in the non-capitalist sector ensures reproduction of the household however low the wages. Meanwhile, in conditions of boom when there is an increased demand for labor, women’s labor power is drawn into the capitalist sector, typically at flexible terms such as no health benefits, contractual employment and so on which ensures flexibility in labor supply and helps keep wages low even in boom time. During the downswings of the business cycle, typically women employees who are on contracts are among the first to be fired, leaving women financially insecure and sending them back to traditional roles as housewives (Folbre, *ibid*). The job insecurity of women may be compounded by the normalization or tolerance of sexual harassment and violence in the workplace and other types of gendered violence such as insensitivity towards bathroom breaks for pregnant and menstruating women (Stout, 2014).

As women are drawn into capitalist labor processes, they must rely on markets to fulfil household needs for childcare, care of adults, food preparation, interior cleaning and so on. In Europe and North America, where most households cannot afford to hire employees to take on tasks of cleaning and cooking in the home, they constitute new markets for labor saving household devices and processed and pre-cooked foods. When costs of care- such as day care for children and the elderly or the hiring of care workers- start rising with wages still remaining low, households that rely on paid day care and care workers start to experience financial strain. In India<sup>15</sup>, West Asia<sup>16</sup>,

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<sup>15</sup> According to the analysis of the microdata of the National Sample Survey Organization of India – Employment/Unemployment Survey (61<sup>st</sup> Round) 2004/5 (This report is published every five years) by the ILO (*ibid*), domestic servants in India were 4,206,700 of which 2,955,200 (70.248%) were women.

<sup>16</sup> The ILO (2013, *ibid*) estimates the number of domestic workers in West Asia at 2,107,000, 5.6% of total employment. 63% of domestic workers in West Asia are women.

Latin America and the Caribbean<sup>17</sup>, ‘domestic workers’ who are employed in households to carry out tasks of cleaning, cooking, care etc. for a wage on an occupational basis are an important part of the economy (International Labor Office, 2013). They have very limited legal protection from exploitation, discrimination<sup>18</sup>, sexual harassment and often abuse. Since they work in the informal sector, most of them are outside the ambit of most labor unions and labor laws. What is more, as families become more dependent on market economies both, because they have no other alternative but to sell labor in markets for low wages and have to depend on markets to obtain their needs, even children are pushed into working in domestic tasks. Child domestic workers are a significant portion of child workers and a sizeable share of child domestic workers are below 14 years of age in contravention of international law (ILO, *ibid*). Meanwhile, when domestic workers and care workers go back to their homes, they have to care for their own households as well.

#### **Section IV: Understanding the Outside**

The purpose of this dissertation is to conceptualize the ‘outside’ or the periphery of the contemporary empire of capital and study the role that it plays in the perpetuation of empire. This conceptualization is premised upon a Complementary Holistic framework as formalized by Albert, Cagan, Chomsky, Hahnel, King, Sargent and Sklar in their book, ‘Liberating Theory’. The Complementary Holistic Framework thinks of the relationship between economy and society as a relationship between part and whole. The economy is a part of society but it cannot be said that society is comprised of its component parts alone. Instead, society defines the economy just as the economy defines society. The whole defines the parts just as much as the parts define the whole.

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<sup>17</sup> According to the ILO (2013, *ibid*), domestic servants comprise 7.6% of total employment. The number is estimated at 19, 593,000, 91.89% of which are women.

<sup>18</sup> In India for example, domestic workers are barred from using the same restrooms as the rest of the family. They are expected to use special restrooms which are indifferently maintained and situated further away from the place of work.

The economy is not the only sphere of society. Instead, there are other spheres such as kinship, community and politics (Albert, et al., 1986).

Kinship determines interactions among men, women and children. Kinship activity revolves around sexuality, procreation, child rearing, elder care, ageing. It is focused on the human life cycle and interpersonal relations.

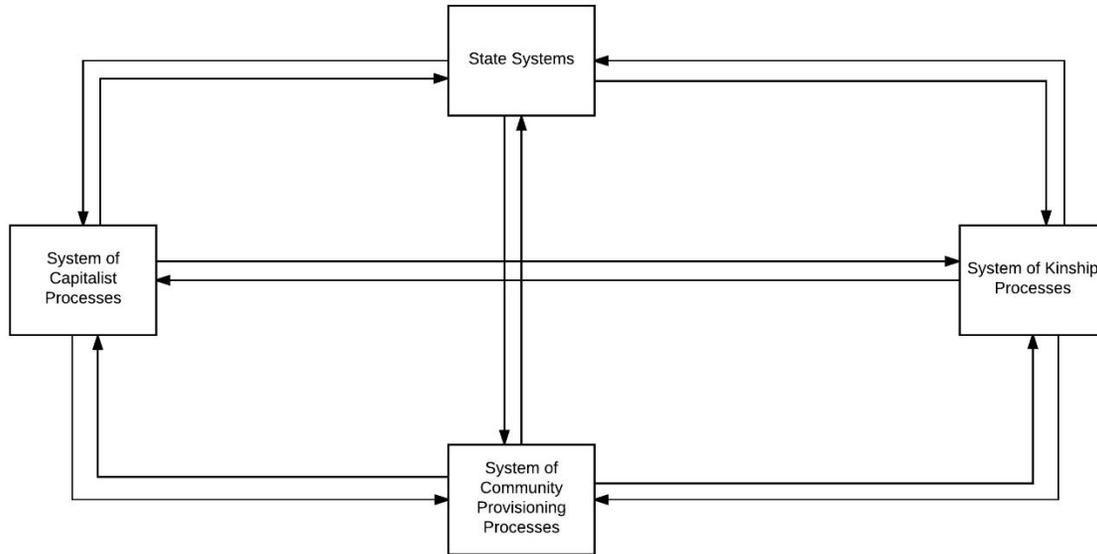
The community is a group of people who share a common sense of historical identity or heritage. Identification with one or more communities has important social implications for people's needs, desires, responsibilities, rituals and accommodation to institutional requirements. The historically common sense of identity that defines a community can develop through geographical constancy, language, spiritual beliefs and customs. Racial communities however, are defined more by relations with other communities than by internal characteristics. According to Benedict Anderson, most communities are 'imagined' in the sense that all members of a community do not always enjoy face to face contact, nonetheless, there is "in the minds of each.... the image of their communion"<sup>19</sup>. Communities are to be distinguished by the style in which they are imagined. Javanese villagers for instance, imagine their communities as indefinitely stretchable nets of kinship. Nations are imagined as 'limited' and 'sovereign' communities. 'Limited', because nations are imagined with borders beyond which lie other nations. 'Sovereign' because the ideas of 'nation' were historically accompanied by processes of Enlightenment and Revolution which were destroying the legitimacy of divinely ordained dynastic realms. Finally, 'nations' are 'imagined communities' because regardless of the inequality and exploitation, there is an idea of horizontal comradeship which makes it possible for millions of people to kill and die for each other (Anderson, 1983).

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<sup>19</sup> From Seton-Watson (1977), *Nation and States*, Methuen.

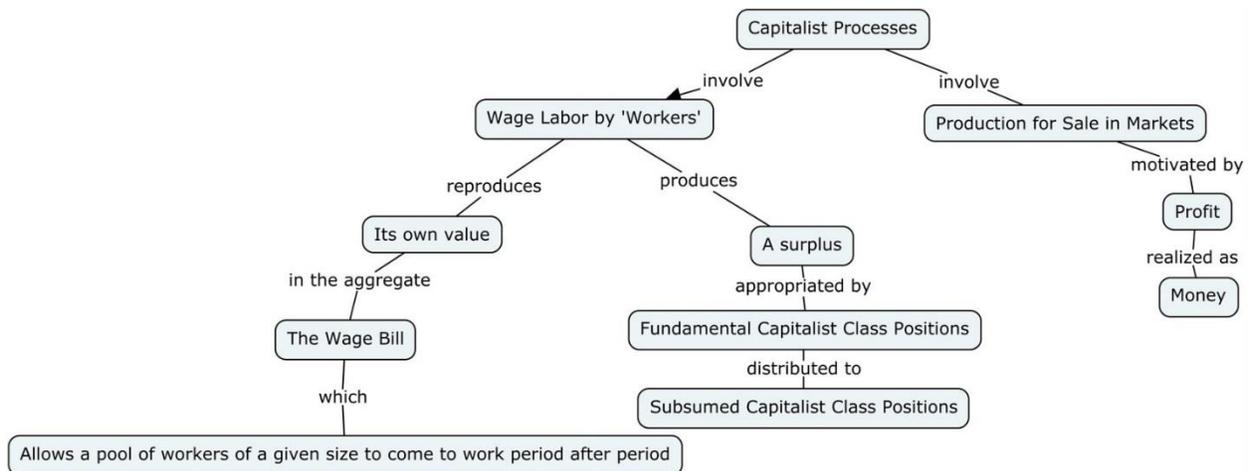
Politics involves the creation of ideology, the setting of societal priorities, policies, laws and regulations with or without the participation or ratification of the people. The political sphere includes the State with its military, judiciary, police, legislature and public works, political parties, interest groups, lobbies and advocacy groups.

Society is comprised of overlapping spheres of life- the community, kinship, the economy and the political sphere. Any aspect of society reflects the whole of society. The analogy drawn by Albert et al. (ibid) is that of a hologram. When one shines a laser through a hologram, a three dimensional image is projected. Even when the hologram is broken into parts and a laser is shone through any component part, the same complete image is projected. Even when society is broken into parts, the parts cannot be seen in isolation. Instead, they are defined by the whole which is, in turn defined by the complex and overlapping interaction of parts. This means that even if we try to look at the economy as one of the parts of a hologram, the economy reflects the whole of society- and this makes it possible for us to talk about command economy (or the State provisioning processes), community economy, kinship economies: a whole range of interdisciplinary avenues become possible while studying economic processes. The idea that the 'economy' includes the kinship economies, community economies and command economies enables us to think of the capitalist system as only one economic system mutually interconnected with all other economic systems. Figure 1.6 below enables us to see the 'economy' as a network of economic systems.



**Figure 1.6: Economy as a Network of Capitalist and Non-Capitalist Economic Systems**

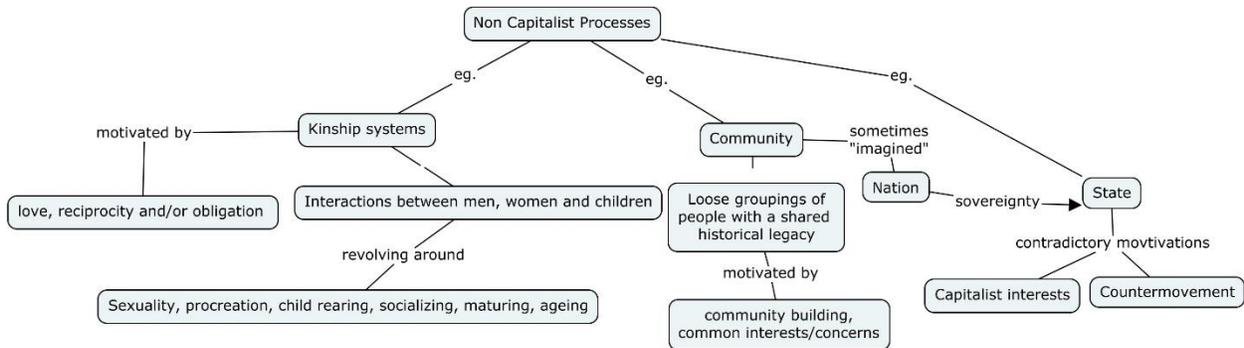
In figure 1.6 above, the system of capitalist processes refers to a particular system of production relations in which labor is hired for a wage and the purpose of production is sale in markets. It refers to a specific organization of the production process wherein people in a certain class position which I will call “worker” provide wage labor. As defined in the preface, this labor produces value over and above the value of the means of production and the labor equivalent of the means of life required to reproduce a given pool of workers (Marx, 1887). The excess is called surplus value (Resnick and Wolff, 1987). Those in the fundamental capitalist class positions ensure the redistribution of the surplus as rents, interests, royalties etc. to those in “subsumed capitalist” class positions by giving them a claim over the surplus. The subsumed capitalist positions are held by the ‘third persons’ from Figure 1.7 who exercise an additional demand to realize an additional portion of the surplus value. Any given person in the system of capitalist class processes can hold one or more class positions at any time (Resnick and Wolff, *ibid*). Figure 1.7 below illustrates a concept map to the system of capitalist processes



**Figure 1.7: The System of Capitalist Processes**

Non-capitalist processes involve motivations of production and reproduction that are different from capitalist class processes. Family or kinship systems for instance, are motivated sometimes by love, at other times by reciprocity and/or obligation (Folbre, 2001). Under the influence of processes of patriarchy and capitalism, kinship systems have been reproduced in their present forms in which the non-wage work of women reproduces the wage work of men, allowing them a chance to reclaim their humanity however low their wages. Like Kinship systems, community provisioning processes also involve a different kind of motivation- sometimes it is just to build a feeling of communion like pot lucks or picnics, sometimes it involves the spread of a belief system such as religion, and sometimes it involves a common interest such as sport. States are motivated by contradicting forces. On one hand, they are lobbied by representatives of the system of capitalist processes who advocate for the takeover of family systems, community systems and State systems by capitalist processes. On the other hand, States are lobbied by advocacy groups representing non capitalist economies, who may try to uphold traditional institutions (sometimes older forms of patriarchy before interaction with capitalism) and identity politics but may also try to protect the environment, consumer and labor rights, all against the interests of those in capitalist

class positions (Polanyi, *ibid*). Figure 1.8 below illustrates a concept map to systems of non-capitalist processes.



**Figure 1.8: Systems of Non- Capitalist Processes**

As the system of capitalist processes cannot, in general perpetuate itself indefinitely as it is prone to business cycles and potential realization crises, it is always in search of new markets and new sources of labor, while ensuring a downward pressure on wages. Therefore, it tends to make incursions into non capitalist economies -either by lobbying the State to demarcate private property norms displacing existing community provisioning systems or by drawing women into capitalist processes, among other kinds of incursions. The incursions cause conflicts of both, identity and affirmations of collective management or individual management and vice versa, leading to a politics of both, identity assertion and socialism. Sometimes both kinds of politics are expressed through peaceful means even despite grave repression by the State’s monopoly over violence. Sometimes, either on account of State repression or simply because of a belief in armed struggle, both types of politics are expressed militaristically -either as terrorist strikes or communist guerilla warfare. With military expressions of anti-capitalist politics, States are tasked with the polemic of ‘just wars’ without end -constantly establishing that they are the appropriate institutions to support ‘freedom’ and ‘democracy’, a status quo which ensures order and stability for capitalist investments, and

facilitates capitalist incursions while demonizing anti-capitalist struggles holding up militants as strawmen. The empire of capital thus continues to perpetuate itself.

To summarize, this chapter lays down five propositions towards a theory of contemporary empire:

1) Given that

a) the economy is a part of society,

b) the whole determines the parts as the parts determine the whole,

c) the society has other spheres-kinship, community and politics,

The economy also reflects the spheres of kinship, community and politics to the extent that we can identify kinship systems of provisioning, community systems of provisioning and the role of the State in administering and commanding resources owned in common.

2) The system of capitalist processes is prone to cyclical movements and realization crises.

3) Entering into peculiar relations with non-capitalist processes, the system of capitalist processes is able to reduce the volatility of business cycles and postpone expected realization crises.

4) Incursions of capitalist processes into non-capitalist processes cause conflict and resentment which may be expressed through non-violent or militaristic ways.

5) With its historically large military might, the United States of America has the capacity to show that it can make efforts to resolve the constant state of conflict in the interests of freedom. Similarly, other States face the pressure to display smaller but determined shows of might against militants that threaten the interests of capitalist systems from time to time.

The next chapter will discuss the role of incursions of capitalist processes into non capitalist processes in empires of capital over the years. It will lay the claim that incursions do not pertain only

to a certain historical period when capitalism was spreading. Instead, they are an aspect of the nature of capitalist systems and are a vital feature of the contemporary empire of capital today.

CHAPTER 2  
INCURSIONS OF CAPITALIST PROCESSES INTO  
NON-CAPITALIST PROCESSES

We survive war and conquest; we survive colonization, acculturation, assimilation; we survive beating, rape, starvation, mutilation, sterilization, abandonment, neglect, death of our children, our loved ones, destruction of our land, our homes, our past and our future. We survive, and we do more than just survive. We bond, we care, we fight, we teach, we nurse, we bear, we feed, we learn, we laugh, we love. –Paula Gunn Allen, 1992<sup>1</sup>.

In a few lines, Paula Gunn Allen talks of several processes –she talks of war and conquest, displacement and destruction, survival and life. She refers to those who are displaced by capitalist development and forced to sell their labor in the global capitalist market system by the destruction of their homes, lands, histories and futures. Such destruction has had twin effects. It has not only marginalized women all over the world, the people of former colonies, and those living outside of capitalist processes, but it has also brought them into what is now ‘global capitalism’ as the abject ‘other’. Capitalist processes have historically made their way into the non-capitalist systems through which people had historically provisioned themselves. They have displaced non-capitalist systems and have drawn them into a hegemonic relationship within global capitalism. The process is one of ‘inclusion by displacement’ which finds reflection in the discussion on the so-called ‘primitive’ accumulation in political economy, sociology and history.

This chapter will examine the literature on ‘Primitive’ Accumulation. It will begin by analyzing Marx’s view of the role of the so-called ‘Primitive’ Accumulation or the incursions of capitalist processes into non capitalist processes and the role of the State, legislature, public debt and taxation. It will argue that though Marx was interested in the enclosure of the commons in England

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<sup>1</sup> Allen is a poet interested in articulating the aspirations of the indigenous people in the Americas and in reclaiming the feminine in their traditions (Allen, 1992).

and Scotland, he was also interested in examining imperialist processes such as the Trans-Atlantic Slave Trade, the extirpation of the indigenous people of the Americas and the enclosure of the land commons in Ireland and the role these played in concentrating the means of production in the hands of the burgeoning 'capitalist class' and the transition to capitalism on a world scale. This chapter will connect the arguments in Marx's Capital Volume I to those of Linebaugh, Bagchi, Patnaik, Forstater and other scholars interested in the interaction between 'primitive' accumulation and imperialism.

The second part of this chapter will examine Rosa Luxemburg's contribution to the development of the concept of 'primitive' accumulation. For Luxemburg, 'primitive' accumulation, in the 'pre-capitalist' systems, not only ensures stable sources of labor and raw material for capitalist systems but also new sources of demand. It extends beyond the transition to capitalism in England and Scotland and serves as a condition for the reproduction of on-going global capitalist accumulation since then. In that case, why do we distinguish between 'primitive' accumulation and the accumulation of capital (Zarembka, 2002)? Ideally, we should not as 'primitive' accumulation is inherent to the accumulation of capital. The process of accumulation requires the incursions of capitalist processes into non capitalist systems as a continuous process. Ofcourse, one can read a teleological element into this concept in that once capitalism runs out of pre-capitalist systems to make incursions into, it is expected to collapse. Nevertheless, going beyond Luxemburg into the new, contemporary empire of capital, it is hardly fair to think of what Luxemburg calls 'pre-capitalist' economies as still pre-capitalist. Instead, these systems have been affected by capitalist incursions, brought into the hegemony of capitalist processes and reproduced in their present forms while they continue to resist, remember and preserve their traditions. As in *The Wolf at Twilight* by Kent Nerburn,

Here's what you've got to understand...When you look at us you don't see the ghosts of the little babies with their heads smashed in by rifle butts at the Big Hole, or the old folks dying

by the side of the trail on the way to Oklahoma while their families cried and tried to make them comfortable, or the dead mothers at Wounded Knee or the little kids at Sand Creek who were shot for target practice. You don't see any ghosts at all. Instead you see casinos and drunks and junk cars and shacks, Well, we see all those ghosts. And they make our hearts sad and they hurt our little children. And when we try to say something, you tell us, 'Get over it. This is America. Look at the American dream.' But as long as you're calling us the Redskins and doing tomahawk chops, we can't look at the American dream, because those things remind us that we are not real human beings to you. And when people aren't humans, you can turn them into slaves or kill six million of them, or shoot them down with Hotchkiss guns and throw them into mass graves at Wounded Knee. No we're not looking at the American dream. And why should we? We still haven't woken up from the American nightmare. (Nerburn, *The wolf at twilight*, 2009)

Nerburn (1994) provides a rare look at the life and observations of a Lakota elder who describes contemporary Native American experiences in reservations, 'white towns' and cities. He describes the lampooning of Native American culture through mascots and tomahawk chops, Indian versus cowboy movies and the ignorance of social service officials who work in reservations about the ways of thinking and being amongst Lakota people today. According to the elder who Nerburn only refers to as Dan, because of the cultural appropriation and caricature of sacred Native American cultural symbols and arts, colonial-settler thinking denies Native Americans their humanity. Instead, modern Native Americans are identified, not by their own ways of seeing themselves, but by junk cars, casinos, alcoholism and shabby houses. The denial of the voices of the 'otherized' Native Americans allows incursions into Native lands and resources- through the construction of the Dakota Access Pipeline for example- and profiting from trademarking Native arts. The Native American systems of provisioning are by no means pre-capitalist as capitalist incursions have been made since the arrival of Europeans into the Americas. Nonetheless, through their struggles to keep alive their languages and traditions, to protect their lands and resources, and express themselves, the Native American systems preserve certain non-capitalist ways of thinking and being that continuously resist capitalist incursions.

he third part of the chapter extends the concept of the interaction between the accumulation of capital and the spread of capitalism to a world which is unlikely to run out of non-capitalist institutions. Non-capitalist institutions are continuously reproduced in the process of capitalist accumulation whether as a countermovement against the spread of capitalist processes or whether in a unique relationship where they are peripheral but instrumental in creating sufficient conditions for capitalist accumulation to occur. Through this approach, this chapter sees a continuous conflict between the forces of 'primitive' accumulation (incursions of capitalist processes) and non-capitalist institutions. The result is a tussle between movement and countermovement (Polanyi, 1944)-which expresses itself through socialist and identity politics, both, non-violent and militaristic.

### **Section I: Historical 'Primitive' Accumulation and the Transition to Capitalism in England, Scotland and Continental Europe**

The Classical Political Economists (with the exception of J.B. Say<sup>2</sup>) were interested in questions of growth and crisis –what is the incentive for capitalists to accumulate, what are the limits to the growth of capital and what are the processes by which capitalism may overcome such limits. Adam Smith traced the theoretical beginnings of accumulation to the emergence of division of labor. According to Smith, in the 'rude state of society' in which there is no division of labor, individuals do not need to accumulate. Instead, they meet their wants by their own industry –hunt when they are hungry, clothe themselves with the skin of the first animal they hunt and repair their

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<sup>2</sup> Say thought of the economic system as a Jeffersonian economy where individuals must advance labor power or goods in order to obtain the commodities to meet their own needs (Henry, 2002). As long as individuals had to meet their needs, they would supply goods or labor power and there would be no crisis. The only possibility of a crisis lay in potential abstention from consumption which might lead to the withholding of goods in a bid to save –but even then, with a fully flexible interest rate, savings would equal investment –what was withdrawn from the circuit would be put back in through investment. This model has a limited way of understanding growth. Since this circuit is best represented by C-M-C', the reason behind putting labor power or goods into circulation is to fulfill the need for C'. Growth is contingent upon ever expanding human needs. Critiques of Say's understanding of political economy- most famously, Marx and later, Keynes, criticize the C-M-C' model because it thinks of money simply as a medium of exchange. They are more interested in M-C-M' models where a monetary profit M' is the *raison-d'être* of production. Capitalists put money into the production process only to obtain M' > M. When it is expected that M' < M, there is no incentive to put money capital into the production process, which results in a crisis.

own dwellings with nearby materials such as “trees and turf”. However, when the division of labor has “once been thoroughly introduced”, an individual’s labor supplies a very small part of her own wants. Instead she has to purchase other individuals’ produce with her own produce –and that is possible only if she manages to sell her own produce. Until such time as she is able to not only complete her produce but also to realize it, she needs a stock of goods to maintain her and provide her with the tools and materials for her work. This is a ‘previous accumulation’ in the sense that it is previous to the division of labor and necessary to facilitate it –the extent of the division of labor depends on the accumulation of stock. (Smith A. , 1776).

Marx, in his reading of classical political economy, notes that accumulation of capital –the maintenance of stock, as Smith calls it –presupposes social surplus. After all, there can be no question of accumulating stock unless society has been able to produce sufficient output to reproduce itself in its current state of existence. Capitalist production presupposes a ‘previous accumulation’ of capital and labor power in the hands of those who hold capitalist class positions (Marx, 1887).

According to Marx, the so-called ‘Primitive’ Accumulation plays in political economy, the same role as the ‘original sin’ in theology. It is told as an ‘anecdote of the past’ –the concentration of the means of production in the hands of one class is explained by their austerity, foresight and frugality while those who do not have the means of production are thought of as “lazy rascals, spending their substance and more, in riotous living”. However the ‘secret’ of the ‘so-called Primitive Accumulation’ can be traced from the very nature of the circuit of capital in capitalism – money and commodities are not capital by nature, they become capital when manifested in a very peculiar relationship between the owners of money, means of production and means of subsistence who desire to increase the sum of values they possess, and the owners of labor power. In order to enter their labor power into the circuit of capital in capitalism, owners of labor power must be

‘doubly free’. This means that they must be *free* to enter into a wage-labor contract, unimpeded by obligations to feudal lords or communitarian social relations such as those to a tribe or a family. They must also be *free* of the means of subsistence –in short, ‘free’ to be hungry and in want unless they enter wage-labor contracts, however low the wage. The ‘doubly free’ character of labor power is, according to Marx, the ‘secret’ of ‘Primitive’ Accumulation and necessary for the transition to capitalism.

Marx goes on to examine the transition from feudalism to capitalism in England and Scotland from the 15<sup>th</sup> century to the 17<sup>th</sup> century. He analyses the role of institutions such as the feudal landlords, the State, legislation, money, trade and the public debt. By the 15<sup>th</sup> century, the majority of the population comprised free peasants who had allotted to them (by the landlords) arable plots of land. Occasionally, they spent their spare time working on the larger estates belonging to the landlords. They enjoyed the ‘usufruct’ of the common land which gave them access to timber and pastures. However, with the rapid rise of the Flemish wool industry and the rise in the price of wool in England, the new nobility<sup>3</sup> sought to devote the lands they controlled to wool production. This meant taking over the common lands, the cottages in which the peasants lived and the land they cultivated. The ‘takeover’ of the commons was marked by enclosures or privatization and called the ‘revolution’ of the rich against the poor (Polanyi, 1944). Those who continued to remain on the land or continued to draw livelihoods from the land as before, started being charged with theft though their own land was stolen. As the popular anonymous English poem suggested,

The Law locks up the man or woman  
Who steals the goose from off the common  
But lets the greater villain loose  
Who steals the common from the goose. (Linebaugh, 2014)

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<sup>3</sup> The old nobility having been ‘devoured’ by feudal wars.

Meanwhile, the enclosures continued to be justified on grounds of ‘improvement’ of the land –which I take to mean gain, whether increasing rents on the land, increasing prices on the sales of the land or an increase in the realized monetary value on the produce of the land. This point becomes significant not only in the history of economic thought –it was associated with William Petty’s labor theory of value<sup>4</sup> and Locke’s labor theory of property<sup>5</sup> –but it is also significant in that the quest for ‘improvement’ began to justify the seizure of lands in Ireland and in North America, globally appropriating the commons on which people lived, expropriating them and thus creating a global Reserve Army of the Unemployed. In other words, the idea of ‘improvement’ to justify enclosures and seizures of commons served as a belief system legitimizing capitalist imperialism. This phenomenon can be seen in Marx’s analysis of England and Scotland from the 15<sup>th</sup> and 19<sup>th</sup> centuries. Later, Luxemburg (*ibid*) refers to a similar set of processes in Algeria under French colonial rule in the 19<sup>th</sup> century. Similar processes of imposition of private property were carried out by colonial Kenya and Tanganyika on the Maasailand causing a disruption of traditional soil conservation practices until political independence in the 1950-60’s and afterwards by sovereign governments (Forstater, 2002). Contemporary enclosures in the 21<sup>st</sup> century are prevalent in the use of copyrights and patents to take over the commons of knowledge, culture and ideas. For example, Disney takes over generations of folk tales and with its aggressive marketing establishes and trademarks Disney princesses as the most recognizable Cinderella’s, Snow-White’s and Mulan’s (Bollier, 2014 b). The common stock of disciplinary knowledge is bound into expensive textbooks

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<sup>4</sup> Petty believed that the value of labor power was determined by how much it could produce on average. He justified the appropriation of land in Ireland by British settlers saying that settlement would ‘improve’ Irish labor productivity so as to eventually enable the value of an Irishman to equal that of an Englishman. (Wood, 2003, *ibid*).

<sup>5</sup>Locke developed a labor theory of property declaring that the expenditure of labor implied property rights. While this may have been one of the forerunners of Marx’s argument that workers should appropriate the surplus value they produce, it was also used to justify the settlement of North America –since the indigenous peoples did not expend labor in cultivating or ‘improving’ the land, the land could be said to belong to the settlers who were expending labor to produce off of it (Wood, 2003, *ibid*).

by publishing companies. When students attempt to scan or photocopy the same textbooks for the purposes of learning, it is considered copyright infringement. Takeover of lands and natural resources such as water and air continue to persist with Facebook founder, Mark Zuckerberg's takeover of lands from the indigenous people in Kauai for his private retreat, takeovers of lands by mining companies in Bastar, India and attempts to take over water resources in Cochabamba in Bolivia.

As analyzed by Marx in Capital Volume I (ibid), the role of the State in facilitating enclosures varied over the centuries. In the 15<sup>th</sup> century, legislation was 'terrified' of the then new phenomenon of enclosures. An Act of Henry VII in 1489 forbade the 'destruction' of all estates of more than 20 acres. An Act of Henry VIII continued in the same vein, criticized the enclosure movement, ordered the rebuilding of decayed farmsteads and fixed a proportion between corn land and pasture land. Nonetheless, legislation was, though praised by authorities such as Francis Bacon (1719), ineffective. In the 16<sup>th</sup> century however, the actions of the State began to add impulse to the process of expropriation of the peasantry. The Reformation was marked by the takeover of the Church lands by royal favorites or speculators who were able to buy these at a nominal price and expel the peasants who had previously tilled these lands. The legally guaranteed property of the poor in a portion of the church's tithes was also confiscated. By the reign of Queen Elizabeth I in the early 17<sup>th</sup> century, the State was forced to officially recognize the existence of pauperism. Nonetheless, it continued to aid the continuous displacement of the peasantry. The 'Glorious Revolution' in the 17<sup>th</sup> century saw the massive giveaway of Crown lands by the State at throwaway prices. The law itself became an instrument of the theft of people's lands, which was looked upon favorably by the newly emergent bourgeoisie who saw consolidated land holdings as more amenable to capitalist production processes in agriculture. Also, 'bankocrats' or *haute finance* favored these 'improvements' in land value. These developments extended to Scotland by 1820 where British soldiers enforced the

eviction of at least 3000 families (ibid). Previously, these lands were used by hereditary clansmen who owed allegiances to a landlord who had served only as a titular head. By the 19<sup>th</sup> century, these landlords were ignoring hereditary ties and letting out the lands to the highest bidder, who, was often an ‘improver’, putting in place, a new system of cultivation.

Legislation in England was ineffective in protecting peasants from expropriation but effective in ensuring their expropriation. Marx (ibid) also examined its important role in ensuring that the displaced ‘yeomanry’ became a disciplined proletariat, submitting to low wages and the loss of control over the labor process. Vagrancy was severely punished from the time of Henry VIII in 1530 when vagabonds were tied to cart tails, whipped and made to swear to put themselves to labor. At the time of Edward VI, those who refused to work as wage-labor were condemned to become slaves to those who denounced them as idlers. (Surely it was not the only time in the history of socio-economic development that the institution of slavery would reproduce capitalist class relations.) Similarly brutal and ‘bloody’ legislation continued till the reign of Elizabeth I and James I. In the time of the latter, any person wandering around or begging was declared a rogue and a vagabond and was sentenced to be whipped on the first offence, imprisoned and whipped on the second and executed on the third. Ironically, these laws were to be executed by Justices of Peace who were usually landlords or rentiers. Marx describes similar laws in France as late as Louis XVI’s reign. Wages remained low since the newly growing proletariat in England, Scotland and France were left with no choice but to sell their labor power in market systems, else they would either starve (having been thrown off the commons and having had their means of subsistence snatched from them) or be subjected to all kinds of brutality. Nonetheless, legislation also ensured a maximum wage and taking a higher wage was even more severely punished than offering a higher wage.

The quest for ‘improvement’ was used to justify enclosures not only in Britain and Scotland but also in Ireland, creating a mass of unemployed people who could be recruited to ‘settle’ other

parts of the globe and expand the capitalist system (Wood, 2003). Meanwhile, several imperialist processes played a role in 'Primitive' Accumulation.

“The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black skins, signalized the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation.” –Marx, *ibid*, Pg 703.

In this context, Marx uses the concept of 'Primitive' Accumulation more generally than just the expropriation of the peasantry and its expulsion into the proletariat. Here, 'Primitive' Accumulation refers to a range of processes that helped reproduce and expand capitalist accumulation by ensuring the concentration of the means of production in the hands of a few. Marx makes a reference to the Transatlantic Slave Trade. According to Eric Williams (1944), William Darity Jr. (2008), Walter Rodney (1972) and others, the shipment of kidnapped African men and women to the colonial plantations in the Americas ensured a permanent and reliable supply of labor power to produce cotton, coffee and tea, sugar and other plantation crops at low costs. Meanwhile, consumption patterns in Britain and Continental Europe changed towards a consumption of plantation products. As popular English author, Jane Austen wrote to her sister, Cassandra on June 11, 1799, “... I just venture to say that the coffee mill will be wanted every day while Edward is at Steventon, as he always drinks coffee for breakfast.”<sup>6</sup> The aristocracy took to the plantation products as vogue and those who aspired to and emulated the aristocracy did the same. Tea, coffee and the sugar that accompanied these beverages became socially acceptable as an alternative to alcoholic consumption and thereby suitable to the higher income segment of the proletariat as well. Meanwhile, sugar consumption worked as a drug to satiate the proletariat faster on average reducing

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<sup>6</sup> (Woolsey, 1899)

the average socially necessary labor time to reproduce the value of their labor (Austen & Smith, 1992).

Marx also refers to the suppression of the indigenous population in the Americas and the expropriation of gold and silver from the mines of South America. Later in the chapter, he refers to the machinations of the English East India Company. After the ‘Grant of the Diwani’ in 1765 which gave the English East India company the right to collect taxes in the Bengal province, the English East India company was able to pay for exports from its colonies in the Indian subcontinent with tax money from Bengal. The drain of exports to Britain all the way until 1813, when the English East India Company was required to maintain separate territorial and commercial accounts, remained a ‘free lunch’ for the British capitalist macro-economy (Patnaik, U., 2006). With cheap raw materials such as sugar, tobacco, cotton and dyes from India and the Americas, exploiting Indian farmers and agricultural labor and slave labor from Africa, British industrialists were able to produce low cost goods for markets in Britain, Continental Europe and later North America, Australia and New Zealand. As J.M. Keynes was known to remark as late as 1919,

The inhabitant of London could order by telephone, sipping his morning tea in bed, the various products of the whole earth, in such quantity as he might see fit, and reasonably expect their early delivery upon his doorstep, he could at the same moment and by the same means adventure his wealth in the natural resources and new enterprises of any quarter of the world and share without exertion or trouble, in the prospective fruits or advantages- J.M. Keynes, *The Economic Consequences of the Peace*, 1919<sup>7</sup>.

Finally, Marx addresses the public debt as “one of the most powerful levers of primitive accumulation” (ibid. Pg 706). Here, Marx sees money as something created “as with the stroke of an enchanter’s wand” –the sum of money lent to the government is transformed into public bonds which can function in the hands of the public in a way similar to hard cash, also a liability of the

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<sup>7</sup> (Keynes, *The economic consequences of the peace*, 1919)

government.<sup>8</sup> While these public bonds create a class of lazy annuitants (or rentiers, who Keynes, in his day, argued must be euthanized<sup>9</sup>), they also gave rise to joint stock companies, dealings in financial assets and stock market speculative activity. Marx examines the role of the Bank of England founded in 1694. The Bank of England lent to the State at 8% and was at the same time, empowered by the Parliament, to coin money out of the same capital by lending it again to the public in the form of banknotes. It was allowed to use these notes to discount bills, make advances on commodities and purchase precious metals. The Bank of England gave with one hand and took back from the other as it lent credit money to the State and paid interest on State debt with the same money, becoming the center of gravity of all commercial credit.

Taxation became the way to withdraw credit money from the system. Marx records taxation as a further tool to expropriate the peasantry from the land (Forstater, 2005). While Marx touches upon this in Capital Volume I, he does not go into detail. In his correspondence with Engels however, it is evident that he was inspired by Flerovsky's 'Condition of the Working Class in Russia' and considered it equivalent to Engels' work on the condition of the proletariat. Flerovsky believed that workers exchange their labor power with capitalists in order to pay their taxes. In his letters to Engels, Marx praised Flerovsky's analysis of the role of direct taxes in the transition to capitalism (White, 1996).

Since Marx, however, there have been several studies of the role of taxation in 'primitive' accumulation, especially in the colonies of the old empire of capital. In those parts of Africa in which lands were still in the hands of the local population, Rodney (ibid) discusses the role of direct taxation (on land, cattle, houses and on the people themselves) in ensuring the production of cash crops even at low prices. To pay the taxes, the colonized people needed money and money could be

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<sup>8</sup> Marx did not however generalize that all money is fiat Chartalist money.

<sup>9</sup> (Keynes, *The general theory of employment, interest and money*, 1944)

obtained from the production of cash crops. To be effective as a tool of 'primitive' accumulation, taxes had to be money taxes, rather than in-kind taxes. The colonized people would need money in order to pay taxes. To earn money, they would have to sell cash crops or provide labor in colonial plantations and mines. A requirement that taxes had to be paid in colonial currency ensured not only the monetization of African economies but also the spread of wage labor (Ake, 1981). Wages had to be low so as to increase the number of labor hours needed to earn enough to pay the taxes.

According to Forstater (*ibid*) the tax would have to be a direct tax collected in the form of colonial currency. An income tax would not do as without wage labor, there was no 'income'. Instead, taxes would have to be levied on land, cattle or even wives. Forstater cites several types of penalties for non-payment of taxes –such as the burning of huts, the confiscation of cattle, public humiliation for one's family, visits from colonial police and spells of prison labor. Direct taxes served not only to create the conditions of capitalism but also the production relations of a special type of capitalism – colonial capitalism.

This view of tax driven monetization of pre-capitalist colonial economies to institute wage labor and supply of cash crops, minerals etcetera to the global market economy is consistent with the Chartalist conception of money as outlined by Wray (1998). The Colonial authorities would have to spend in colonial currency to employ the indigenous people in plantation, mines etcetera. It would institute a tax so that the indigenous people would have to produce and sell goods for the global market economy or provide wage labor to the colonists in order to earn the money to pay their taxes. The role of taxation in creating colonial capitalism is also widely documented in Europe and Asia. Vries (2002) discusses the experience of money taxes in China, India and the Ottoman empire and how they forced people to work harder and longer hours. Banaji (2001) addresses the question of how the increased pressure for taxation in money ensured that Egyptian landowners and rural communities would be forced to meet their increased monetary obligations through increased

production for the market or by participating in it as wage labor. Bagchi (1982) records that an important difference between pre-colonial rule and colonial rule in India was that taxes were calculated and collected in cash rather than in kind. For Bagchi (1982, *ibid*), taxes play a role similar to other kinds of money obligations like debt. He cites the experiences of Rhodesia and Kenya, Javanese villagers in Indonesia, the Amerindians in Latin America before and after political liberation and of labor pressed into the jute mills, tea plantations and coal mines of eastern India. Young men who would reach an age at which they could earn money would leave their villages and exert their labor power to earn wages. Their wages would be sent back to their families in their villages to pay money lenders, taxes and other money obligations. It was possible for employers to pay below subsistence level wages, according to Bagchi (*ibid*), because the families at home would still be involved in subsistence agricultural activities. They would be able to send gifts and sometimes, workers in cities would go back home to their villages seasonally. Colonial employers often complained about the seasonal unavailability of labor but they did not realize the role that workers' relations with their families and village communities played in reproducing themselves despite their low wages. While in the developed world, the pre capitalist production processes gradually declined<sup>10</sup>, in some 'developing' or rather 'pre-capitalist' or 'peripheral' countries, the existence of subsistence activities allowed the reproduction of wage labor at lower wages.

For Marx, the so-called 'Primitive' Accumulation is thus, a set of processes which historically enabled the transition from feudalism to capitalism in England. It set the conditions for the systems of capitalist processes to reproduce and expand themselves. Imperialism- or the expansion of capitalism, whether through slavery or expropriation played a role in 'Primitive' Accumulation i.e. enabling the establishment of capitalist production processes. Meanwhile 'Primitive' Accumulation

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<sup>10</sup> With the continued enclosure of the commons and the expropriation of the peasantry.

in the sense of the expropriation of peasants and the destruction of the commons under the guise of ‘improvement’ played a role in capitalist imperialism, enabling the spread of capitalism all over the world.

## **Section II: The So-Called ‘Primitive’ Accumulation as a Continuous Process**

Among scholars who sought to take Marx’s work forward in the twentieth century, Rosa Luxemburg was most interested in the question of the so-called ‘Primitive’ Accumulation as a continuous historical process reproducing capitalism as a stable system period after period (Luxemburg, 1951). Luxemburg attempts to show how ‘incursions into pre-capitalist economies’ maintain the stability of global capitalism as a system. Unlike Marx for whom the processes of ‘primitive’ accumulation served to create the conditions for the transition to capitalism in England and parts of Europe, for Luxemburg, it is the spread of capitalism which allows it to perpetuate itself.

As discussed in Chapter 1, Luxemburg showed that no capitalist system can perpetuate itself forever in isolation as no realization is guaranteed for surplus accumulation. In Luxemburg’s model of the economy she is unconcerned about whether produced values are to be thought of as monetary values or labor values. Ricardo Bellofiore combines an understanding on Luxemburg’s Anticritique and her Introduction to Political Economy to show that Luxemburg’s work ran along three themes -i) the macro nature of ‘total capital’ as the basis for the Marxian system, ii) the monetary nature of the capitalist process and iii) the class division as fundamental not only for the ‘real’ but also for the monetary description of the cycle of capital (Bellofiore, 2014). According to Luxemburg, “nobody receives anything from the social stock of commodities without the means of purchase –money” (Luxemburg, 1915). Given her idea of money purchasing a portion of the social stock of commodities, it makes little difference in the aggregate, as to whether valuations are done in money or in labor values.

However, some of the other assumptions in the *Accumulation of Capital* are harder to reconcile. For instance, Luxemburg makes the assumption that investments in each sector –capital goods and consumer goods sectors –are financed by savings out of surplus in that sector (Robinson, 1951). As the wage rate is constant thanks to the presence of the Reserve Army of the Unemployed, demand for consumer goods does not grow beyond a point. Meanwhile, it is assumed that production of capital goods (investment) keeps growing in the expanded reproduction scheme. With production of consumer goods outpaced by production of capital goods, the savings out of surplus in capital goods cannot cover new production of capital goods. This Robinson believes, makes Luxemburg’s model overdetermined. If capitalists in the consumer goods sector are permitted to lend their savings to capitalists in the capital goods sector, it is no longer necessary that a crisis will ensue.

Nonetheless, Luxemburg did not need this specific assumption to make her point. For instance, in the systems dynamics models in Chapter 1, both capital goods and consumer goods’ production expands. The realization of capital goods depends on demand for capital goods in both, capital goods and consumer goods industries. The realization of consumer goods also depends on the demand for consumer goods in both capital and consumer goods industries. The demand for both is sufficient to realize merely a portion of the output. Therefore, the accumulation of surplus value produced need not be realized.

The idea of closed, capitalist economies being demand constrained is not new to economic thought post Keynes (*The General Theory*, *ibid*). In that sense, Luxemburg was before her time. However, because Luxemburg’s theory had historically been subject to several misconceptions, some of these persist till today. As mentioned in Chapter 1, one influential misconception is the notion of Luxemburg’s model as underconsumptionist. To have a theory of underconsumption, Luxemburg would have an *ex post* glut of consumer goods in her model (Bleaney, 1976). However,

there is very little in her theory to suggest that capitalism would result in a glut of goods. Instead, she is theorizing a shortage of demand. In the expanded reproduction scheme, capitalists only put their money capital into circulation if they expect quantitatively higher monetary revenues at the end of the circuit. For the industrial capitalist, this would mean higher revenues from sales than the money capital put into circuit. If they do not expect to *realize* higher and higher surpluses in each circuit, they would not put capital into the production process. With workers and third persons only refunding to the capitalists their paychecks minus savings, at the aggregate level and with capitalist consumption constrained by the need to accumulate out of surplus, there is a demand constraint because of which capitalists would simply refuse to put their money capital into the production process at some period.

Luxemburg was to inspire Michal Kalecki who shared her view of the closed capitalist macro-economy as inherently unstable. Like Luxemburg, Kalecki too looked at the aggregate economy from the lens of class and as a monetary production economy. According to Tadeusz Kowalik, both Kalecki and Luxemburg were interested in the dynamic theory of capitalist development rather than the more static theory of value and prices (Kowalik, 2013). Kalecki (1939) is known to have been inspired by Luxemburg in deriving his famous identity about gross savings generated by and equal to the sum of private investment, fiscal deficit and the export surplus. He cited her as outlining the relationship between savings, home investment and export surplus more clearly than anyone else before Keynes' General Theory (ibid). Also, though Luxemburg was critical of Tugan-Baranovski's theory which ignored demand constraints (Luxemburg, The Accumulation of Capital, ibid, page 311-323), her own theory has an element of disproportionality. As mentioned earlier, Luxemburg notes how in Marx's Volume II (ibid), Department I always seems to be taking the initiative. Capitalists in Department I decide to increase production of investment goods anticipating demand for them from Department II. But in order to purchase more investment goods

from Department I, capitalists in Department II would also have to anticipate demand for consumer goods from workers and capitalists in Department I since their own workers would not present any additional demand beyond the value of their own living labor (in this model). And there is no reason why capitalists in Department II would anticipate more demand for consumer goods from workers and capitalists in Department I or why capitalists in Department I would assume demand for capital goods at the same time. Assuming this disproportionality problem away would result in a ‘roundabout’ that ‘revolves around itself in empty space’. In Luxemburg’s own words,

Then we have the roundabout that revolves around itself in empty space. That is not capitalist accumulation, i.e. the amassing of money capital, but its contrary: producing commodities for the sake of it; from the standpoint of capital an utter absurdity (Luxemburg, *Anticritique*, *ibid*, *The Questions at Issue*.)

Nonetheless, Luxemburg’s contribution is not to the stagnation thesis (though it remains quite interesting from the viewpoint of the history of economic thought as a precursor to Keynes and Kalecki) but to the concept of ‘primitive’ accumulation. According to Luxemburg, for the sustainability of capitalist accumulation, there is a need for an additional source of demand that is external to the system. She believed that this role can be played by incursions into pre-capitalist economies. In this sense, ‘primitive’ accumulation is not just a historical event that enabled the transition to capitalism. It is a continuing process which ensures the reproduction of capitalism from period to period. It ensures new markets for capitalists to realize the newly produced surplus value from period to period. “Primitive’ accumulation is an aspect of the very process of accumulation of capital.

While Luxemburg chose to focus on colonial incursions into pre-capitalist or in her own words “non-capitalist” societies, these weren’t the only sources of external demand likely to solve the expanded reproduction problem. According to Kowalik (*ibid*) Luxemburg also considered State spending on militarism (in order to make the colonial incursions) as a source of external demand. In

the last chapter in *The Accumulation of Capital* (ibid), “Militarism as Province of Accumulation”, she refers to “a new purchasing power in the possession of the state. It has been created by sleight of hand, as it were, but still it has the same effects as a newly opened market” (Chapter 32, Page 460). Luxemburg understood the power of the State to create new demand and ensure the continuation of expanded reproduction from period to period. However, unlike the generations of Keynesians –Orthodox Keynesians and New Keynesians and even some Post Keynesians –who were to make their contributions to the question of the accumulation of capital several decades after her, Luxemburg also understood the State as an agent of ‘primitive’ accumulation –which reproduces the conditions of capitalism: the concentration of the means of production in a few hands and the provision of wage labor at low wages. This idea was by no means new to her. As mentioned earlier, Marx not only examined the role of the State in legislature, takeover of the commons and in taxation, but he also referred to the public debt as one of “the most powerful levers of primitive accumulation”. Luxemburg builds on the idea of public spending as ‘primitive’ accumulation,

In the form of government contracts for army supplies the scattered purchasing power of the consumers is concentrated in large quantities and, free of the vagaries and subjective fluctuations of personal consumption, it achieves an almost automatic regularity and rhythmic growth. Capital itself ultimately controls this automatic and rhythmic movement of militarist production through the legislature and a press whose function is to mould so-called ‘public opinion’. That is why this particular province of capitalist accumulation at first seems capable of infinite expansion. All other attempts to expand markets and set up operational bases for capital largely depend on historical, social and political factors beyond the control of capital, whereas production for militarism represents a province whose regular and progressive expansion seems primarily determined by capital itself (*The Accumulation of Capital*, Chapter 31, ibid, Page 466).

Luxemburg identifies three phases of ‘primitive’ accumulation –i) the struggle against the ‘natural economy’, ii) the struggle against the ‘commodity economy’ and iii) the continuous struggle of capital on the international stage to keep accumulation going. She believes that capitalism arises and develops historically amidst a non-capitalist society. In Western Europe, it sprang in a feudal

environment –a system of bondage in rural areas and the guild system in the towns. Later, after having swallowed up the feudal system, western capitalism existed amidst simple commodity production by peasants and artisans. Moreover, at the global level, in Luxemburg’s day, European capitalism remained surrounded by vast territories of non-European civilization which involved traditional communitarian societies, peasant and artisan societies and so on.

For capitalism to exist, it needs an additional source of demand – this means that processes need to be continuously put in place to create markets for increasing surplus value in the global capitalist core. Natural economies, according to Luxemburg, ‘*maintain their economic organization*’ by subjecting their labor power and land to the ‘*rule of law and custom*’ (The Accumulation of Capital, *ibid*, Page 369). Therefore, they confront the prerequisites for capitalism with ‘*rigid barriers*’. Thus capitalism has to struggle against natural economies.

According to Luxemburg, ‘primitive’ accumulation has four purposes: i) to gain immediate possession of the means of production –land, mineral deposits and deposits of precious metals and stones, animals, and crops that cannot grow in temperate climates where the core of European capitalism was and where a large part of it still is, ii) to make labor ‘doubly free’ in the sense used by Marx in Part VIII of Volume I of Capital (*ibid*), iii) to introduce a commodity economy and iv) to separate trade and agriculture.

Luxemburg undertakes two case studies of how the natural economies in British India and French Algeria were destroyed. In the Indian case, she points to how despite several invasions by the Persians in 6<sup>th</sup> century BC, the Greeks two centuries later, and later, the Scythians, Afghans and Mongols, the economic organization of the peasant masses remained unchanged. The conquerors aimed to dominate and oppress the people of the subcontinent but not to steal their productive forces or destroy their social organization. However, though Indian peasants had known several types of empire, their economic organization changed only when they were enveloped by the

‘Empire of Capital’. When the British came to the Indian subcontinent, they first propagated the myth that the land belonged not to the people but to the ruler, at that time the Moghul<sup>11</sup> emperor. In 1793, the British ‘gave’ the land to the ‘zamindars’ or the landlord class and entrusted them with collecting money taxes. By 1854 official evidence of British tax authorities claimed that peasants were leasing or pledging their rights to use their share of land for the bare amount of the tax levied. This not only caused peasants to lose their lands but also reproduced a class of usurers and moneylenders. Ofcourse, this story is familiar to most students of the social science who are interested in the economic history of India. Later studies on it are R.C. Dutt (1982), Habib (2012), Bagchi (2010) and several others.

Luxemburg also refers to the Arab and Kabyle tribes in Algeria who followed a systematic pattern of migration to the sea shores in summer and the ‘protective warmth’ of the desert in winter. The French Governors announced the idea of ‘communal land’ to be ‘impossible’ which served as an excuse to claim uncultivated areas –the commons, woods and meadows –for colonial settlement. These thefts of Arab family land were legalized by decrees and herded the tribes into small areas. Sometimes Arab families were able to buy back the land stolen from them but not without incurring heavy debt. Later French policy recognized joint family ownership of land. Then it tried to break up the land per family in each clan –decades of disrupting traditional Arab patterns of life resulted in famine and disastrous mortality. Finally, private property was instituted so that families could mortgage their lands to save themselves from destitution, thus stripping themselves off their livelihoods and joining the colonized proletariat.

Forstater (2002) studies similar processes in his study of the impact of colonial policy on the Maasai in Kenya and Tanganyika. Historically, the Maasai followed a pattern of resource utilization

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<sup>11</sup> I prefer the word ‘Mughal’ as it is closer to the Urdu term, ‘Mughliyah’.

where they would migrate to the drylands in the rainy season to feed the cattle on short, succulent grasses that crop up on account of the long awaited rain and back to the wetlands closer to the homestead in the dry seasons. However in 1954, colonial Kenya adopted the Swynerton Plan which insisted on individual land tenure and cash crop cultivation, displacing several cultivators and creating a class of landless agricultural labor. Unable to find jobs in newly emerging industry and capitalist farms, the landless began to encroach on Maasai lands. In Tanganyika, German colonizers forced the evacuation of the Ngorongoro crater and the Serengeti Plains, reducing the Maasailands. There were also attempts to eliminate the drylands essential for soil conservation in the wetlands through bore well construction. Consequently, when drought hit the Maasailands and the mortality rate was high, the Department of Veterinary Science in the Kenya Colony is reported to claim that though no cattle was available for processing, *'huge amounts of bones'* were available for sale. Post-colonial policy in Kenya also failed to demonstrate an awareness of the traditional systems of Maasai life. It insisted on establishing private property and production for markets. While this wasn't the case in Tanganyika, there was still an insistence on cash crops, concessions for foreign investors etc. Also, the declaration of certain areas as wildlife conservation areas further displaced the Maasai as they would not allow Maasai practices such as controlled burning of inedible grasses. The destruction of the natural economy continued past political independence.

Capitalism needs to destroy 'natural economies' because they create barriers to the creation of markets, the supply of wage labor and production for markets. Nonetheless, it also needs to introduce commodity markets. Luxemburg cites the opium wars where Imperial China was forced to allow the purchase of the drug cultivated in Eastern India. By the nineteenth century, the price of opium fell considerably until it became the 'luxury of the people'. Concerned about its people who were becoming rapidly addicted to the drug, the Chinese government led by Dowager Empress, Tzu Hsi, tried punishing opium smokers, placing an embargo on imports of opium and other such

measures. This led to the Opium war which involved several atrocities including the gunning down of several Chinese soldiers trapped in a moat on the island of South Wantong. The peace treaty ceded Hong Kong to the British and the towns of Canton, Amoy, Futchou, Ningpo and Shanghai were opened for foreign commerce. Nonetheless, the British and the French joined forces to claim further concessions through the Second Opium War. The introduction of a commodity economy had also come into play in the core of capitalist production where the British domestic economy started consuming sugar, tea and other plantation products processed through British industry. However, this introduction was slower and more reliant on social processes such as emulation than on actual force which enjoyed a higher degree of permissibility when it was far away from 'home'.

However, the mere introduction of a commodity economy is not enough. There is also the question of struggling against the peasant economy so as to separate the peasant economy from trade. Luxemburg cites the example of North American farmers in the post-Civil War period. After the suppression of the indigenous people of the North American continent through "fire-arms and blood-hounds, liquor and venereal disease", American settler-farmers led practically self-sufficient lives on their isolated farms, producing their own implements and clothing. Markets existed but production was mainly for one's own use and only surplus was exchanged in markets. Money was needed only for hired help, purchases that an individual farmer could not produce and incidental expenses. Following the Civil War, the Union government resorted to taxing the peasantry. According to Luxemburg, in order to pay their taxes and subsequent debt, farmers sold land, cattle, fruit and slowly began to produce for markets. With the end of slavery, there was an impetus for mechanization in the South. The rapid rise of mechanization led to the further displacement of American workers for industry and construction. Meanwhile, subsistence farming was replaced by capitalist farming for exchange in markets, motivated by monetary profit.

Finally, another contribution of Luxemburg's 'The Accumulation of Capital' is the role of finance as outlined in her chapter 'International Loans' (Luxemburg, *ibid*, Chapter 30). For Luxemburg, international loans are a process of 'primitive' accumulation. She refers to the decade from 1900 to 1910 as characterized by the worldwide movement of finance capital to Asia, Europe, Russia, Turkey, Persia, India, Japan, China and also North Africa. "Forward thrusts of capital" are reflected in the development of a railway network which accompanied various stages of 'primitive' accumulation: the introduction of the commodity economy and the destruction of subsistence economies. According to Luxemburg, the loan has several purposes as far as accumulation is concerned, i) it serves to convert the money of non-capitalist groups into capital, ii) it serves to transform money capital into productive capital by means of state enterprise -railroad building and military supplies and iii) it diverts accumulated capital from the old capitalist countries to young ones. The foreign loan allows young capitalist states to develop their public infrastructure and industry. At the same time, it allows old capitalist states to maintain their influence, maintain financial control and exert pressure on the customs, foreign and commercial policy of the young capitalist states. According to Jan Toporowski, Luxemburg's view of finance can be compared to that of Minsky (Toporowski, 2013). Like Minsky, while Luxemburg sees the financial system as international, she sees it as based in the core or 'old' capitalist countries. Governments are weak and in the poorer countries, they are dependent upon the international financial system for financing their loans. For Minsky, the governments of advanced capitalist countries are less dependent on the international financial system or have greater scope for manipulating it than governments of poorer countries. Both, Luxemburg and Minsky recognize the socialization of financial risk. For Luxemburg, states of poorer countries tend to guarantee commercial foreign debt (such as guarantees on profits to run railroads in the colonies in Luxemburg's time). She believed that these

states would tax their local economies to ensure the payment of commercial foreign debt.<sup>12</sup> Foreign-based enterprises would be able to escape taxation unlike traditional sectors which would also benefit least from foreign investment. For Toporowski, this idea can be useful for understanding the “small state” in the neoliberal era –the apparent partiality for business of the small state masks an oppressive concentration of taxes and debt burden on households and businesses in the traditional sector. For Minsky, the socialization of risk had different consequences. The sharing of risks in the financial sector stimulates credit inflation in the advanced countries and causes a rising influence of financial institutions over industrial corporations. Contrary to the predictions of Hilferding and the ‘reflective’ Marxian school of finance, Minsky believed that this would lead to industrial stagnation or slow growth at best.

Luxemburg’s contribution to ‘primitive’ accumulation lies in her extension of the concept of ‘primitive’ accumulation to the spread of capitalist production and distribution processes as a continuous process. Through the processes of i) the destruction of natural economies by enclosures, taxation, debt and the institution of private property, ii) the introduction of commodity economies through direct and financial investments and wars, iii) the destruction of subsistence economies through debt and taxation, capitalist production processes, production for markets and production for monetary profit are introduced into economic systems that had not seen them before. The process is a historical process but it is a continuous process which plays a role in reproducing global capitalist accumulation continuously.

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<sup>12</sup> In fiat regimes in which States issue their own currency, States will not increase taxes for fear of bankruptcy. However, if payments on foreign debt had to be made in foreign currency, then foreign currency would have to be earned by selling cash crops or labor power or something else that foreigners would want to buy. Therefore, taxation would come into play as a sufficient though not as a necessary condition.

### **Section III: ‘Primitive’ Accumulation and Continuous Conflict in Contemporary Context**

For Marx, ‘primitive’ accumulation enabled a distinct historical phenomenon –the transition from feudalism to capitalism in England and Scotland. Both ‘Primitive’ Accumulation and the accumulation of capital are processes that separate the producer from the means of production. In case of the process of accumulation, the object of living labor has a separate existence from the labor power that created it; in the case of ‘primitive’ accumulation, the producer is divorced from the means of production (De Angelis, 2001). Then why do we distinguish between ‘primitive’ accumulation and the accumulation of capital? Perelman (2000) holds that Marx wanted to de-emphasize ‘primitive’ accumulation. For Perelman, ‘primitive accumulation’ as a concept involves a certain brutality which must be abstracted from so that the reader can focus on the role of the “silent compulsion of the market” in alienating producers from the means of production (Perelman, 2000). However, Paul Zarembka critiques this view indicating that accumulation-proper must also be understood as a brutal social process (Zarembka, 2002), involving a host of processes such as union negotiations with management, lock-outs, imposition of discipline, repression and so on. Zarembka is more sympathetic to De Angelis’ treatment of ‘primitive’ accumulation (ibid) as a continuous, on-going process with a specific relation to the accumulation of capital. For De Angelis, the separation of the producer from the means of production is the key idea towards differentiating between ‘primitive’ accumulation and accumulation. Accumulation of capital is a process of separation like ‘primitive’ accumulation but on a ‘greater scale’. Zarembka understands this to mean increasing work intensity or lengthening the working day –more extraction of surplus value from a given value of labor power, hence greater separation than ‘primitive’ accumulation. Zarembka is however critical of De Angelis’ treatment of primitive’ accumulation as he sees it as a trans-historical analysis. He believes that De Angelis should have maintained Marx’s view of ‘primitive’ accumulation as a

historical process but as a historical process with a continuous character. He recommends that the key to solving the problem, is to follow Luxemburg's approach.

Luxemburg's approach addresses 'primitive' accumulation as ensuring the accumulation of capital in the global capitalist system which must keep growing to absorb the non-capitalist economies. From Luxemburg's 'The Accumulation of Capital', one may derive the conclusion that capitalism may come to an end once there are no more non-capitalist economies for incursions to be made into. But this would ignore the other "levers of primitive accumulation" such as State spending. Nonetheless, even State spending in Luxemburg's analysis pertains to State spending on militarism and the maintenance of armies to make imperialist incursions. The State in Luxemburg's analysis, does not fulfil a benevolent role such as public provision of jobs, education and healthcare even though this kind of spending may create the same kind of demand for increased surplus value period after period. Nonetheless, such spending would perhaps lead to a depletion of the Reserve Army of the Unemployed and thereby a rise in wages which would be against the interests of the accumulation of capital.

However, there is another reason why the world system has not run out of 'non-capitalist' economic systems –even after capitalist investment has made inroads across the globe. Despite the spread of capitalist processes all over the globe, there are several economies that do not operate as per the motivations of monetary profit. As explained by Bagchi (ibid), in the ex- colonies, despite the advent of capitalism, village systems historically remained -not because the arrival of capitalism was ineffective in taking over the pre-capitalist system but because the pre-capitalist system took on a new role vis-à-vis capitalism. For example, a tax burdened, debt ridden agricultural family may send a son or a daughter to work in the city to earn money to pay taxes. Wages would be low in such situations because otherwise, the young person would work just enough hours to settle the debt and then return to her village. Nonetheless, how would the new proletarians reproduce themselves at

such unimaginably low wages? To some extent, they would have to depend on their families for occasional gifts of food and clothing, the chance to return to their villages once a year and so on. The family would support the relative working in capitalist systems, supplementing her meagre wages with non-wage labor in terms of food, clothing and recreation.

The advent of capitalist processes into non-capitalist systems also kept alive certain non-capitalist institutions that are inimical to all possible notions of social justice. Andre Gunder Frank traces the reasons for the perpetuation of pre-modern, pre-capitalist institutions under the influence of capitalist incursions. According to Gunder Frank, the same processes that have brought about 'modern' institutions in the ex-colonies have also reproduced the pre-capitalist institutions (Frank, 1966). For example, the caste system in South Asia ensures a permanent and reliable supply of labor for the most unsavory tasks like the manual cleaning of the sewers, the tanning and dyeing of leather and the cremation of the dead despite very low wages. It could be possible to improve work conditions through technological and other means but because workers are already available to do these back-breaking and dangerous jobs, capitalist processes are not motivated to make these improvements. Given the profit motivations of capitalist processes, improving the conditions of labor when labor supply for the most dangerous and injurious tasks is already ensured through the caste system, becomes a non-priority. The caste system in South Asia remains as a testimony against the argument about the modernizing potential of capitalism.

The patriarchal family structure is yet another institution that has both reproduced and been reproduced by capitalism. As mentioned in Chapter 1, Silvia Federici talks about the role of the State sponsored witch hunts<sup>13</sup> in Western Europe in the transition to capitalism. She explains that

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<sup>13</sup> Female followers of heretic groups where women could preach, acquire and disseminate wisdom became typecast as witches. In the centuries prior to the transition to capitalism, heretic women could live in communities with other men and women, growing their own food and maintaining a provisioning system. They also enjoyed access to contraceptives and therefore, some degree of autonomy over their bodies –which the Church sought to control by making insinuations of the sort that abortion were attempts at hiding fornication.

exterminating the ‘witches’ and other processes such as the State’s negligence of rape, State backed brothels and so on broke the power of women to lead independent, fulfilling lives. In this sense, women historically became confined to the task of the reproduction of the workforce. For Federici, ‘primitive’ accumulation, in the continuous sense, is more than just the concentration of the means of production in the hands of those with capitalist class positions. Similarly, it is more than just the enabling of wage-labor. It is an accumulation of differences and divisions within the working class, creating hierarchies of gender, race and age. In this sense, Federici differs from the understanding that capitalism is empowering for women in that women are able to escape household labor (Federici, 2004). The fact that women are confined to household labor enables the reproduction of the proletariat at lower wages. When women are drawn into the workforce, they are confined to low wage jobs or less prestigious jobs. Women in the workforce must still work in the home, reproducing their families’ labor despite low wage levels.

How do incursions into these non-capitalist institutions reproduce capitalism as a stable system and why do these institutions still survive despite the incursions of capitalist processes? Non-capitalist processes interact with the processes of ‘primitive’ accumulation –for instance, the caste system in South Asia ensures a certain pattern of land and resource ownership and access which concentrates the means of production in the hands of a few and it ensures a steady supply of labor and skill for various tasks. It also divides the working people and impedes the creation of a unified labor movement. At the same time, a certain upward mobility amidst castes and the formation of an elite amidst the lower castes provides an acceptability for the modernizing potential of market forces and pro-market public policy. Therefore, incursions of market-forces may take place through the logic of the modernizing potential vis-à-vis non-capitalist institutions like castes but at the same time, the same institutions ensure the continuous reproduction of a disciplined, reliable proletariat. Though some upward mobility amid castes may take place, the institution of caste continues being

reproduced through the incursions of capitalist processes. Regarding households and patriarchy, market forces can, in cases of upswings, enable women to enter the labor force and thus keep wages from rising. In this sense, market forces may be modernizing since labor-force participation enables a sense of dignity and some autonomy over decisions for women workers. However, they also confine women to jobs with poor work conditions, without maternity leaves, healthcare or childcare provisions, attempting to convince us all that provision of labor in the market is the best possible alternative for gender justice.

Possibly the most complex incursion of market forces into traditional pre-capitalist institutions pertains to the production of handicrafts as part of global value chains. While the garments industry relies on factory production in Bangladesh and Vietnam, some higher-end products boast 'hand-made' manufacture. As an example from contemporary urban India, local subcontractors are given the task of 'putting out' production materials to home-based women workers who are paid piece rates for activities ranging from the sewing of sequins on T-shirts of global brands to making bead necklaces to embroidery, gold thread embroidery and so on (All India Democratic Women's Association, 2010). In this sense, pre-capitalist class processes of home-based work are drawn into production for global markets. Does this mean greater autonomy over the production process for the workers? According to the All India Democratic Women's Association (AIDWA), piece rates are exceptionally low for large volumes of work demanded. Also, there is a lack of certainty as to whether the product would be acceptable according to international standards. Very often, the product of hours of work stands rejected. A shift to piece rates from wage rates transfers risk from the global brands to local subcontractors who transfer the risk on to the workers. Once again, the provision of cheap handicraft items is ensured for global markets through incursions into non-capitalist economic systems of home-based manufacture. Can home-based work die out because of the incursion of market forces? If factory work becomes a viable alternative for

women workers, otherwise confined to home, this may be a possibility. However, with growing informalization<sup>14</sup> of labor in the factories, it is likely that when the demand in international markets is slack or uncertain, women workers may find themselves back to home-based work.

Not all pre-capitalist institutions survive because they are reproduced by capitalism. Some survive as a result of hard-fought struggle against the destructive forces of the market which dis-embed production processes from the social relations of production, an instance of the ‘countermovement’ in Karl Polanyi’s ‘The Great Transformation’ (ibid). For example, the forests of Caurem village in the South of Goa, India have been preserved because of the struggles of the tribal activists against mining interests. Though mining in the forests is illegal, tribal activists have uncovered evidence of illegal transportation of ore. They have worked on creating cooperative ways of managing their lands and forests so as to preserve the sensitive ecological environment. And this struggle has not been easy. As of March 2016, Ravindra Velip, a youth activist and an elected local government official of Caurem village, involved in standing up to mining interests was arrested and later, attacked in police custody (Sawaiker, 2016). Similarly, in the Bastar region in Chattisgarh, India there have been numerous attempts on the part of the State to take-over the vast mineral deposits of the region collectively owned by the tribal people and mass-evict the tribals. Important examples of the State supported violence are the torture and rape of tribal activist, Soni Sori in police custody and later, the acid attack on her by as-yet unknown assailants.

The question of struggle to preserve non capitalist economies also comes into question while creating and maintaining shared economies. Shared economies do of course have a pre-capitalist history but as such, they are post-capitalist economies –part of the struggle against the dis-embedding forces of the market (or the incursions of capitalist processes) is the creation of non-

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<sup>14</sup> By ‘informalization’, I mean the hiring of workers on short term rather than long term contracts and on a contractual rather than a permanent basis. Contract workers are often deprived of a system of leaves, healthcare, relief in case of injury at work and so on.

capitalist provisioning systems. For instance, one can think of the seed-sharing cooperatives in Erakulapally, Andhra Pradesh, India where seeds of millets are borrowed, shared and exchanged to grow enough food for subsistence as insurance against the failure of monoculture crops more prone to drought and volatile market prices. One can also think of the Linux experiment in ‘commons-based peer production’ which created not only a highly complex open-source operating system but also showed that a virtual community of self-selected amateurs with no payroll or compensation structure could organize themselves into a fiercely creative, innovative, merit-driven commons (Bollier, 2014 b).

The process of creating shared economies is reminiscent of the idea that even in capitalism, however ‘universal’ there are several non-market systems of provisioning and several ‘common pool resources’ which can be collectively owned and managed but which are also susceptible to enclosures. Bollier (2014 b) refers to three types of contemporary enclosures –the enclosures of natural resources, of public spaces and infrastructure and of knowledge and culture.

With regard to natural resources, Bollier (2014 b) cites the examples of land, water and apples. He points to the international land grab in Africa at the behest of transnational businesses by the governments of Saudi Arabia, India, China and South Korea. With regard to water, which should otherwise be a commonly used resource, Bollier (2014 b) notes a trend to privatize water as a rich source of profits. He refers to the move on the part of the World Bank in collaboration with a transnational engineering and construction firm, Bechtel to pressurize the government of Cochabamba, Bolivia to privatize its water system. A grassroots protest movement sprang up and in fact, prevailed –cancelling the Bechtel contract and galvanizing calls for commons-based control throughout Latin America. According to Bollier, common pool resources are particularly vulnerable to enclosures if there is no organized community to resist the seizure as in the Cochabamba case. In the case of apples for instance, in the United States, there were more than six and a half thousand

different varieties of apples. However, US food companies abandoned some species as their thin skins made them susceptible to damage during shipping, abandoned others as too small or serving too tiny a niche of the market and eventually created a bland homogeneity of apples in order to boost sales.

Natural resources are not the only common pool resources susceptible to contemporary enclosures. Bollier points to the possibility of enclosures of public spaces and infrastructure. For instance, corporate branding is taking over “no-sell” havens like the naming rights to sports stadia for instance, the Coca Cola Stadium in Xian. Starbucks, with its automatic espresso machines, has eroded the space of local coffee shops and coffee culture. With regard to infrastructure, Bollier refers to Microsoft’s enclosure of the commons of computer technical standards (since Microsoft did control over 90% of computer operating systems) to pressurize manufacturers to bundle the Office program into the pre-installed Windows software, enabling Microsoft to reap enormous profits and stifle competition. Bollier also refers to the takeover of airwaves infrastructure which has meant that market values determine the content of television. Finally, he refers to roads built through taxpayers’ money, privatized and auctioned off to be turned into toll roads. The City of Chicago infamously let a private company owned in part by Morgan Stanley manage all of its parking meters which tripled parking rates and introduced meters where they did not exist.

Finally, Bollier refers to the enclosures of our popular, collectively owned traditions like songs such as ‘Happy Birthday’ (copyrighted by Warner Music Group which did nothing to create the mid-nineteenth century piece of music that has circulated freely in people’s homes for years). He refers to ‘intellectual property’ restrictions which enclose the music, films and art which bind our societies together. Though many of these films were made by Hollywood companies, they were inspired by earlier creative works. My Fair Lady was, for instance, inspired by the Greek legend, Pygmalion, also the inspiration for the play of the same name by Bernard Shaw. These films on

which private companies made huge profits were a product of a rich tradition of communal, intergenerational borrowing of ideas. This argument is reminiscent of Mariana Mazzucato in *Entrepreneurial State* (Mazzucato, 2013). Mazzucato refers to innovations such as the iPhone. While the iPhone was a product of private innovation, this innovation would not have been possible without truly radical innovations like the internet or GPS or the language recognition featured navigator (Siri), which were all State led innovations. Mazzucato critiqued Apple for its tax evasion despite its profiting from generations of State-led research. She also critiqued private pharmaceutical companies for using knowledge made available through State-led research to make drugs at inaccessible prices –thus creating a situation where taxpayers who made the research on the drug possible were unable to afford the drug.

#### **Section IV: Conclusion**

To summarize, the processes of ‘primitive’ accumulation continue to enclose the commons, make incursions into pre-capitalist and non-capitalist economies to either i) continuously reproduce a steady and reliable source of wage labor, ii) concentrate surplus, the control of and access to the means of production in the hands of those who hold capitalist class positions and/or iii) create hierarchies in the international pool of labor on the basis of race, gender and caste and iv) coerce more persons to depend on capitalist systems of provisioning instead of their traditional systems.

In the continuous sense, drawing from Luxemburg (following Zarembka), I understand that for the realization of surplus value in every round of production, certain processes must come into play. Luxemburg thinks of these as processes of incursions into pre-capitalist economies which destroy natural economies, introduce commodity economies and destroy subsistence production, and introduce production for markets. These processes of incursion into non-capitalist economies are processes of ‘primitive’ accumulation in that they create a steady and reliable pool of wage labor

thus adding to the global Reserve Army of the Unemployed; they also create markets, ensure production for profit and the concentration of means of production into the hands of those who are interested in realizing profits. The processes of 'primitive' accumulation become continuous -to solve the realization problem, capitalism tends to spread through the processes of 'primitive' accumulation. 'Primitive' accumulation becomes sufficient for continued accumulation of capital. I say sufficient and not necessary because several other processes could solve the realization problem in closed capitalist economies –such as increased consumption by 'third persons' in every circuit of production or increased State spending.

Finally, I make the additional claim that incursions of capitalist processes into non-capitalist processes are not only continuous but also on-going and contemporary. What possible non capitalist enclaves exist for incursions to be made into? One is the non-capitalist institutions that reproduce capitalism and are thus reproduced by it. Examples are the caste system in South Asia, the patriarchal family structure and particular systems of home-based production in urban India. These have seen changes through the modernizing potential of capitalism but have never been displaced completely as they have adapted themselves into playing a role in reproducing capitalism. The other is non-capitalist economic systems that have survived because of hard-fought struggles. Examples are the Cochabamba water system, the mineral deposits of Bastar district and the Caurem village in India. The third is shared economies or common pool resources such as our diversity of apple varieties or our roads, airwaves and parking spaces or our songs, our joint stock of knowledge, our shared culture accumulated over generations. Incursions of capitalist processes into non-capitalist systems continuously try to take over these shared economies but this takeover is met with resistance. The situation is one of continuous conflict between the dis-embedding forces of the market and the countermovement which fights on to preserve the human and natural substance of society.

In Chapter 3, I will narrow the discussion on the reproduction of the empire of capital through incursions of capitalist processes into non-capitalist processes by focusing exclusively upon the household. I will discuss the incursions of capitalist processes and their interaction with patriarchal processes to reproduce the household as the foreclosed in the empire of capital. I will especially focus on the effect of incursions of capitalist processes in partnership with patriarchal processes on the household in the neoliberal period from 1989 to 2017.

## CHAPTER 3

### 'HOUSEWIFIZATION', LABOR FORCE PARTICIPATION

#### OF WOMEN AND DOUBLE-SHIFTS

The centrality of women's domestic tasks in pre-capitalist cultures was dramatized by a personal experience during a jeep trip I took in 1973 across the Masai Plains. On an isolated dirt road in Tanzania, I noticed six Masai women enigmatically balancing an enormous board on their heads. As my Tanzanian friends explained, these women were probably transporting a house roof to a new village which they were in the process of constructing. Among the Masai, as I learned, women are responsible for all domestic activities, thus also for the construction of their nomadic peoples' frequently relocated houses. Housework, as far as Masai women are concerned, entails not only cooking, cleaning, child-rearing, sewing, etc, but house-building as well. As important as their men's cattle-raising duties may be, the women's 'housework' is no less productive and no less essential than the economic contributions of Masai men. -Angela Davis, 1981.

While one agrees with Angela Davis (*ibid*) on the centrality of women's work in the Maasailands as observed in her trip across Tanzania in 1973, one is nonetheless bound to question - is it fair to call the Maasai provisioning system "pre-capitalist"? After all, the Maasai had been facing incursions of capitalist processes since the colonial era. The Swynerton Plan in 1954 in Kenya had forced delineation of private property norms in the Maasailands, and in Tanganyika, colonial policy had squeezed the Maasai into smaller areas disrupting the traditional systems of provisioning (Forstater, 2002, *ibid*). Nevertheless, the Maasai have continued traditions that predate the colonial disruption of their economy. Insights from the Maasai way of life show that the notion of women's work as inferior to or subjugated by men's work is by no means universal and that ways of provisioning motivated by factors different from profit, class and alienation which characterize capitalist systems are prevalent and persistent. The same realization is echoed in Graham-Gibson's 'The End of Capitalism (As We Knew It)' who argue that most contemporary economic discourse is 'capitalocentric' and ignores non-capitalist practices to the detriment of revolutionary praxis (Gibson-Graham, 1996).

Social sciences' disciplines boast a rich literature on the impact of the introduction of capitalist processes on households as sites of production. Frederick Engels (1973) in his seminal *'Origin of the Family, Private Property and State'* for example, surmises that during early eras of human history the sexual division of labor within the system of economic production was complementary as opposed to hierarchical. In societies where men may have been responsible for hunting and women for gathering, both hunting as well as gathering were equally essential to the reproduction of the community. Angela Davis (ibid) builds on Engel's argument to make the claim that in the relatively short history of the USA, the notion of the 'housewife' is a relatively recent social phenomenon, no older than the 19<sup>th</sup> century. In the pre-industrial era, women in American farms spun and dyed yarn, wove yarn into cloth, cut cloth and hand stitched garments. They grew the food that their families ate and preserved enough to last the winter months. Women farmers made butter, cheese, bread, candles and soap, medicine, knitted stockings for the family and served as doctor, nurse and mid-wife. So many hours were spent in producing the means of life for the household that little time was left for tasks that comprise 'housework' today. According to Davis (ibid), by today's standards, notions of cleanliness in the pre-industrial era in the US would be sloppy. Cleaning was not a daily or a weekly chore but an annual chore- 'spring' cleaning in the literal sense. Clothes were changed infrequently and household wash was allowed to accumulate. Meals were simple and repetitive. Before the incursions of capitalist processes into the hinterland of the USA, women were not 'housekeepers' or 'housewives' but fully-fledged and accomplished workers within the home-based economy. With post-Civil War taxation, home-based farms began producing for markets. Market-production of cash-crops or food for sale required specialization. Meanwhile, with the rise of factory-based, for-profit production, several items that women produced at home were being produced in factories. Since the economy was tending towards monetization, manufactures sold in markets began replacing the goods women had traditionally produced at home.

Soon enough, home based, non-wage production became devalued and household tasks became service oriented tasks of drudgery.

While 'housework' in its present devalued form originated from the imposition of private property norms, it also reproduced and spread the capitalist system characterized by the same norms. The Enclosure movement in Britain was preceded by witch-hunts, State tolerated rape and the 11<sup>th</sup> century targeting of the heretic cults that had previously allowed some women access to contraception and rights at par with men (Federici, 2004). The typecasting of women as witches enforced norms of passiveness and domesticity, associated with confinement to the tasks of reproducing the home. Women who expressed independent opinions or exercised an understanding of the productivity and fertility of their own bodies were caricatured, hunted and often publicly executed as witches. The Enclosure Movement accompanied processes separating production and reproduction. With production geared to for-profit and for-market motivations, wage work was privileged over non-wage work or 'housework'. Meanwhile, the misogyny of the preceding centuries prevented solidarity within the newly displaced proletariat from transcending gender barriers. Women displaced by enclosures were doubly disadvantaged in that they could not easily find wage work and were forced to take on lower end tasks that were paid less and more insecure.

Witch-hunts also accompanied processes of colonization from the fifteenth to the seventeenth centuries. In the Spanish colonies in the New World, colonization was accompanied by an insistence on monogamy and monotheism. The worship of the mother goddess was suppressed and women lost their status as healers, wise women and priests. With monogamy, several women had to be reclassified as maids instead of wives. Several women, especially those who tried to preserve indigenous traditions that ensured them a societal status and the chance of a fulfilling life, were executed as witches (Federici, *ibid*). Rapes were a feature of imperialist terror in the British

colonies in the North Americas, enforcing a rape culture of docility towards the ‘wasichu’<sup>1</sup> (Nerburn, 1994). In India, women from hill areas who led more independent lives than the women in the caste societies in the plains faced violence and targeting as witches in the colonial period and continue to do so today (Skaria, 1997). Nonetheless, Federici refers to witch-hunts as recently as 2009 in Gambia where hundreds of persons were accused of witchcraft, driven to camps by members of the presidential guard and forced to drink poisonous beverages. According to Federici, contemporary witch hunts in India and Africa, that follow from a tradition of witch hunts in the colonial era, are aimed at creating a docile, domesticated female population that is unable to oppose neoliberal policies of enclosures and displacement and that subsidizes the cost of reproducing a reliable proletariat despite low wages. This chapter introduces the concept of ‘housewifization’ as an incursion of capitalist processes into the non-capitalist processes of the household which reproduces the empire of capital. Section I deals with defining ‘housewifization’ as a historical process. Section II explores the processes by which housewifization reproduces the empire of capital in the neoliberal era. Section III looks at available time use data sets to empirically explore the indirect exploitation of non-wage labor vis a vis wage labor, illustrating the characteristics of the role of the household sector within the empire of capital.

### **Section I- Housewifization, the Emergence of the Surplus and Empires**

Housewifization is a set of historical processes that confine women to devalued tasks. To understand ‘housewifization’, one must revert to the origin of the ‘surplus’ in human societies. The ‘social surplus’ is usually understood as the residual of produced output after societal necessities have been properly accounted for and deducted from total end-of-period gross output (Carter,

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<sup>1</sup> Lakota term for white imperialist.

2011). The notion of ‘surplus’ is typically associated with a system dominated by capitalist processes given the enormity of social surplus associated with capitalist production<sup>2</sup>. Nonetheless, other systems have also been associated with social surplus- Bertolt Brecht in his well-known poem, ‘Questions from A Worker Who Reads’ for instance, tells of the triumphal arches of Rome, the Great Wall of China and the city of Babylon as products of the exploitation of human labor (Brecht, 1935) by processes such as slave systems and feudal systems.

Questions of surplus run throughout classical political economy and its critique. Marx for instance, delineated the notion of surplus value as the difference between the value created by labor power and its own value i.e. the labor embodied in the necessities of life consumed by the proletariat by which it is reproduced in its current sociological state. For Marx, the notion of ‘social surplus’ is drawn from the exploitative nature of society in the various systems of production and distribution. Sraffa in the *Production of Commodities by Means of Commodities* (PCMC), adopts a ‘physicalist’ notion of surplus as the extra output beyond the input requirements of the system of production (Sraffa, 1963). The situation appears to present a problem in that the physicalist treatment in PCMC (ibid) glosses over the distributional aspects of class struggle. Nonetheless, following Carter’s (ibid) investigation of Sraffa’s archives, one finds that Sraffa thought of class struggle differently from Marx- workers are not merely dealt the subsistence requirements of the working population; they struggle to acquire a part of the “social surplus”. In Sraffa’s *Majorca Draft* in 1955, he distinguishes between the ‘subsistence wage’ and the ‘surplus wage’. The surplus component of the wage is a portion of the surplus product that workers obtain through the “stress

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<sup>2</sup> In the *Manifesto of the Communist Party* for instance, Marx and Engels make the claim, “The bourgeoisie has disclosed how it came to pass that the brutal display of vigour in the Middle Ages, which reactionaries so admire, found its fitting complement in the most slothful indolence. It has been the first to show what man’s activity can bring about. It has accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts and Gothic cathedrals; it has conducted expeditions that put in the shade all former Exoduses of nations and crusades” (Marx & Engels, 1848).

and strain” of struggle (Carter, *ibid*). Sraffa’s treatment of class struggle over social surplus is different from the treatment in Marx where the class struggle is theorized in the extraction of labor from labor power. According to Marx, in capitalist systems, persons in capitalist class positions enforce disciplinary conditions on alienated labor to increase the rate of surplus per unit of the labor value of the necessities of life (Marghlin, 1974). In other systems, as well, disparate institutions such as foremen’s whips and landlord’s threats enforce the extraction of labor from labor power. In both Marx and Sraffa, it is nonetheless, agreed that the origin of surplus is the exploitation of human labor.

Veblen’s ‘The Barbarian Status of Women’ published towards the beginning of the 20<sup>th</sup> century addressed the gendered aspect of social surplus. According to Veblen, the emergence of the surplus led to the evolution of a class of persons who were no longer required to contribute directly to the production of output (Veblen T. , 1898-9). Such persons became free to perform tasks of priests and warriors. The emergence of a warrior class meant that societies began to raid and pillage the surplus of other societies. While subduing other societies, the martial victors brought back the vanquished population as slaves, lower castes and ‘wives’. Soon the production related tasks fell to vanquished persons. ‘Wives’ acquired a particular significance as they became trophies of one warrior or another and were thus treated jealously and shielded from the attentions of other male warriors (Veblen, *ibid*). The result was a tradition of ownership-marriage which acquired so much prestige that even women from victorious populations were ‘married’ to men of prestige through ceremonies of mock-capture. As ‘wives’ were traditionally members of vanquished populations who were tasked with production related tasks, women’s work began to acquire a reduced prestige as ‘tasks of diligence’ rather than ‘tasks of prowess’ (*ibid*).

The idea of the gendered dimension of social surplus was not unique to Veblen. Engels for instance (*ibid*, page 30) related the subjugation of women to the transformation of private property

and inheritance norms. Once women were torn from their 'gens' and captured by other societies, their 'gens' could no longer provide for their children. The loss of mother-right and the notion of children inheriting the property and names of their fathers, reduced women's prestige and led to the control of women's sexuality. Davis (ibid) referred to more recent 19<sup>th</sup> century trends, examining the role of the imposition of private property norms on otherwise non-capitalist systems in displacing women from their roles of prestige as producers within the home rather than as service-providing 'housewives'. For Maria Mies however, the emergence of the social surplus itself is not only a product of human labor but also a product of patriarchy itself (Mies, 1986). Patriarchy according to Mies, includes the subjugation of women's productivity to men's productivity. In Mies' analysis, women have historically developed an object-relation to nature wherein they have learned to associate the productivity and fertility of their own bodies with the productivity and fertility of nature. As one sows, nurtures and harvests seeds, one fosters a fetus in one's womb and goes through the 'labor' to produce new life. According to Mies (ibid), women have historically perceived contraception as natural- just as fields may be sown only when the farmer is ready to sow them. The development of vessels to store and preserve the bounty of nature is traditionally attributed to women who have within their own bodies, vessels/uteruses to nurture and store new life. For the emergence of a social surplus to take place, the manufacture of vessels to store the surplus must have been a prerequisite (Mies, ibid).

In contrast, men have historically conceived of their object-relation to nature in terms of tools. Mies (ibid) argues that in several languages as well as several colloquial sayings, the male organ is often equated to a tool or a plough. She cites the example of the Bengali slang for penis 'yantra' which translates directly as 'tool'. Also in Hindi, Mies notes that the word for coitus and work i.e. 'kam' is the same (ibid, pg 57). In fact, even in contemporary slang in Western societies, the word "tool" is used as a demeaning term for a man like "prick" or "jerk". According to Mies, men have

historically thought of working on the land and working on the woman as parallel concepts. Both are 'work' just as for women, the processes of menstruation, contraception, sexual activity, conception and procreation constitute 'work'. As women produced the vessels to store the bounty of nature, worked with nature to grow and gather fruits and berries and harvested grain to store and preserve them, their labor which became essential for subsistence, led to the emergence of the surplus. One often hears the argument that men acquired prestige because their superior strength facilitated activities such as hunting. However, to hunt, one requires a certain amount of energy which means consumption of a surplus of grasses and berries produced above and beyond the needs of the women who gathered them. Moreover, hunting is a risky activity following which a man may return empty-handed. In the event of an unsuccessful hunt which was no doubt common, women would have to provide the grasses and berries which would have to compensate for the lack of meat. Mies critiques the separation of the tasks of production and reproduction in Marx and Engels who neglected the role of the exploitation of women's labor in the emergence of the social surplus. She seeks to rectify the lacuna in the literature by substantiating the claim that it was the subjugation of women's productivity or the exploitation of women's labor which enabled the emergence of the surplus in several human societies.

Summarizing the arguments in Veblen (ibid), Engels (ibid), Davis (ibid), Federici (ibid) and Mies (ibid), one discovers a coherent narrative. The exploitation of women's labor contributed to the emergence of the social surplus which further led to the rise of invidious distinctions of men's work and women's work. The witch hunts of the period preceding the enclosures of the 15<sup>th</sup> century in England created a norm of misogyny where notions of domesticity were enforced and independent thinking and living by women was viewed with suspicion. With the Enclosure Movement in England, the preceding periods of State tolerated rape and witch-hunts had already played a role by dividing the newly displaced proletariat on gender lines. As enclosures were spread

to Scotland and Ireland and later to colonies in Africa, India and the Americas, wage work became privileged over non-wage work. Within households as well-as in the case of the USA- women lost their status of home-based producers and became service providers or 'housewives' -the invisible workers who were reproducing a reliable proletariat, despite very low wages.

Violence against women has been a feature in the expansion of several types of empire. In the Spanish Americas, according to Federici (*Caliban and the witch*, *ibid*), women were especially concerned with defending the indigenous traditions and opposing the colonial power structure because they were the most affected by it. The colonial power structure displaced women from their traditional roles as priests, healers, farmers and from the production of sacred clay as in Oaxaca. Instead, under the colonial economy, women became servants in the *encomienda*, or weavers subjected to exploitation and drudgery (Federici, *ibid*). Women were also often pushed into sex work. Rapes and everyday harassment of women became routine. Women began to organize against the European colonizers -they became the backbone of the Taki Onqoy movement where they challenged the imposition of the western religion, they also became the priests, leaders and guardians of the huacas (sacred sites). In Peru, women were to take on the task of coaching people for confessions with Catholic priests advising them on what is safe to divulge to a Catholic priest and what is not. Women often fled to inaccessible areas called the *punas* to practice their native religion and reinvent the social relations expressed by their native religion. In persecuting women as witches, the colonists targeted both, practitioners of native religions as well as instigators of anti-colonial revolt (Federici, *ibid*).

The British empire was characterized by the search for capital gain. The notion of bringing about "improvement" in occupied land along with the Lockean idea that improvement brought ownership was used to justify British settler colonization in the Americas (Wood, 2003). With century-wide movements of enclosures and displacement throughout England, Ireland and Scotland,

newly displaced proletariat migrated to settle the New World in large numbers, displacing indigenous populations. Even after the colonists shook off the British government, migrations by Europeans to build the relatively new United States continued, notably after the Irish potato famine between 1846-1851. While European-Americans migrated relatively voluntarily albeit driven by displacement and famine, African-Americans were kidnapped and forcibly shipped into the Southern states and coerced into slavery. Slavery in the USA, though considered abhorrent, was also explained in the language of “improvement”. As explained by Eric Williams (1944), in the Southern colonies that produced staple products on a large scale for export in global markets, both land and labor were futile, unless labor could be ‘commanded’ to work. In the Southern colonies, the “rugged individualism” of the Massachusetts farmer practicing intensive agriculture had to yield to the “disciplined gang of the big capitalist practicing extensive agriculture and producing on a large scale”. With land so plentiful, it was a challenge to get labor to work for capitalist interests as with abundant land, workers preferred to work for themselves. Capitalist interests began to purchase human beings as slaves to produce the sugar for the “tea and coffee cups of the Western world”, and the cotton for the mills of Manchester and Liverpool. The House of Lords in 18<sup>th</sup> century Britain gave a sympathetic ear to a suggestion by one Earl of Westmorland who equated abolition to Jacobinism (Williams, *ibid*). Slavery became the resuscitation of a pre-capitalist system to reproduce the empire of capital. In that sense, it was certainly ‘capitalist slavery’ though it maintained relations of production not typical to relations between capitalist class positions as described in Ch. 1.

African-American women worked as hard as men in the fields irrespective of whether they were menstruating, pregnant or nursing. Angela Davis (*ibid*) refers to incidents where nursing mothers were lashed so hard that blood and milk poured down from their breasts. Women’s labor was appropriated by slave masters in every way- not only their labor in the fields but also their labor in the sense of sexual activity, procreation and child bearing. They were expected to ‘breed’

according to the wishes of the slave masters and subjected to rape along with lashing as punishment. Incursions of capitalism building settler colonies in the South meant incursions upon women's labor and women's bodies.

The question of westward expansion brought in the question of freedom of economic opportunity (the 'manifest destiny' of the United States) versus the question of slavery which was thwarting the so-called 'economic freedoms' of farmers moving west by providing cost-competition, not to mention the freedoms of the slaves themselves. The result was the American Civil War which abolished slavery but left an African-American population with no means of livelihood save to sell their labor power. Following Union victory, westward expansion was resumed with the occupation and enclosures of land in the North Americas, accompanied by rape and violence against native women. John Carroll describes the most gruesome acts of violence against women and the exhibition of women's bodies as trophies at the Sand Creek massacre in 1864 (Carroll, 1973)<sup>3</sup>. Native statesman, American Horse reported that at the massacre at Wounded Knee in Lakota in 1890, women were killed with babies at their breasts (Stannard, 1992). Such acts of rape and violence must be understood not only as attacks against the identities of persons as women but also attacks against their identities as Natives (Smith A. , 2003). Smith (ibid) refers to colonial descriptions of Native Americans during the 19<sup>th</sup> century western expansions. According to white Californians in the 1860's, Native people were "the dirtiest lot of human beings on earth" (Rawls, 1984). They were accused of wearing "filthy rags with their persons unwashed, hair uncombed and swarming with vermin". Smith (ibid, Pg 72) cites a soap commercial in 1885<sup>4</sup> which poetically describes the

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<sup>3</sup> The exact quotation is too gruesome to reproduce in this dissertation. It can be found in Carroll, John (1973) *The Sand Creek Massacre: A Documentary History*, Pg 129-30 and in Smith, Andrea (2003) *Not an Indian Tradition: The Sexual Colonization of Native Peoples*, Hypatia (ibid, Pg 75).

<sup>4</sup> We were once factious, fierce and wild,  
In peaceful arts unreconciled  
Our blankets smeared with grease and stains  
From buffalo meat and settlers' veins.

correspondence between Native bodies and dirt. In the colonial imagination, a dirty body was also occasionally thought of as polluted by sexual sin which was characterized by the rhetoric of barbarianism associated with the European depictions of the indigenous peoples<sup>5</sup> in the sixteenth century. Once a body was considered impure, it was also considered violable -a body can only be 'violated' if it is considered pure-an impure body can be violated with social impunity. Rape became a tool of colonial incursions expanding the old empire of capital.

The myth of the colonized male body as a rapist also became a feature of imperialism in the old empire of capital. The Revolt of 1857 in India is subject to much controversy in terms of the atrocities committed by both, Indian soldiers as well as the English East India Company. Allison Blunt analyses articles in British newspapers at the time of the revolt (Blunt, 2000). She cites (ibid) an illustration that appeared in the Punch in June 1857 which shows Indian soldiers bursting into the home of a defenseless British woman. With a baby at her breast and a young child playing next to her, the white woman is shown as the picture of domestic tranquility. Her vulnerability is exacerbated by the absence of a husband whose picture hangs on the wall behind her. A box marked 'England' lies before her, within the reach of the Indian soldier. According to Blunt (ibid), the absence of 'British Raj' furniture, in particular the ubiquitous hand-pulled 'punkha' or fan required to keep a room cool in North India's warmer, subtropical weather, implies that the home of the

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Through summer's dust and heat content  
From moon to moon unwashed we went,  
But IVORY SOAP came like a ray  
Of light across our darkened way  
And now we're civil, kind and good  
And keep the laws as people should,  
We wear our linen, lawn and lace  
As well as folks with paler face  
And now I take, where'er we go  
This cake of IVORY SOAP to show  
What civilized my squaw and me  
And made us clean and fair to see. -From Lopez (1980)

<sup>5</sup> For example, Jan Van Der Straet's 1587-89 painting of Amerigo Vespucci encountering 'America' as a nude woman lounging invitingly on a hammock with her people in the background roasting a human leg.

British woman might be any British home, not only in India but in any part of the British empire. The attack of the Indian sepoys is presented as a threat not only to British women as individuals but to the personification of Britain and its empire. Blunt (*ibid*) cites similar accounts of rapes and murders in British newspapers like the *Times*, the *Illustrated London News*, *Blackwoods Magazine* and the *Englishwoman's Review* which reinforced the notion of rape, 'deflowering' and 'defilement' by 'unmanly' assassins through uncorroborated eyewitness accounts calling upon British men to avenge the 'honor' of 'their' women and justifying the repression and retribution that followed. While it is certainly true that the Revolt of 1857 was a violent revolt with several atrocities by both, Indian rebels and colonial authorities (Mukherjee, 2007), the notion of men of color stereotyped as rapists became an essential aspect of the old empire of capital<sup>6</sup>. It was used to justify the appropriation of resources in the colonies, the coercion that put the displaced, newly-formed colonial proletariat to work and the enforcement of capitalist processes of production for sale rather than subsistence. Similarly, the myth of African-American men as rapists of white, Southern women was used to justify the lynchings of young, Black men throughout the USA (Davis, *ibid*). Black persons who began to compete with white businesses or to aspire to citizenship on equal terms or to better their conditions of life were targeted under the pretense of protecting the 'purity' of white womanhood. Thwarting African-Americans from acquiring property or any livelihood independent of selling labor for low wages, ensured a steady supply of labor for capitalist processes and a steady demand for wage goods since without the means of livelihood, there was no option but to depend on markets to maintain the conditions of life.

Colonial incursions of capitalist processes into non-capitalist economies took on various forms. In sections I and II of chapter 2, I have discussed the roles of taxation, dependence on

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<sup>6</sup> E.M. Forster's novel, *A Passage to India* (1924), explores the trial of an Indian doctor accused of rape by a British woman, who later recognized that she was mistaken and was forced to fight against the local British community to clear the person she had mistakenly accused.

foreign investment and impositions of private property norms. In this chapter, so far, I have also discussed the roles played by witch hunts and rape. Through the effects of the latter, notions of domesticity were emphasized and the notion of women leading independent lives or practicing their traditions and challenging colonial enclosures was stamped as an abomination. Meanwhile, rape and witch hunts accompanied by economic processes of taxation, introduction of production for markets and enclosures, ensured the displacement of women as commodity producers, the devaluation of non-wage, non-market labor, and at the same time, the confinement of women to non-wage tasks in households. ‘Housewifization’ can be defined as the confinement of women to, or the disproportionate burdening of women by devalued, non-wage labor in the household. It became an essential aspect of the incursions of capitalist processes in the colonial era both, as an effect of the incursions and at the same time, laying down pre-conditions for the incursions.

The effects of colonial housewifization continued in the post-colonial era. Mies, in her co-edited volume, ‘Women, The Last Colony’, cites the ‘Status of Women in India: Shifts in Occupational Participation, 1961-71’ report, co-authored by Asok Mitra<sup>7</sup> to point to its gloomy conclusion. Based on census data of 1971<sup>8</sup>, Asok Mitra (ibid) claims that by 1971, women had become an “expendable commodity”, “squeezed out of the productive sphere and reduced to a unit of consumption and therefore less socially desirable”. Mies critiques Mitra’s statement as women being pushed out of the so-called productive sphere does not mean that women’s work is unutilized for capital accumulation. In fact, women as housewives get ‘super-exploited’, subsidizing by their labor, the low wages of the wage earners of the household. Nonetheless, not being wage-earners and for-market producers in an economy in which wage work and for-market work is accorded a value

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<sup>7</sup> (Mitra, Pathak, & Mukherji, 1980)

<sup>8</sup> (Office of the Registrar General & Census Commissioner, India, 1971)

while non-wage work is not, women are not recognized as producers and therefore subjected to a brutal social process of expendability and disappearance.

Mies looks at census data on the number of women per 1000 men in India to find a declining number of women per 1000 men since 1911 with the steepest fall in 1961-1971, the postcolonial, pre-neoliberal period. The same period also shows an increased mortality rate<sup>9</sup> of women, especially in the 20-45 years' age group. Mies explains the trends in women's mortality and the declining number of women per 1000 men as a part of the growing 'expendability' of women due to housewifization. As women are devalued and seen as expendable, fewer family resources are spent on women's health care. According to Mies<sup>10</sup>, the higher mortality rate for women is connected to anemia -she attributes it to the social norms under which women partake of their meals once the men and the children have eaten on which accord, they get lower nutrition. Mies also notes that the number of women per 1000 men in India declines as the number of women in the workforce per 1000 men declines<sup>11</sup>. As the ratio of women to 1000 men in the total workforce declines, their total presence in the population also declines. Since women's work is invisible and devalued, women are viewed as expendable and are forced to vanish from the population through poorer nutrition and poorer healthcare. A.1. reproduces Mies' (ibid) figures of the number of women per 1000 men and number of women in the workforce per 1000 men by industrial classification from the Census of India database. Since the Census of India is conducted every ten years, the data is discrete rather than continuous. Mies' conclusion is based on the Census figures of pre-Independence 1901, 1911, 1921, and 1931 and post-Independence 1951, 1961 and 1971. I have calculated the number of women per 1000 men and number of women per 1000 men in the

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<sup>9</sup> Defined as number of deaths of females per thousand persons in total population.

<sup>10</sup> From Mitra, Pathak and Mukherjee (ibid)

<sup>11</sup> While I do not like equating sex and gender, the Census of India questionnaire makes no distinction and does not always ask its respondents to self-identify.

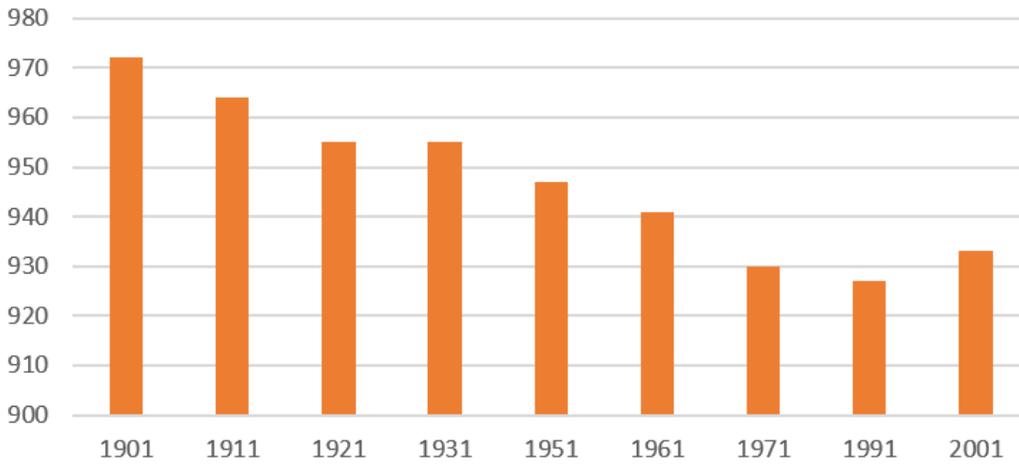
workforce by industrial classification for the neoliberal years of 1991 and 2001. Policies of liberalization of imports and privatization (“neoliberal policies”) were introduced in the early 1990’s on which account, the changes in the decade between 1991 and 2001 are of especial significance. 2011 figures have not yet been released and 1981 figures are not digitally available<sup>12</sup>.

Figures 3.1 to 3.3 as reproduced below are a graphical representation of A.1. As in Mies (ibid), from figure 3.1, we see that the number of women per 1000 men declines with every decade until 1991 (data on 1981 is missing). In the neoliberal period from 1991-2001 however, there appears to be a slight increase from 927 women per 1000 men to 933 women per 1000 men. The number of women workers per 1000 men in India increased in the first two decades from 1901 to 1921 but declined afterwards. The decline between 1961-1971 is steeper than the decline in the number of women per 1000 men. In other words, the decline in the number of women in the workforce was higher than the decline in the number of women in the population (per 1000 men). While ofcourse, this does not establish the direction of causality as Mies suggests, her suggestion is quite reasonable as one would expect that the decline in women workers would be concomitant with the decline in women in the population. Given that the decline in women workers is disproportionately larger, it seems quite likely that the increasing expendability of women led to their disappearance in the population rather than the other way around. On comparing this result to Figure 3.3 below, it becomes apparent that the number of women “non-workers” per 1000 male “non-workers” increases by 1971. Quite possibly, through processes of housewifization, more and more women were pushed into non-wage labor from cultivation, agricultural labor, mining and quarrying, manufacturing, construction and other paid activities. Notably, the number of women workers in all industrial classifications declines in 1971 as the number of women non-workers

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<sup>12</sup> In future research, I could collect the data from the physical census library in New Delhi.

increases. Moreover, the period between the early 1960's to 1970 was marked by a period of 'secular stagnation' in industrial development (Patnaik P. , 1979). As economic activity declined, women were fired from all paid activities at a higher rate than men, sending women back from the capitalist sector to the kinship sector in their traditional roles as housewives.



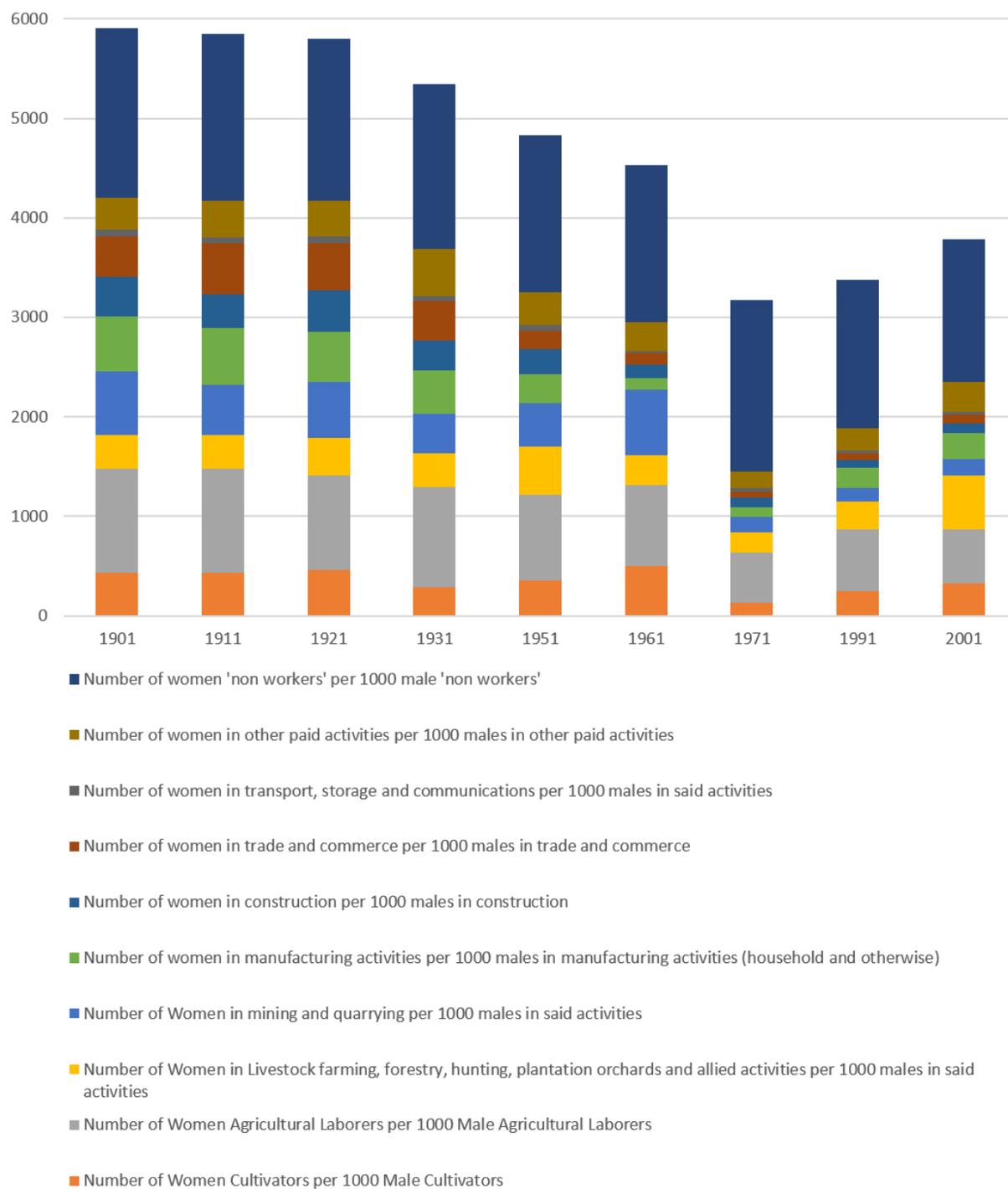
Source: Census of India

**Figure 3.1: Number of Women per 1000 Men in India**



Source: Census of India

**Figure 3.2: Number of women workers per 1000 men in India**



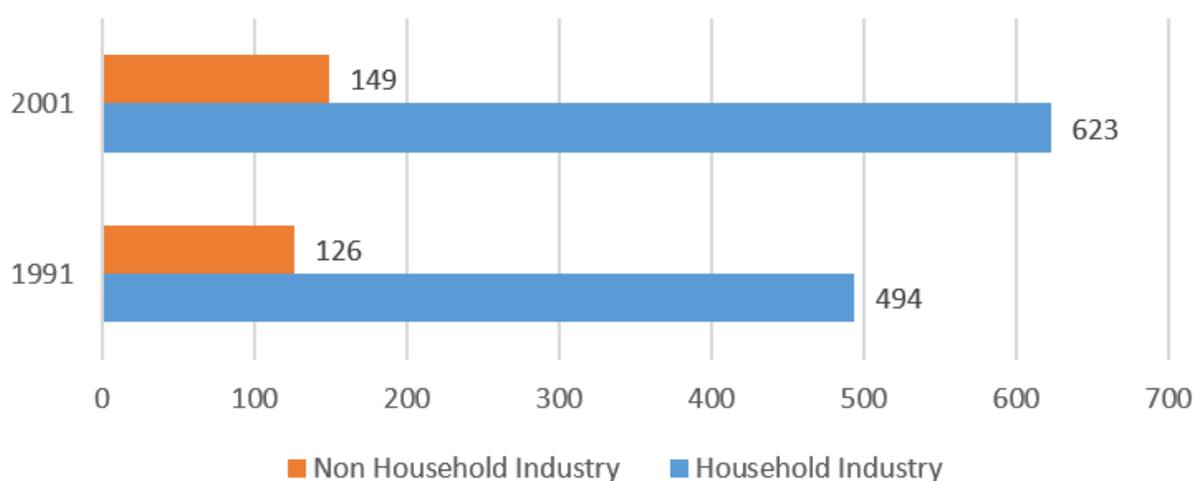
Source: Census of India

**Figure 3.3: Number of women workers and non-workers per 1000 men by industry classification, India**

Regarding the neoliberal period, from Figure 3.1 above, it becomes apparent that between 1991 to 2001, the number of women per 1000 men shows a slight increase. Meanwhile the number of women workers per 1000 male workers increases as in Figure 3.2. above, and the number of women non-workers per 1000 male non-workers decreases as in Figure 3.3 above. In fact, there is an increase in the number of women workers per 1000 male workers in all industrial classifications between 1991 to 2001 as seen in Figure 3.3.

Neoliberal reforms were accompanied by economic growth in the 1990's to 2000 decade for several reasons. For instance, the imports of finished products were still prohibited in the early 1990's though the import of intermediates was liberalized in various industries which led to a spurt of industrial activity in assembly tasks (Chandrasekhar, 1996). With the promise of liberalizing financial policies, a slew of instruments for financing consumption sprang up leading to a rise in debt-financed consumption (Chandrasekhar, 2012). Moreover, an attempt to attract investment by a policy of State tolerance to the circumvention of labor and environmental regulations led to rising investment- both domestic and foreign. Economic growth and increasing informalization of labor contracts may have drawn women into the workforce. Nonetheless, the nature of women's work continues to be subject to exploitative conditions. For example, in the textiles and garments industry, field research in 2010 shows instances where women in contractual work in textiles' and garments factories in India have reported that even their visits to the toilet are regulated by a token system so that no more than two women can visit the toilet at a time (Barrientos, Mathur, & Sood, 2010). For menstruating and pregnant women especially, the regulation of toilet visits causes considerable discomfort. The household industry comprised a significant component of women's labor force participation. While Mies (ibid) does not distinguish between household and non-household industry, in the later censuses (1991 and 2001), it is possible to make the distinction. In Figure 3.4 below, one finds that the increase in the number of women per 1000 men in household

industry was larger than the concomitant increase in non-household industry. With women's increasing employment in the household industry, there is an increased tendency for exploitative labor contracts where home-based women workers are paid exceptionally low piece rates rather than wage rates. (All India Democratic Women's Association, 2010) Such contracts put the risk of unsold products that do not meet ever changing global standards and fashions on the women producers rather than on the firms that subcontract to them.



Source: Census of India, 1991 and 2001.

**Figure 3.4: Number of women per 1000 men in household and non-household manufacturing activities in India**

Attempts to extend Mies' analysis has its limitations. For one thing, it's based on data collected only once a decade. Secondly, the data for 1981 and 2011 are missing from the digital archives of the census of India. Also, as the neoliberal era is concomitant with open economy policies, short run cycles in capitalist processes influenced by the vicissitudes of global demand may have become more prominent. Therefore, the long period discrete analysis is inadequate for a study of the neoliberal period. Nonetheless, Mies' work on India sheds insight into how value attached to paid work may affect the very existence of women in the population. Between 1991 and 2001, there

is an upturn in both, number of women per 1000 men and number of women in wage work per 1000 men. However, while neoliberal reforms and growth may have drawn women into capitalist processes thereby preventing their disappearance from the population, they have thrown up a new set of issues regarding the relationship between women's work and capitalist processes.

## **Section II: Housewifization and the Empire of Capital since 1989**

Alleging that “The Proletariat is Dead, Long Live the Housewife”, Claudia von Werlhof anticipates the informalization of labor characteristic of the neoliberal era from 1989 onwards (Werlof, 1988). Von Werlhof refers to the late 1980's and the period that followed as a “new phase of capitalist development” which signals the end of ‘free’ wage labor. With the Reagan-Thatcher policies in the USA and the UK as well as Pinochet's policies in Chile, the “new phase” had already begun. The relocation of industry to the so-called ‘third world’ as a strategy for lowering production costs was already in place. However, in the ‘third world’, minimizing production costs was best achieved not by hiring ‘free’ wage labor but by hiring unfree, ‘femalized’ labor with no job security, the lowest wages, the longest working hours, the most monotonous work, no trade unions, no opportunities for obtaining higher qualifications or promotions, no rights and no social security. Von Werlhof (ibid) refers to the increasingly informalized labor as ‘femalized’ because its conditions of work have deteriorated to conditions typically faced by ‘housewives’.

The phenomenon of the ‘death’ of the proletariat has accompanied the rapid relocation of production overseas since 1989—at times through direct investment in search of lower production costs, at times through portfolio investments in search of higher profits but most often through subcontracts. A typical example is the subcontracting of the assembly of Dell laptops and Apple iPhones to Foxconn International in Shenzhen, China (Smith J. , Imperialism and the law of value, 2011). Nonetheless, as production processes become ‘footloose’ and transnational, the shifts of

production contracts and processes do not translate into concomitant shifts of labor. Immigration policies and border controls continue to remain stringent preventing labor from moving to spaces that ensure better conditions of life and work. William Robinson refers to the use of immigration controls -mass deportations, electrified fences and militarized borders -as mechanisms for capitalist employers and the states that support their interests to sustain “a vast exploitable labor pool that exists under precarious conditions, that does not enjoy the civil, political and labor rights of citizens, that faces language barriers and a hostile cultural and ideological environment, and that is flexible and disposable through deportation” (Robinson, W., 2008). However, to what extent can one say that labor is in fact, one vast pool when highly controlled immigrant labor is a mere fraction of the labor that is employed in producing for global capitalist interests? Instead, the transnational shifts of production processes are a “global labor arbitrage” to exploit the labor that is prevented the right of passage to spaces with higher wages and better conditions of work (Smith, 2016). Smith refers to the “travesty of globalization”- a world without borders for everyone except the working people.

According to Smith (2016, *ibid*), global wage differentials in part have resulted from the suppression of the free movement of labor but provide a distorted picture of the global differences in the rate of exploitation. Imperialism in the 21<sup>st</sup> century per Smith (2016, *ibid*), is a new phase of capitalist development where imperialism is the super exploitation of ‘southern’ living labor by ‘northern’ capitalists. Smith sees exploitation as the excess of labor value embodied over the socially necessary labor time required to reproduce the labor force, following Marx in Capital Volume I<sup>13</sup>. When this excess or ‘surplus’ exceeds the global average surplus extraction in any given industry, Smith calls it ‘super exploitation’. As the socially necessary labor time to reproduce the labor force in the ‘global south’ is lower than the socially necessary labor time to reproduce the labor force in the

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<sup>13</sup> (Marx, Capital Volume I, 1887)

‘global north’<sup>14</sup> on average, the surplus extracted from southern living labor tends to be higher than the global average. Therefore, transnational firms ‘super-exploit’ southern living labor.

Smith’s conceptualization of wages (2011, 2016 *ibid*) differs from the neoclassical conception of wages as a reflection of workers’ productivity. Instead, wages reflect the productivity of the workers producing consumption goods. The labor time spent in producing wage or consumption goods constitutes the ‘value of labor power’ i.e. the labor time taken by the workers to reproduce their own lives in their current state of existence, however low. As ‘southern’ living labor is subject to lower current states of existence such as zero social security, lower wages, longer hours -or as von Werlhof would say, ‘femalized’ conditions akin to those of housewives- ‘northern’ capitalists move production processes to exploit the ‘southern’ labor power leaving behind a shortage of low wage jobs in the ‘northern’ countries. Meanwhile, the ‘southern’ labor is unable to migrate to spaces with more humane living conditions because the conditions of immigration are stringent and hostile.

In neoclassical economics, international borders are considered political and instrumental impediments to the convergence of global per capita incomes. However, in a wider, political economy analysis, it becomes possible to understand that the very nature of the global capitalist processes depends on keeping the marginalized, ‘otherized’ people of the ‘third world’ or the ‘global south’ out. Harsha Walia (2013) describes a ‘border imperialism’ wherein the spread of the capitalist processes imposes enclosures, private property norms and tariff walls which leads to the displacement of persons from the commons. The newly displaced lose their lands and livelihoods and are given limited options of migrating to places with better conditions of life. The displaced persons -marginalized, otherized, ‘abject’ or as Chakravarti, Dhar and Cullenberg (2012) say,

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<sup>14</sup> Thanks to historically poorer conditions of life (that derive their origin from displacement by colonial incursions in the old empire of capital).

‘foreclosed’ -become ‘the world of the third’. Borders crowd the foreclosed into ‘underdeveloped’ spaces, prevent the building of solidarities within the international proletariat and furnish notions that ‘development’ can be attained subject to aid, international loans, foreign investment, imports of technology (with due regard to copyright and patent laws), budget surpluses to pay interests on loans per IMF guidelines and so on. Walia (2013, *ibid*) draws an analogy between the masculine narrative of ‘protecting’ a nation’s borders much like ‘protecting’ the ‘honor’ (or controlling the sexuality) of the women of any imagined community. The patriarchal impulse is accompanied by a capitalist impulse. With the notion of illegality attributed to undocumented immigration into the USA for example, capitalist firms run private detention centers for profit on behalf of the State. Since prisons and detention centers are run on for-profit lines by capitalist interests, they lobby the State by feeding an ever-rising tide of hysteria against “illegal” immigrants. Meanwhile, armaments lobbies all over the world profit from the hysteria advocating an increased militarization of borders to keep out the “illegal” immigrants, “insurgents” and refugees and calling for “just wars” against the foreclosed, or in the words of Hardt and Negri (2000, *Empire*) as discussed in Chapter 1, the ‘barbarians’.

Foreclosure by borders takes on an added significance within neoliberalism. Neoliberal philosophy holds that the State must ‘protect’ private property rights -as it must ‘protect’ borders, as men in patriarchal societies must ‘protect’ women’s ‘honor’. Private property rights are expected to foster technological innovation (intellectual property), foster competition and wealth creation (Harvey, 2005). ‘Underdevelopment’ is explained partly by claiming an inadequate delineation of private property. States are exhorted to ‘develop’ the nations they represent by imposing private property norms. To this end, they are expected to acquire land to lease at subsidized rates to capitalist business enterprises, displacing the persons already living on commonly owned and managed lands. They are expected to ‘protect’ the rights of capitalist enterprises to natural resources

such as air, water or knowledge -for example, privatizing spectrum by sales to telecom companies<sup>15</sup>, privatizing water as in the case of Cochabamba and cracking down on impingements of patents and copyrights. States in the neoliberal era have been subject to a rhetoric exhorting them to facilitate the incursions of capitalist processes in the name of ‘freedom to do business’, ‘capital gain’, ‘progress’ and ‘modernity’.

The tendency to foreclose and enclose is reminiscent of the early development of capitalist systems as in 15<sup>th</sup> century England and the imperialist incursions of capitalist processes all over the world in the colonial era. One similarity stands out especially- the relationship between capitalist incursions and the kinship sphere characterized by women’s work. As illustrated in chapter 1, a capitalist system in isolation cannot perpetuate itself in eternity. It requires i) a permanent, reliable source of labor however low the wage and ii) ever increasing markets to realize ever increasing surplus value. The 15<sup>th</sup> century enclosures created i) a newly displaced pool of labor that had lost its means of livelihood and was forced to offer itself up to labor however low the wage and ii) new demand -as an increasing number of persons lost access to the resources previously owned in common, they had to rely on market purchases of ‘wage goods’ to reproduce themselves. Previous centuries of witch hunts and rapes had enforced the housewifization of women preventing a cohesive peasant and women’s movement against the enclosures. As for-market production substituted subsistence home-based production, women’s work became a set of routine tasks associated with drudgery, subsidizing the low wages of the wage workers in the household. The spread of enclosures through imperial incursions and colonial settlements were accompanied with rapes and the displacement of women from positions of prestige. In the neoliberal era, enclosures

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<sup>15</sup> As in the case of the 2 G scam in India where licenses to allocate spectrum were auctioned to telecom companies in 2011. The auction was conducted in such a way (first come first served) that certain telecom companies (who had been lobbying the State) paid lower prices for spectrum than they would have, had the auction been designed with a sale to the highest bidder approach (Comptroller and Auditor General, 2010).

have returned. Unlike the pre neoliberal, post colonial era where States played an activist role, continuously creating new markets realizing capitalist interests' ever increasing extraction of surplus value, in the neoliberal era the dominant commonsense advocates the privatization of State systems of provisioning -hence enclosures. Part of the rhetoric for enclosures being the so-called tragedy of the commons, the neoliberal State is also expected to help facilitate the enclosure of the commons and the withdrawal of community provisioning systems that had previously owned and managed the commons. As in the case of the enclosures in the colonial era, neoliberal enclosures have also been facilitated by brutal processes of violence against women.

In Chapter 2, I have mentioned the repression of the State against the tribals of Bastar, India. In 1993, as a part of its shift towards adopting a neoliberal stance, the Government of India liberalized the mining policy of India removing restrictions on capitalist interests in acquiring licenses to prospect for minerals (Ministry of Mines, India, 2010). The State allowed relaxations in granting mining and prospecting licenses to mine in the tribal regions of the country where systems of provisioning continue to retain communitarian characteristics (Ministry of Mines, *ibid*). Further liberalizations were carried out in subsequent policies in 2003 and 2008 with the concession of captive mines in Bailadilla hills near Bastar to leading corporations namely Tata and Essar. Since the State was required to furnish the consent of locals to the privatization of mining operations, the police reportedly rounded up local leaders and forced them to sign 'no objection' letters at gunpoint (Sundar, 2016). Accompanying the liberalization, a counter insurgency local group called Salwa Judum was created which wrecked violence in the area, displacing the locals from areas controlled by the militant Communist Party of India (CPI) Maoist. The CPI (Maoist) plays a dual role in the area- on one hand it works with the tribals to organize collective agrarian work, land and harvest distribution, regulation of collection of forest produce and sales of surplus output to contractors, on the other hand, it takes a quasi-authoritarian stance against the tribals preventing them from

benefitting from State efforts to provide schools, electricity etc<sup>16</sup>, thus displacing them (Ramani, 2016), (Ghose, For Bastar rape victims, the challenge lies ahead, 2017). Following a writ petition by Sundar and others, the Supreme Court of India ordered the disbanding of the Salwa Judum in 2011 and criticized the unconstitutional State sponsorship of private militia (Venkatesan, 2011).

Nonetheless, by then, damage was already done, with a polarization between the State, State sponsored counter insurgency groups, the CPI (Maoist) and the tribals who were subject to violence from both, State and Maoists. In 2015, a report of the National Human Rights Commission in India found at least 16 cases of rape of tribal women by police forces (Ghose, Chhattisgarh police raped and assaulted 16 women: NHRC, 2017). Rape was used as an instrument of violence against the tribal communities to intimidate them and displace them, leaving the mineral rich areas of Bastar open to enclosures by leading capitalist interests. Bastar based tribal activist, Soni Sori faced rape and torture in police custody in 2011 (Arya, 2016) and later, an acid attack by unknown assailants. In Bastar, the neoliberal state has used rape, torture and violence against women to intimidate tribals of Bastar from resisting the enclosures of their land by capitalist interests.

Similarly in the 1980's and 1990's, the growing fear of 'witches' accompanied debt crises and IMF structural adjustment policies amidst several African communities (Federici, 2008). As of 2005, over five thousand women were living in exile in part-sanctuaries, part-prisons called "witches' villages" in Northern Ghana under threat of death if they tried to return to their villages (Berg, 2005). Even today in 2017, witch villages in Northern Ghana continue to remain so-called 'places of safety' where witches' magic is supposed to be ineffective (Epure, 2016). 'Witches' are typically, older women (often, widows) who are characteristically accused of causing crop failures, natural misfortunes or deaths. Accusations of witchcraft escalate in periods of austerity in economic policy

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<sup>16</sup> The CPI (Maoist) sees the State purely as a handmaiden of the capitalist interests and takes a militantly anti- State stance.

or during political upheavals (Berg, *ibid*). Witchcraft accusations have resulted from land conflicts and socio-economic rivalries. Occasionally they have resulted from families' and communities' inability to support members who are perceived as a drain on resources. At times, witchcraft accusations have enabled younger, aspirational people to evict older persons from the assets they have acquired over their lives or from communal lands and resources. According to Justus Ogembo, structural adjustment programs and trade liberalization have destabilized African communities and thrown households into "despair and deprivation" which have led people to believe that they are the victims of evil conspiracies carried out by supernatural means (Ogembo, 2006). For example, following structural adjustment in Kenya, unemployment reached unprecedented levels, the devaluation of the currency led to inflation in basic commodities (which were imported) and state subsidies to education, health and public transport were gutted which created a social environment conducive to witchcraft accusations (Ogembo, *ibid*, Federici, 2008, *ibid*). Typically, it is the unemployed young men who have provided the man-power for the witch-hunts, going from house to house to collect the money to hire a witch-hunter or to ambush and execute the accused. They specifically target older people whom they blame for their misfortunes and see as an obstacle to their well-being. In the Democratic Republic of Congo children are targeted and exorcised sometimes with the complicity of their parents, who are unable to support them. Parallels with European witch-hunts prior to 15<sup>th</sup> century Enclosures exist in that witch-hunts have accompanied changes in economic conditions- periods of austerity and structural adjustment, political coups, displacement and poverty that have led unemployed young persons to target older women as witches and dispossess them of their assets.

In his hypothesis on the development of underdevelopment, Andre Gunder Frank explains that the same processes that bring about modernity and 'progress' tend to reproduce traditional ways

of thinking that are perceived as the barriers to progress (Frank, 1966)<sup>17</sup>. The fear of witchcraft predates capitalism but with incursions of capitalist processes, witchcraft accusations have resurfaced even in areas where they were not common prior to the colonial era. As men face bleak futures with no hopes for steady employment, healthcare for their families or education for themselves or their children, they have turned to violence against women to assert masculinity and power. Meanwhile, in the West, men of color -in particular, Syrian men, Indian men<sup>18</sup>, African-American men- continued to be stereotyped as rapists or ‘barbarians’ (to use Hardt and Negri’s<sup>19</sup> words), even by otherwise progressive intellectuals, for instance, Slavoj Zizek (2016). In contrast, feminists all over the world have failed to draw attention to witch-hunts in Ghana, Kenya, Congo and other African countries for fear of labelling Africans as retrogressive and ‘barbaric’ whereas witch-hunting is a global phenomenon associated with neoliberalism (Federici, 2008, *ibid*).

Over the years the system of capitalist processes has made incursions into the sphere of women’s work in several ways. So far, I have discussed witch-hunting, rape and other kinds of violence against women in the colonial and neoliberal eras. I have also discussed the role of Black women in the antebellum South who labored as men did in the fields with the additional labor of rape, sexual activity, bearing and nursing children. Though capitalism has privileged wage work and for-market-work over non-wage, subsistence work, women workers (both wage and non-wage) have been part of the working class. Nonetheless, the squeezing of women into the ‘tasks of diligence’ has meant consequences for the health, mortality and sheer existence of women in the population. The neoliberal era has seen numerous interrelations between the system of capitalist processes and the sphere of women’s work. Women’s work in capitalism does not include only the direct labor

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<sup>17</sup> Until of course he controversially retracted his views saying that ‘capitalism’ itself does not exist as European capitalism that developed with the Enclosures has no distinguishing characteristics from other systems in other parts of the world (Frank, 2004).

<sup>18</sup> (BBC Radio Asian Network, 2015)

<sup>19</sup> 2000, *ibid*.

inputted by women workers into the sites of capitalist wage work for market production. It also includes the non-wage work undertaken by women to reproduce the life of the working-class families. Therefore, while workforce participation may improve the social status of women workers, it may worsen the conditions of women's work as women workers may get doubly burdened spending labor hours at both, the sites of capitalist production as well as in the sites of home-based production or housework.

When women have been drawn into the workforce, there has been a tendency to outsource non-wage 'housework' to wage workers -thereby a conversion of non-wage work to wage work (Ghosh J. , 2010). However, several women have not been able to afford the costs of outsourcing non-wage work; such women have been doubly burdened and strained running two shifts- one in the capitalist economy and one in the kinship economy (Folbre, 2001). Ghosh (ibid) also suggests that as the structural adjustment policies have squeezed various types of government expenditure and have reduced access to public goods and services for ordinary citizens, the number of hours of non-wage labor spent by women workers (in India as in several other countries) may have gone up as the burden of reproducing the labor power of the working class<sup>20</sup> in the absence of access to the commons is disproportionately borne by women. Worsening drinking water or sanitation imply that women are tasked with spending more time ensuring minimally clean water supply for the household. Similarly, inadequate access to fuel for cooking requires more time spent collecting firewood or more labor-intensive forms of cooking.

Ghosh (ibid) shows that in the case of India, the increase in wage employment for urban women in the second neoliberal decade from 2000 to 2010 has been in the services and in some manufacturing. In the case of manufacturing, some of the growth has been in the form of petty

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<sup>20</sup> In other words, producing the necessities of reproducing the working class in its current state of existence.

home-based activities typically with low remuneration, performing out-sourced work as part of a value chain. Home-based women workers have often been paid exceptionally low piece rates and since they are isolated within their households, they face challenges in organizing collectively to demand better conditions of work (All India Democratic Women's Association, 2010). Moreover, sub-contractors tend to transfer the risks of unsold stock due to changing fashions, varying standards set by the outsourcing firms and the vicissitudes of global demand on the home-based women workers. In the case of services, a significant increase in employment for urban women has been in domestic work- such as cleaning, cooking, care-work, dish-washing and laundry- in other words outsourced tasks of reproducing the home. Given the personalized nature of the work, the informality of labor market conditions and the difficulty of monitoring conditions, work conditions tend to be oppressive with low pay, few limits on working hours, no protection from abuse or harassment and no social security (Ghosh, *ibid*). For rural women in India, a significant portion of increase in employment in capitalist processes has been in self-employment. While this may seem like a positive tendency from afar, a closer look reveals that much of this self-employment is distress-related and a result of the absence of wage employment otherwise. The most important form of female self-employment is cultivation but the contribution of women to agricultural production as farmers, family labor and agricultural labor tends to remain invisible and unrecognized. Women are typically denied land rights, and all associated benefits such as access to credit, subsidized inputs etc (Ghosh, *ibid*) which makes their work situation even more precarious in the event of poorer crop yields or falls in market price.

According to Saskia Sassen, the processes of neoliberalism have created global labor markets at the top and the bottom of the economic system while the middle sectors have remained primarily national in character. At the top of the economic system, a transnational market for highly paid managerial and professional skills has emerged in a variety of sectors from finance to specialized

engineering. At the bottom of the economic system, there is an amalgamation of mostly informal transnational labor flows with the “global care chains” as a prominent circuit (Sassen, 2008). Sassen refers to the “global city” that constitutes an organizational platform for the global economy. Global cities are spaces which concentrate the activities that coordinate global economic processes. The growth of these activities produces a demand for highly skilled managers and professionals.

However, to sustain the lifestyles of the families of the highly paid professionals, a demand for blue collar workers and care workers undoubtedly emerges. Low wage workers get incorporated into the system but in ways that make their employment informal, sometimes undocumented and thereby invisible, despite being employed in high growth sectors. The other site is the global south countries which are under the pressures of debt financing regimes and which depend on migrants’ remittances for debt financing. According to Sassen (*ibid*), with the burden of debt on several countries in the global south and migrant remittances as a source of foreign currency, trafficking, brokering migrations of various kinds of workers and other alternative activities tend to emerge as entrepreneurial options.

Sassen (*ibid*) explores the systemic links between the growing presence of women from developing countries in a variety of global migration and trafficking circuits and the rise in unemployment and debt in the same countries. She suggests that with shrinking opportunities for male employment and more traditional avenues for profit making, the importance of alternative ways of making a living has gone up. Women have played an increasingly important role in the creation of this alternative political economy. Sassen cites examples of entertainment brokers in the Philippines who provide “entertainment workers” (typically women) to the Japanese nightlife industry for singing, working as ‘hostesses’ and sometimes, sex work. As of 2004, Philippines was among the countries with the highest percentage of remittances as a share of GDP (13.5%) -higher

than Nepal and Albania (11.7%) though lower than Haiti (24.8%)<sup>21</sup>. Philippines' governments have maintained regulations that have allowed mail-order "bride agencies" to recruit young Filipinas to marry foreign men as a matter of contractual agreement. A primary destination for Filipina brides is agricultural communities in Japan when they have faced labor shortages due to urbanization. Philippines' governments have facilitated exports of labor in the hope of remittances in foreign currency which would enable them to meet their debt obligations. Meanwhile, women's work, both wage and non-wage work, have become part of global value chains as global capitalist processes have made incursions into kinship spheres.

Value chains have also permeated into women's uteruses with the emergence of the global surrogacy industry. Wealthy and middle income couples from North America, West Asia, Europe, New Zealand and Australia travel to fertility clinics in India, Malaysia, Thailand, South Africa, Guatemala, Russia and the Ukraine where services are significantly less expensive<sup>22</sup>. According to Alison Bailey, the boom in India's surrogacy industry began when Rhadha Patel gestated and carried twins for her UK based daughter (Bailey, 2011). Surrogacy clinics in India vary from corporate five-star hospitals such as the Rotunda Medical Center in Mumbai to well-known smaller practices like Dr. Nayana Patel's clinic in Anand, Gujarat<sup>23</sup>. According to Bailey (ibid) Dr. Nayana Patel provides surrogacy workers with room and board, English classes, computer classes and a savings account to ensure that they have control over their earnings. Room and board are significant in the surrogacy industry partly to ensure that surrogates are receiving an appropriate diet and decent living conditions and partly to regulate and discipline them, creating docile mother-workers (Pande, 2008). Moreover, being away from one's community allows surrogate mothers to escape social stigma

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<sup>21</sup> (World Bank, 2006)

<sup>22</sup> Bailey (ibid).

<sup>23</sup> Bailey (ibid)

(Ghosh A. , 2006). Nonetheless, in some clinics, clients have the option of sending surrogate mothers back to their communities to save money (Bindel, 2016). The stigma attached to surrogacy along with concerns about the commodification of women's bodies, the unregulated character of the surrogacy industry and concerns regarding the health of mother-workers has led to proposed legislation banning commercial surrogacy in March 2017 (Indian Express, 2017). Nonetheless, the proposed ban is the reaction of a socially conservative government to the resistance towards the commodification of women's bodies. It has failed to identify the structural conditions that have led to the burgeoning and spread of commercial surrogacy and has left mother-workers bereft of a desperate chance to ameliorate their financial distress and improve their lives (Srivastava, 2017).

Bailey (ibid) however, argues that the global press reinforces the connections between poverty and surrogacy work presenting surrogacy as an opportunity to very poor women to earn a living. While it is true that several surrogate mothers are poor, or have husbands who are out of work or alcoholics, there are also surrogate mothers who propose to use their earnings to purchase homes, or to use as dowries for their daughters -quite often, it is a way to step out of the economic desperation arising from owning or having access to very few assets. According to Bailey (ibid), a complete picture of Indian surrogacy must be attentive to the ways gender, race, ethnicity, caste and class mediate expectations and assumptions about pregnancy. While it may be easier for well off Indians<sup>24</sup> or Westerners to commodify the bodies of poor brown women who they perceive as unlike themselves, there is often a demand for fair skinned or upper caste babies. Ova from Caucasian donors tend to be valued higher than ova from Indian donors. Also, upper caste and light-skinned surrogate mothers tend to earn more than darker skinned, lower caste surrogate

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<sup>24</sup> In March, 2017, Karan Johar, a highly successful Bollywood director had twins through surrogacy at Masrani Hospital at Andheri (West) in Mumbai. Other well-known Bollywood actors, Shah Rukh Khan and Tusshar Kapoor have also had babies through surrogacy. In 2016, the Government of India had introduced a Surrogacy Regulation Draft Bill banning commercial surrogacy which was referred to a Parliamentary Standing Committee in January 2017 (Singh, 2017).

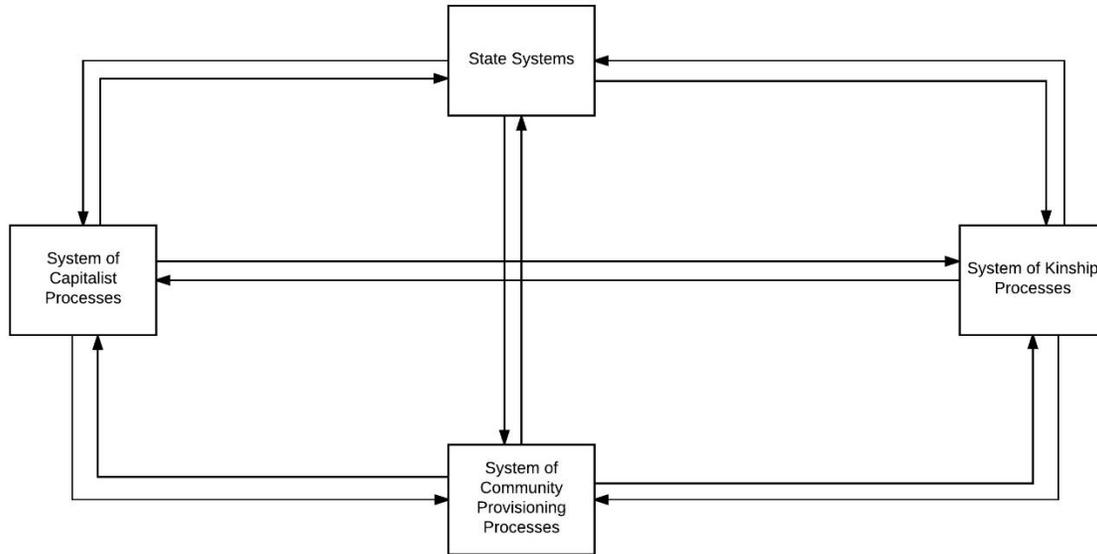
mothers. Moreover, some surrogacy contracts can be considerably oppressive for surrogate mothers. Sandra Schultz cites examples of contracts where surrogate mothers have had to sign away their rights to raise their own children and have sexual intercourse during pregnancy (Schultz, 2008). For Bailey (ibid), Indian surrogacy is a product of years of social injustice in which women's reproductive health is subject to the social or market value of the fetus, and not understood as a fundamental human right. Bailey concurs with Pande (2009) to understand surrogacy work not as a moral dilemma between poverty and surrogacy but as a sexualized extension of the care work most poor and lower caste women undertake for wealthier and upper caste women -in that sense, it is a form of sexualized care work. With several couples losing their livelihoods or access to public resources, women have had to rely on their labor and their bodies to reproduce their families' lives. Surrogacy clinics have come up as an alternative way of making profits to provide state-of-the-art surrogacy services to global clientele, recruiting Indian mother-workers to carry fetuses to term. However, most of the literature on surrogacy uses qualitative rather than quantitative data. Therefore, the full extent of the industry has not yet been measured.

As the neoliberal era has drawn women into capitalist processes, the subsequent incursions of capitalist processes into the sphere of women's work has led to the conversion of non-wage tasks to wage tasks- but in a limited way, with women who cannot afford to outsource the tasks of care, doubly burdened. It has drawn women into precarious tasks sometimes driven by distress through the squeeze on public services and the enclosures of resources held in common. Increases in paid employment opportunities for women have been in tasks, with informal work contracts, little or no social security and little protection from the impingement of fundamental human rights. Meanwhile, enclosures of the commons and the incursions of capitalist processes into the state economy in the form of privatization and the withdrawal of the State from providing basic services have led to an

increased burden on women to spend more time ensuring the health and reproduction of their households in their current state of existence.

### **Section III: Explorations in Time Use Data to Illustrate the Incursions of Capitalist Processes into the Kinship Economy**

In Chapter 1, I had described the interrelations between capitalist processes and non-capitalist processes. Qualitatively, these can be very complex. However, some of these interrelations can be modelled. For instance, the States' systems maintain collective property such as the highway systems, irrigation systems etc. In this sense, the labor hours put into the construction and maintenance of irrigation systems for example, play a part in the reproduction of all other systems – the capitalist processes, the kinship processes and the community processes, all of which require transportation and water. Similarly, the non-wage labor provided by family members to reproduce the home produces the labor power (wage and non-wage) that is inputted into all other processes – community, States and the capitalist processes. Meanwhile, several institutions provide for community needs such as non-profit educational and health institutions, large community meals free of cost, shelters for the homeless etc. Some of the work done in these institutions is wage work, some of it is non-wage work. It helps reproduce the kinship, States' and capitalist processes by meeting the needs of some of the members of society who in turn work in all the other systems. One may recall Figure 6 in Chapter 1 as reproduced below in Figure 3.5:



**Figure 3.5: The Circular Flow of Reproduction (Economy as a Network of Capitalist and Non-Capitalist Economic Systems reproduced from Chapter 1)**

As reproduced in the figure above, one may visualize the economy as a four-sector model reminiscent of the Circular Flow of Production in Introductory Macroeconomics textbooks, with the significant difference that this is more than a flow of Production, it is a flow of Reproduction. It depicts interconnections between capitalist and non-capitalist processes which enable the reproduction of the system. The interconnections between the systems of processes continue to be formed as a historical, continuous, on-going process through incursions of processes into one another. Such interconnections reproduce an ‘empire of capital’ as incursions of capitalist processes into non-capitalist processes create conflicts, some of which serve as justification for the waging of war in defense of order, stability or peace.

The figure above is a circular flow of reproduction at the world scale. It comprises the four systems of processes – capitalist, kinship, community and States (command economies). Each is connected to the other. The flows between them can be thought of as flows of labor time. Wages flow back to the kinship systems from all other processes in payment for the labor power produced

and supplied. We can think of these monetary wages<sup>25</sup> on aggregate as their labor equivalent<sup>26</sup>. Similarly, payment for goods and services flow to the capitalist processes from all other types of processes. These can also be seen in terms of the labor equivalent. The States' processes obtain tax revenues from all other processes, which can also be calculated in terms of labor time. The States create the money that represent claims on labor by nationality. The States' currencies are convertible into one another at fixed or market determined exchange rates. In general, most States are willing to convert currencies into the US Dollar since it has been historically established as the international reserve currency. Therefore, we can think of the dollars in the system as having the capacity to purchase all other types of currencies and thus, all other types of labor at stable prices.

Certain points must be made before any further treatment of this 'Circular Flow of Reproduction'. Firstly, unlike Marx and Engels who separate production and reproduction, in this approach, the separation is revoked. The labor that is performed outside of wage labor processes in all three- State, community as well as kinship processes –is considered to be 'labor' just as wage labor is considered as 'labor'. Secondly, this revocation may face a lack of concordance with the literature on value of labor and value of money (Foley (ibid), (Carter, 2011), (Pasinetti, 1977)) because in both Foley (ibid) and Pasinetti (ibid) for example, the surplus labor value over and above the payment to labor is called "unpaid labor" or "unpaid wage", while the value of the labor power is called the "paid wage" which is the "subsistence bundle". Neither Foley nor Pasinetti bring the labor of family members that produce the labor power into the picture. In their analysis "unpaid

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<sup>25</sup> There is a downward pressure on the wages through the presence of the Reserve Army of the Unemployed because of which the labor equivalent of the monetary wage bill is just about sufficient to reproduce the labor force in its current state of existence, however meagre.

<sup>26</sup> The idea that the total amount of labor (both variable capital and surplus labor) spent in the global macroeconomy equals the total amount of money is quite reasonable. After all, any unit of money is a claim on a certain quantity of labor spent in production (Foley, 1982). This is however, true only at the aggregate level. At the level of different industries, some industries are more labor intensive and some are more 'means of production' intensive and under the assumption of uniform rates of profit (a uniformity brought about by competition), there is a flow of value from labor intensive industries to means of production intensive industries. The proportionality between prices and labor time embodied varies across industries (Carter, 2011).

labor” is the surplus produced in the system of capitalist processes. In order to avoid confusion therefore, I have called the labor power of the family members that is not paid a wage, “non-wage labor”, a term I have used throughout this dissertation to distinguish it from wage labor.<sup>27</sup>

Incidentally, if the value of output in capitalist processes is given as  $c + v + s = w$ , where  $c$  is the value of the means of production (on aggregate),  $v$  is the value of labor power,  $s$  is the surplus value and  $w$  is the value of the output (here, the GDP in labor equivalent), then  $v$  (the value of labor power i.e. the wage bill) is the paid component of the output of the kinship sector. In this case, the production of value in the kinship sector can be seen as  $c_{kin} + v_{kin} + s_{kin} = v$  where  $c_{kin}$  represents the labor equivalent of the means of life, such as groceries, rent, utilities’ bills, school tuition fees etc,  $v_{kin}$  is the value of labor power of the non-wage labor (the means of life needed to reproduce the non-wage labor hours) which is applied to the means of life and  $s_{kin}$  is the surplus value which enables wage-labor to go to work and which provides care for children, elders and other family members. All of this should add up to the wage bill to ensure reproduction. In this sense, for the reproduction of the household sector, workers’ wages must be sufficient not only to provide for the means of life and reproduce their own labor but to also reproduce the non-wage labor which makes their labor possible and performs the tasks of care.<sup>28</sup> It is important to mention here that this relationship is an aggregate relationship. In general, labor forces tend to be segmented, income inequalities tend to exist, and there is an inherent and systemic state of unemployment. Therefore, there are households where the wage is more than sufficient for reproduction and households which are eventually unable to reproduce themselves. However, as long as the relationship holds in the

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<sup>27</sup> This usage is different from that of the Statistics Division of the Department of Economic and Social Affairs who refer to “non-wage work” as unpaid work and “wage work” as “paid work”. (Department of Economic and Social Affairs, Statistics Division, 2005)

<sup>28</sup>  $wage = c_{kin} + v_{kin} + c' + l_{2i}$  where  $c'$  is the labor time spent in care.  
 $v_{kin} + c' + l_{2i} = l_{22}$ , for a definition of  $l_{2i}$  and  $l_{22}$ , see page 39.  
 $s_{kin} = \sum l_{2i} + c'$  therefore  $v_{kin} + s_{kin} = l_{22}$

aggregate, the system as a whole is reproduced though sometimes at the cost of loss and social discontent. If the relationship does not hold in the aggregate, there is an inability of the kinship system to reproduce itself, a crisis of underconsumption and a breakdown of the system of capitalist processes.

Theoretically, it could be possible to estimate an input output table of reproduction with labor as a numeraire. The matrix would look like this:

$$\begin{bmatrix} l_{11} & l_{12} & l_{13} & l_{14} \\ l_{21} & l_{22} & l_{23} & l_{24} \\ l_{31} & l_{32} & l_{33} & l_{34} \\ l_{41} & l_{42} & l_{43} & l_{44} \end{bmatrix}$$

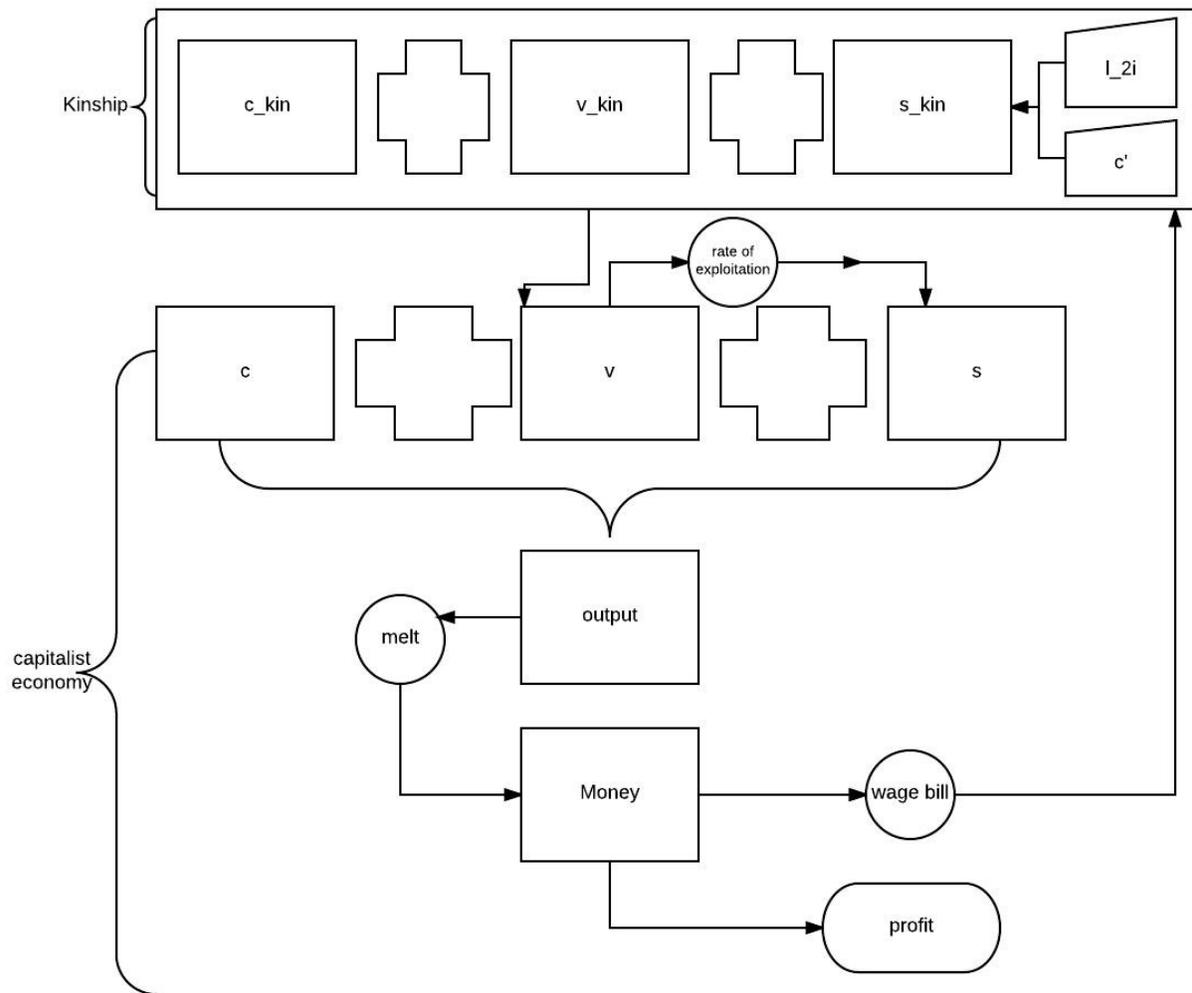
Where 1=system of capitalist processes, 2= system of kinship processes, 3= system of community provisioning processes and 4= systems of States' processes.

$l_{ij}$  represents the flows of labor time (in hours or minutes) from system  $i$  to system  $j$  where  $i, j = 1, 2, 3, 4$ .  $l_{ii}$  represents the labor time needed for 'own reproduction' –the labor time within each system required to reproduce itself. For example, in the kinship system,  $l_{22} = v_{kin} + \sum l_{2i} + c'$ , where  $v_{kin}$  is the means of life required to reproduce the non-wage labor in the household,  $\sum l_{2i}$  is the wage labor and non-wage labor contributed to all other systems and  $c'$  is the labor time involved in care for non-wage family members<sup>29</sup>.  $v_{kin}$  is applied to the means of life ( $c_{kin}$ ) to produce the labor power inputted into the capitalist processes i.e.  $l_{21}$  (part of the surplus of the kinship system) and  $c'$  which is care -also part of the surplus of kinship or household production.

The figure below illustrates the relationship between the system of capitalist processes and the system of kinship or household processes.

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<sup>29</sup> There is some double counting here as  $l_{22}$  includes  $l_{2i}$  but this is because households have lost the means of producing their own livelihood and must contribute wage labor to other systems.



**Figure 3.6: Kinship and Capitalist Systems**

In Figure 3.6, the output of the capitalist economy is comprised of the means of production, ‘c’, the wage bill for the workers, ‘v’ and the surplus value, ‘s’ which is appropriated by those in fundamental capitalist class positions and redistributed to rentiers, financiers etc in subsumed class positions (Resnick & Wolff, 1987)<sup>30</sup>. The output must be realized for money. In the aggregate, the total labor value of output produced equals the total money involved in purchasing it, addition to

<sup>30</sup> Surplus is subject to a rate of exploitation which depends on the intensity of labor ensured through disciplinary measures in the workplace.

inventories (unsold goods) included -as in national income accounts. In turn, the total money is redistributed. The diagram above shows money as redistributed towards the wage bill and profits. In general, however, the total money may also be redistributed as rents, interest payments, taxes, dividends etc to those in subsumed capitalist class positions, the State and various community organizations. Also, in general, wages may be paid to workers from the State system and the community systems as well (for eg. the wages of the community librarian) but here, for the sake of simplicity, let us focus on the wage bill as paid to workers from the capitalist system. The wage bill reproduces the system of kinship processes. As depicted in the rectangular box in the figure above, production in the kinship economy involves the action of non-wage labor  $v_{kin}$  on the means of subsistence,  $c_{kin}$  which produces a surplus,  $s_{kin}$ . The surplus of the kinship economy ( $s_{kin}$ ) includes the labor power that the kinship systems provide to all other systems,  $\sum l_{2i}$  as well as the care provided to all children and adults of kin,  $c'$ . The living labor ( $v$ ) contributed to the capitalist production processes is the paid component of the output of the kinship or home economy- included in  $\sum l_{2i}$ .

What would happen if the inflows to the kinship economy in the form of wage payments were to fall short of the labor hours required to reproduce the home economy? Of course, to ask this question, one must be able to conceptualize money and labor embodied as comparable. To compare the two, we revert to Foley's (ibid) Law of Conservation of Value where total socially necessary labor embodied equals the total money in the economy. The value of money in Foley (ibid) is the ratio of the total labor to total money. It is expressed in the unit - labor hours/money units or in the US case, hours/\$. Its reciprocal, the ratio of total money or claims on output and total socially necessary labor hours embodied is the 'monetary equivalent of labor time' or melt. In the aggregate, the total output of society as measured in the socially necessary labor hours required to produce the output can be converted to money terms by dividing by the value of money or

multiplying by the melt. The wage bill or inflows to the kinship economy can be expressed in labor hours expended in reproducing the household by multiplying the former by the value of money.

$$\begin{aligned}
 \text{Wage bill (\$)} &= \text{Wage bill (\$)} * \left( \frac{\text{Output (hours)}}{\text{Total Money or claims on output (\$)}} \right) = \\
 &\text{Wage bill (\$)} * \text{Value of money} \left( \frac{\text{hours}}{\$} \right) = \\
 &\text{Wage bill (\$)} * \frac{1}{\text{melt} \left( \frac{\$}{\text{hours}} \right)}
 \end{aligned}$$

Once the wage bill or inflows to the kinship or home economy can be calculated in terms of labor hours, it can become possible to compare it to the labor required to reproduce the household. If we find that the excess of wage inflows to the kinship economy in labor equivalent over the labor socially necessary to reproduce the kinship economy (which we will call *EON*) is declining, it can mean a decline in the means of life, a reduction in time for leisure and self-care, consequently falling levels of nutrition, poorer health and education and poorer women’s health. It may also mean that non-wage workers are not in fact, getting their “bundle” or  $v_{kin}$  but reproducing themselves on smaller ‘bundles’ socially normalized by the romanticization of the ‘selflessness’ of mothers and wives. In her seminal article on the contradictions of capitalism and care, Nancy Fraser refers to a social reproduction crisis wherein as the capitalism system tends to uncertainty and public systems of provisioning are increasingly privatized, the burden of social reproduction is thrust upon women (Fraser, 2016). A situation in which the *EON* is falling is symptomatic of a social reproduction crisis of this sort. On the other hand, if we find that the *EON* is increasing, it can mean an increase in the means of life available to the home economy. Of course, this is only true if the home or kinship economy depends on wage earnings for the means of life. In economies in which there is lower dependence on wages such as subsistence farm economies or community managed systems that allow one to obtain the means of life without payment of money, estimating such an index is

meaningless. However, it is of course possible to observe the effects of a social reproduction crisis through other measures. Naidu and Osome (2016) for instance, refer to the increase in women's participation in domestic and allied activities following the State's withdrawal from social provisioning systems, demonstrating the imposition of the burden of social reproduction on the invisible labor of women (Naidu & Osome, 2016). Nonetheless, for economies in which capitalist class processes have already penetrated enough to ensure dependence on wages paid in money for the means of life, we can estimate the excess of wage inflows in labor equivalent over labor expended in reproducing the kinship economy using the following formula.

$$\text{Reproduction Index} = \text{Wage bill } (\$) * \frac{1}{\text{melt} \left( \frac{\$}{\text{hours}} \right)} - l_{22}$$

Where  $l_{22} = v_{kin} + s_{kin}$ , and  $s_{kin} = \sum l_{2i} + c'$ . Therefore  $l_{22} = v_{kin} + \sum l_{2i} + c'$ ;  $i=1,2,3,4$  systems of processes, 1=capitalist processes, 2=kinship processes, 3= community processes and 4=State processes.

The ratio of wage labor to non-wage labor for men and for women over time presents another variable of interest. An increase in the ratio of wage labor to non-wage labor over time may imply that households may be switching to hiring paid labor for household tasks, purchasing more pre-cooked meals etc. –an indication of the incursions of capitalist processes into the kinship processes. A decrease in the ratio of wage labor to non-wage labor may imply rising unemployment or alternatively, reproducing the household on lesser wage labor hours.

Together, the  $\widehat{EON}$  along with the ratio of wage labor to non-wage labor will enable us to address the question, how does the relationship between wage and non-wage labor change as it becomes harder or easier to reproduce the home economy. Data on wage labor, non-wage labor and labor hours spent in care can be obtained from Time Use Data. Unfortunately, there is no World Time Use dataset even though several countries have conducted time use studies since the

1960's. In 1965, Alexander Szalai coordinated the first Multinational Time Budget Study in which sites were designated in 12 countries<sup>31</sup>, a household was randomly selected as a unit and an individual within the household was chosen. A minimum of 2000 persons per site was prescribed. Each person was asked about her time use over a 24 hour day in a list of activities- sleeping, commuting, wage and non-wage work etc. and asked to indicate whose company these activities were performed in (Stone, 1960). The Centre for Time Use Research in the UK attempted to build a harmonized dataset including the Szalai countries (the former Soviet Union countries reported independently) but adding the UK, additional European countries, Australia, New Zealand and South Africa. This dataset covers up to 2004 (Fisher & Gershuny, 2016). The United Nations Department of Economic and Social Affairs' Statistical Commission has put together a Guide for UN member nations for developing methods and concepts in Time Use Studies (Department of Economic and Social Affairs, Statistics Division, 2005). With careful attention to issues of concordance between different data sets over different years, it may be possible to study different nations over more recent years. Well known examples of Time Use data sets (apart from the Szalai studies and their extensions) are the American Time Use Survey data, the Harmonized European Time Use Surveys, a Time Use Survey conducted in Pakistan in 2007, the State of Palestine in 1999-2000 and 2012-2013, the United Republic of Tanzania 2006 and 2014 etc. (Charmes, 2015).

Let us begin with estimating the *EON* using American Time Use Survey data. The model of Circular Flow of Reproduction is of course, a world scale model and adapting it to countries which are inevitably open economies is likely to lead to inaccuracies. Nonetheless, the purpose of this exercise is not to arrive at conclusions as of yet. In fact, it is best to hold off forming definite conclusions until a sufficient number of countries can be covered over comparable years. The

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<sup>31</sup> The Soviet Union, the United States, Federal Republic of Germany, German Democratic Republic, Bulgaria, Czechoslovakia, Hungary, Poland, Yugoslavia, Belgium, France and Peru

purpose of this exercise is to show that a measure of the difficulties in the reproduction of a subset of the global wage and non-wage labor force can be estimated and interpreted. Also, since I am calculating the excess of wage incomes over aggregate labor time needed for reproduction, it is important to mention that I have not considered the provision of debt. It is quite possible that with sufficient debt financing of consumption, households will be able to obtain the means of life and may be able to hold off the moment when they fail to reproduce themselves. However, as debt must be paid off through wages eventually, a possible decline in the difference between wages and labor time needed for reproduction is certainly a cause for worry.

The ATUS microdata allows researchers to produce their own time-use estimates (ATUS, 2014). The ATUS 2014 for example, interviewed over 202,534 respondents, 95,788 (47.29%) of which were ‘male’ and 106,746 (52.71%) of which were ‘female’. Respondents received a letter in advance notifying them of the day on which they would be called. The letter requested them to keep a twenty-four hours’ ‘time diary’ starting at 4:00 am of the previous day and ending at 4:00 am of the day of the phone interview. For each activity reported, the interviewer asked how long the activity lasted and for most activities, who accompanied the respondent during the activity.

In order to estimate the *EON* from the ATUS data, one has to first estimate the value of the money or the reciprocal of the melt. The value of money is defined as the total output in the economy in terms of socially necessary labor embodied divided by the total claims on output or total ‘money’.

$$Value\ of\ money\ \left(\frac{hours}{\$}\right) = \left(\frac{Output\ (hours)}{Total\ Money\ or\ claims\ on\ output\ (\$)}\right)$$

With regard to the ATUS, this means we must find out the ratio of the total wage labor hours spent at work and the total wage earnings. I have assumed that the total wage (the sum of wages of every person) commands the total labor inputted into wage labor processes -capitalist processes and all other systems of processes. From this assumption, it becomes possible to find a conversion factor

through which monetary earnings can be seen in terms of their labor equivalent. Estimates of the value of money obtained through this approach may be biased downwards for the United States as the dollar commands far more labor than just US based labor. However, until, a world time use survey can be developed and issues of concordance between different national datasets can be sorted out, this is the best that we have.

As the ATUS is a sample survey, I will be producing estimates using the population weights calculated by the ATUS from the CPS (Current Population Survey). The sum of population weights in the ATUS equals the number of person-days per quarter in the CPS for that year. When estimating labor hours spent on wage labor, I have included hours spent on work and other income generating activities but excluded time spent job searching or eating, drinking, sports, leisure and security procedures as a part of the job. Tables 3.1 (below) describes the formulae used to estimate ATUS measures for total wage earned, total wage labor hours worked and derives an estimate of the value of money. A.2. in the Appendix provides estimates of the value of money and the melt from ATUS data from 2003 to 2015.

**Table 3.1: Formulae for Estimates of value of money and  $\widehat{melt}$**

Variable	Formulae
Total Earnings ( $\widehat{TE}$ ) per quarter	Hourly wage*Total Work Hours per day weighted by total person days in a quarter
Total Wage-Labor Hours ( $\widehat{TL}$ ) per week	Total Work Hours per day weighted by total person days in a quarter
$\widehat{value\ of\ money}$	$(\widehat{TL})$ hours per quarter/ $(\widehat{TE})$ \$ per quarter
$\widehat{melt}$	$(\widehat{TE})$ \$ per quarter/ $(\widehat{TL})$ hours per quarter

Using the estimates of the value of money in A.2, one can now estimate the *EON* according to the formula,

$$Reproduction\ Index = Wage\ bill\ (\$) * \frac{1}{melt\ \left(\frac{\$}{hours}\right)} - l_{22}$$

Where  $l_{22} = v_{kin} + s_{kin}$ , and  $s_{kin} = \sum l_{2i} + c'$ . Therefore  $l_{22} = v_{kin} + \sum l_{2i} + c'$  where  $i=1,2,3,4$  systems of processes, 1=capitalist processes, 2=kinship processes, 3= community processes and 4=State processes.

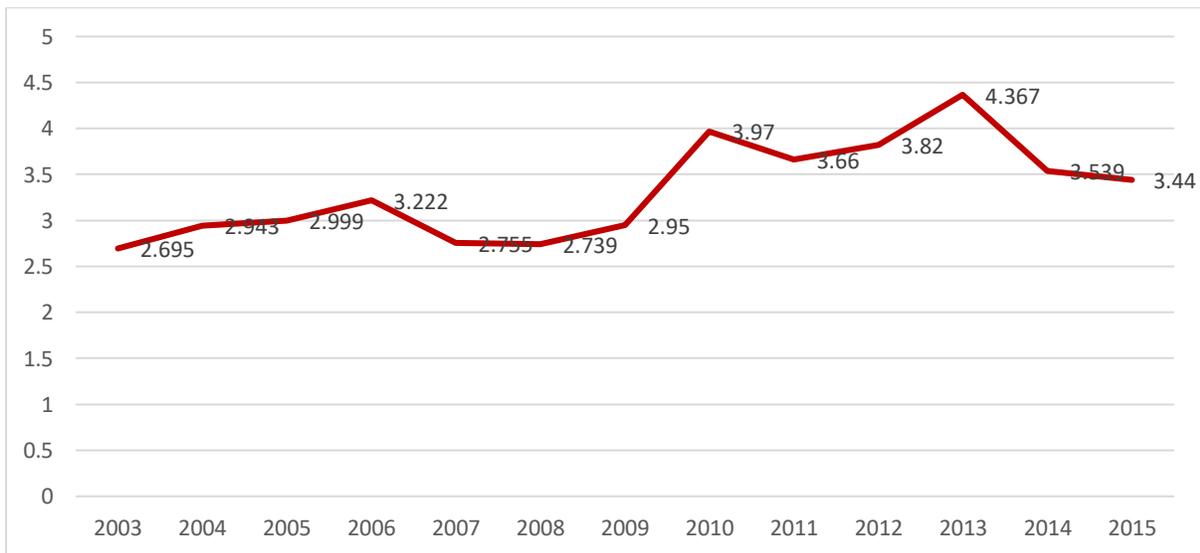
In terms of the ATUS, I will estimate the *EON* as the following:

$$\widehat{EON} = \sum_i \left( Wage\ inflows\ (\$) * Value\ of\ Money\ \left(\frac{hours}{\$}\right) - Non\ Wage\ Labor(hours) - Wage\ Labor(hours) - Care(hours) \right)_i$$

where the time spent in care and wage labor is part of the surplus of the kinship economy and the non-wage labor is the aggregate labor value required to reproduce the necessities for existence of the non-wage labor in its current state of existence. Together, they make up the labor value required to reproduce the system of kinship processes. A.3. estimates the *EON* from ATUS data from 2003-2015. Ofcourse, since the value of money is an underestimate, the  $\widehat{EON}$  is also an underestimate.

Since the dollar commands more value than just value produced in the US, the average American household may obtain a larger excess of labor hours per dollar spent over labor hours required for its own reproduction than suggested in A.3. Figure 3.7 below is a pictorial representation of the estimates in A.3.

Figure 3.7 below shows that while the average American household was certainly better off in 2015 as opposed to 2003, the strain on households in reproducing themselves increased significantly in 2007 which the Great Recession exacerbated with a further fall in the  $\widehat{EON}$  in 2008. A recovery followed in the post-recession years with the average household enjoying an excess of 4.367 hours over the living labor required to reproduce the household in 2013. As of 2015 however, the household was experiencing an excess of 3.44 hours over the living labor required to reproduce itself – a fall in the  $\widehat{EON}$  of approximately 56 minutes in two years.



Source: ATUS data 2003-2015.

**Figure 3.7: Average  $\widehat{EON}$  2003-2015, USA**

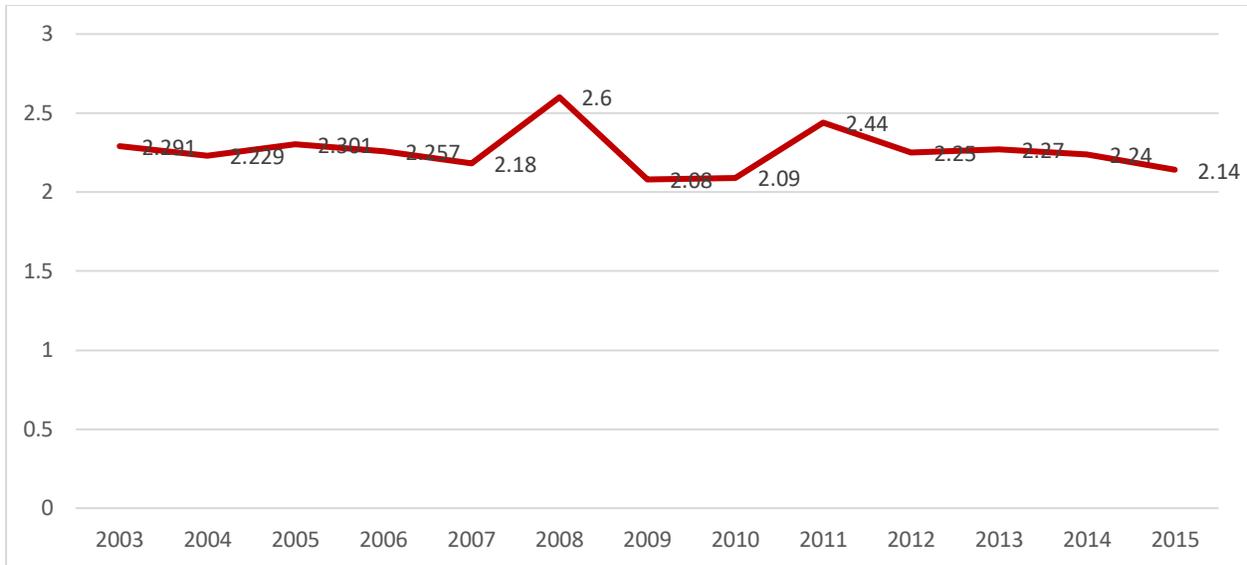
What is the implication of the changes in the  $\widehat{EON}$  for incursions of capitalist processes into kinship processes? To find out, one must also look at the trends in the ratio of wage labor to non-

wage labor for men and women. 'Non-wage labor' here, includes not only household cleaning, food preparation, maintenance of vehicles etc but also the care of household children and adults for both, men and women. A.4. gives the estimates of the ratio of wage labor to non-wage labor (including care related tasks) for men and women. Figures 3.8 and 3.9 below are a pictorial representation of the estimates in A.4.

From Figure 3.8 and Figure 3.9 below, it is evident that as a norm, men spend twice the amount of time on wage work than on non-wage work while women spend roughly as much time on wage work as on non-wage work. The ratio of wage to non-wage labor shows a lagged reaction to the fall in the  $\widehat{EON}$ . The latter fell from 3.22 hours to 2.739 hours between 2006 to 2008 and then rose to 2.95 in 2009 as the economy made a slight recovery. The ratio of wage to non-wage labor for both men and women was higher in 2008 than in 2006 but fell sharply from 2008-2009. The fall in the ratio of wage to non-wage labor for women was significantly higher- from 1.11 to 0.833, a fall of 25.954%- than for men which fell from 2.06 to 2.08, a fall of 20%. It seems that as the economy went into recession, women<sup>32</sup> lost their jobs more often than men did -they were the 'last to be hired' and the 'first to be fired' or pushed into part-time positions and sent back to their traditional roles as housewives. Meanwhile, as the  $\widehat{EON}$  recovers, both men and women get drawn back into wage work with an increase in the ratio of wage labor to non-wage labor which stabilizes slightly higher than 2 for men and slightly lower than 1 for women.

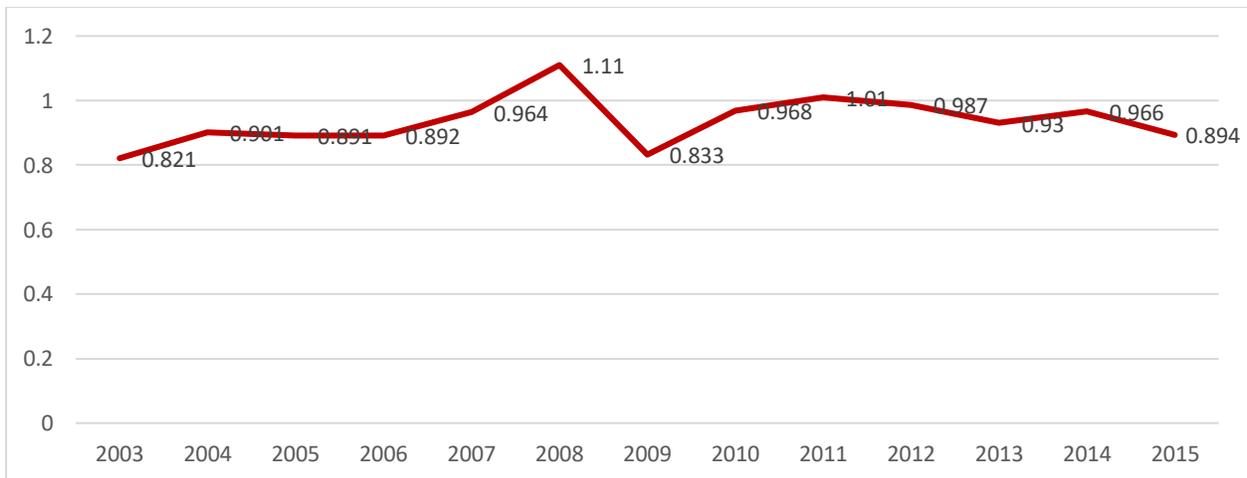
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<sup>32</sup> In the ATUS, one is only asked to self-identify as male or female. There are no options as 'other'. Also, the questionnaire does not ask whether the respondent self-identifies as 'man' or 'woman' or any other gender.



Source: ATUS data, 2003-2015

**Figure 3.8: Ratio of Wage Labor to Non-Wage Labor for Men, USA, 2003-2015**

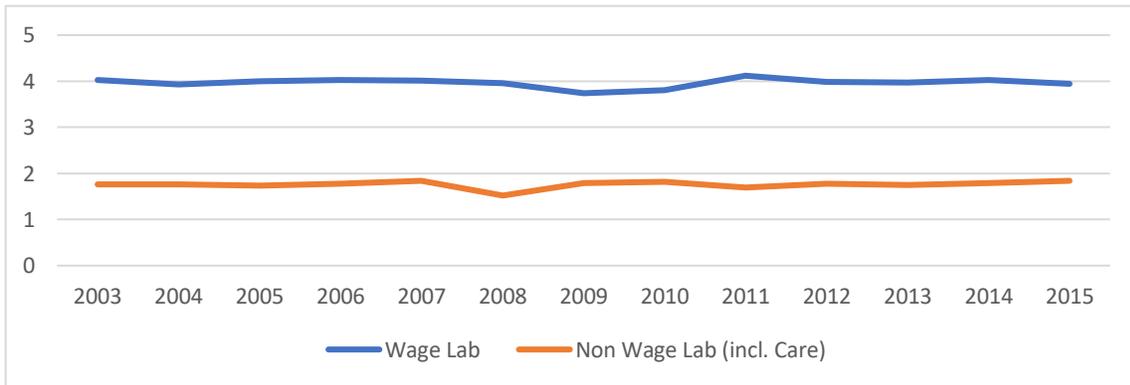


Source: ATUS data, 2003-2015

**Figure 3.9: Ratio of Wage Labor to Non-Wage Labor for Women, USA, 2003-2015**

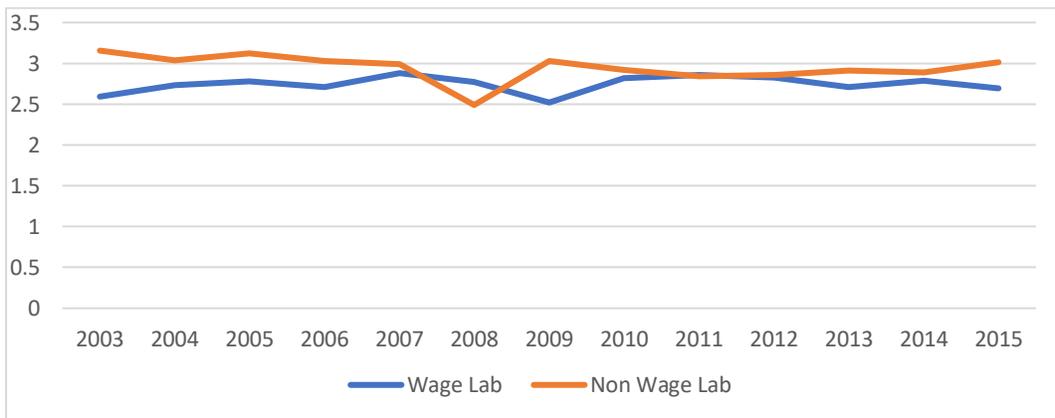
Further, one may also study the trends in hours spent in wage work versus non-wage work for both men and women. A.4. gives the average hours spent by men and women on wage and non-wage

labor respectively. Additionally, Figures 3.10 and 3.11 below are a graphical representation for the average hours spent in wage work and non-wage work for men and women. For men, the average hours spent on wage and non-wage labor seem roughly stable with small deviations. For women however, the average hours spent on wage and non-wage labor converge and diverge alternatively, with average hours spent on non-wage labor falling below average hours spent on wage labor by 2008 but rising above average hours spent on wage labor immediately after -perhaps a lagged effect of the fall in the  $\widehat{EON}$  with the recession as women were probably laid-off faster than men or pushed into part-time positions. Moreover, with greater strain in reproducing the household on fewer resources, the average hours spent on non-wage labor and care may have gone up with a lag..



Source: ATUS microdata 2003-2015.

**Figure 3.10: Average Wage Labor and Non-Wage Labor for Men (Hours/Day), USA**



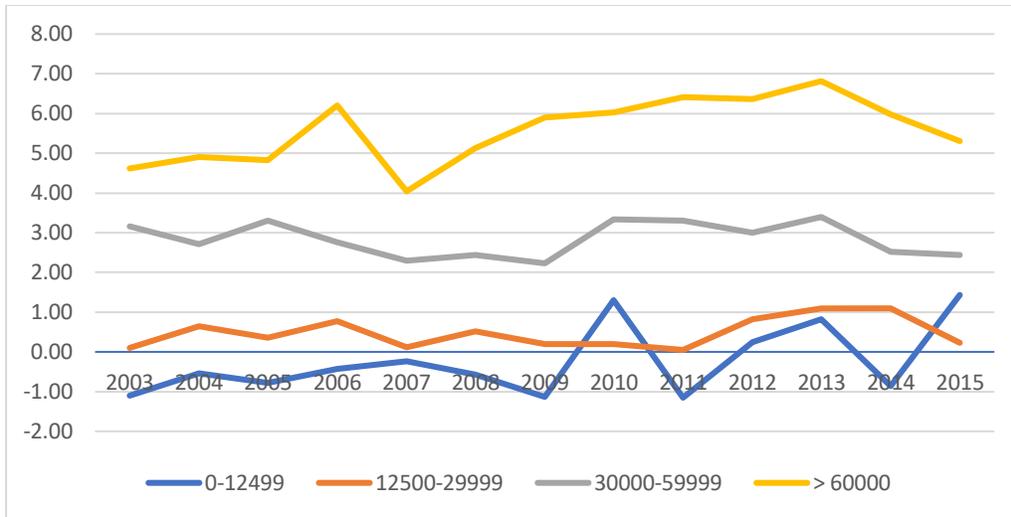
Source: ATUS microdata, 2003-2015

**Figure 3.11: Average Wage Labor and Non-Wage Labor for Women (Hours/Day), USA**

The above analysis is at a high level of aggregation, which of course, has its limitations. Nonetheless, it is possible to ameliorate it by disaggregating the data by income groups and race. Unfortunately, the ATUS does not demarcate the various positions taken by each respondent as producers or appropriators of surplus value therefore it is not possible to disaggregate the data by class as per the Resnick and Wolff (1987, *ibid*) definitions I have used in this dissertation. However, it maintains a reasonably detailed approach to household income by asking respondents to indicate one of sixteen categories of household income<sup>33</sup>. Household income includes all wage income, interest and rent earnings, pensions and Social Security payments by all household members above the age of fifteen. The ATUS advises caution when using income categories as only 20% of respondents have agreed to indicate their household income. However, I will attempt an analysis of  $\widehat{EON}$ , the ratio of wage labor to non-wage labor and average hours of wage and non-wage labor for men and women disaggregated by household income categories. Since showing sixteen categories on a graph is messy, I will be club them into four. The appendices 3.6 to 3.8 will present a more detailed analysis for each of the sixteen categories. Figure 3.12 below illustrates the average  $\widehat{EON}$  for four income categories.

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<sup>33</sup> The ATUS household income categories are i) <\$5000, \$5000-7499, \$7500-9999, \$10,000-12499, \$12500-14999, \$15000-19999, \$20000-24999, \$25000-29999, \$30000-34999, \$35000-39999, \$40000-49999, \$50000-59999, \$60000-74999, \$75000-99999, \$100000-149999, >\$150000.

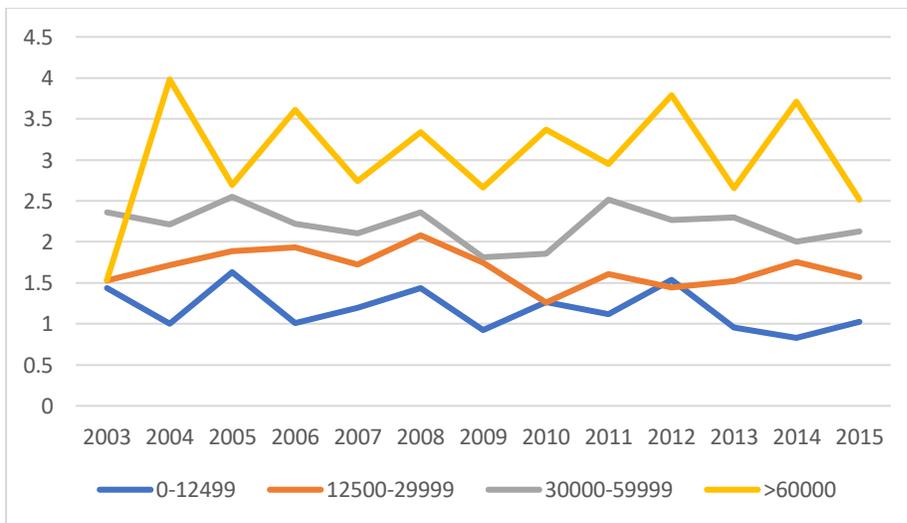


Source: ATUS microdata 2003-2015.

**Figure 3.12: Average  $\widehat{EON}$  by Income-Group, USA 2003-2015**

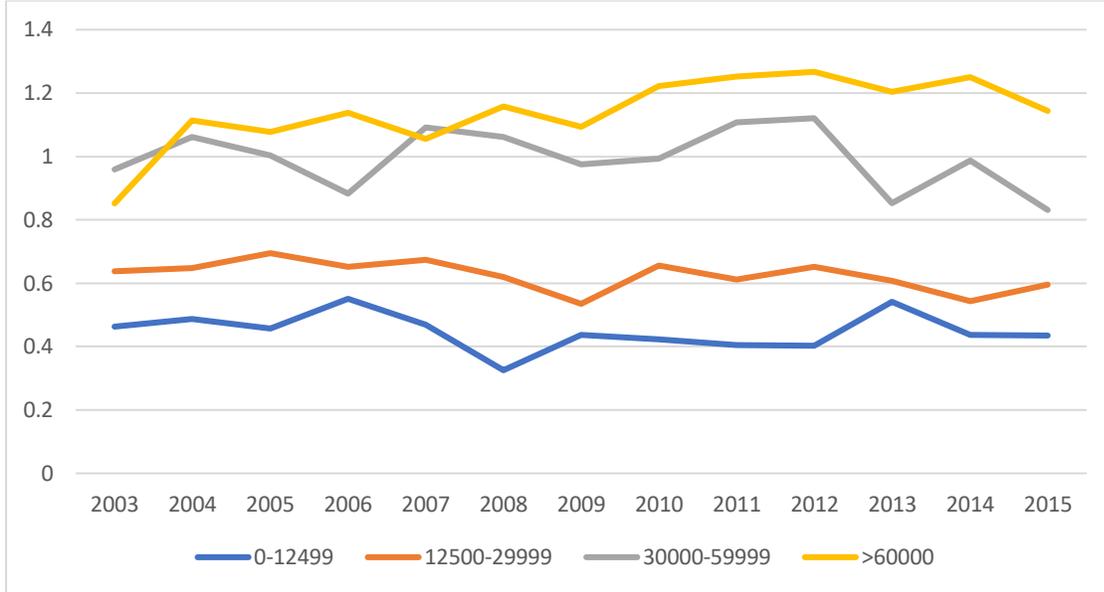
From Figure 3.12 above, one finds that households earning less than \$12500 are at a deficit. They are not only income poor but also time poor as the inflows of value (wage earnings in labor equivalent) fall short of reproducing the wage, non-wage and care labor that reproduces the household. The average  $\widehat{EON}$  for households earning less than \$12500 a year becomes further negative in the recession years and more volatile afterwards. Households earning \$12500-\$29999 annually are only barely reproducing their wage, non-wage and care labor. Like the national average  $\widehat{EON}$  in Figure 3.7 and the average  $\widehat{EON}$  for other income categories, it declines at 2007 and 2011 where it touches zero. In other years, it is positive but low. The other two income categories exhibit similar behavior in their average  $\widehat{EON}$  except that these households reproduce themselves quite comfortably with an excess of 2-3 and 4-7 hours over the labor required to reproduce the households. A.6. presents the estimates of average  $\widehat{EON}$  for sixteen income categories in more detail.

Figures 3.13 and 3.14 below present estimates of the ratio of wage labor to non-wage labor for men and women for four income categories. For a more detailed table for sixteen income categories, please see A.7. and A.8. Here, non-wage labor includes the care of household children and adults. From the figures (3.13 and 3.14) below, it is evident that for both men and women, those in higher income groups spend more time in wage labor vis a vis non-wage labor. This result is not surprising as paid care and paid household maintenance services are expensive and only households in higher income brackets can afford paid services. For households in lower income brackets, more time must be spent on non-wage tasks to reproduce the households at lower wages. Another possible explanation is that persons from higher income households typically earn higher wages on which account the opportunity cost of spending time on non-wage versus wage labor is higher. Therefore, such persons choose to spend relatively more time in wage activities -a popular argument in neoclassical economics. Nonetheless, one can only be free to choose one kind of activity over another if one's needs are met without spending much time in the other kind of activity. Since higher income households have access to paid care services, paid cleaning and cooking services etc., they can be free to 'choose' to spend their time on wage rather than non-wage labor.



Source: ATUS microdata 2003-2015

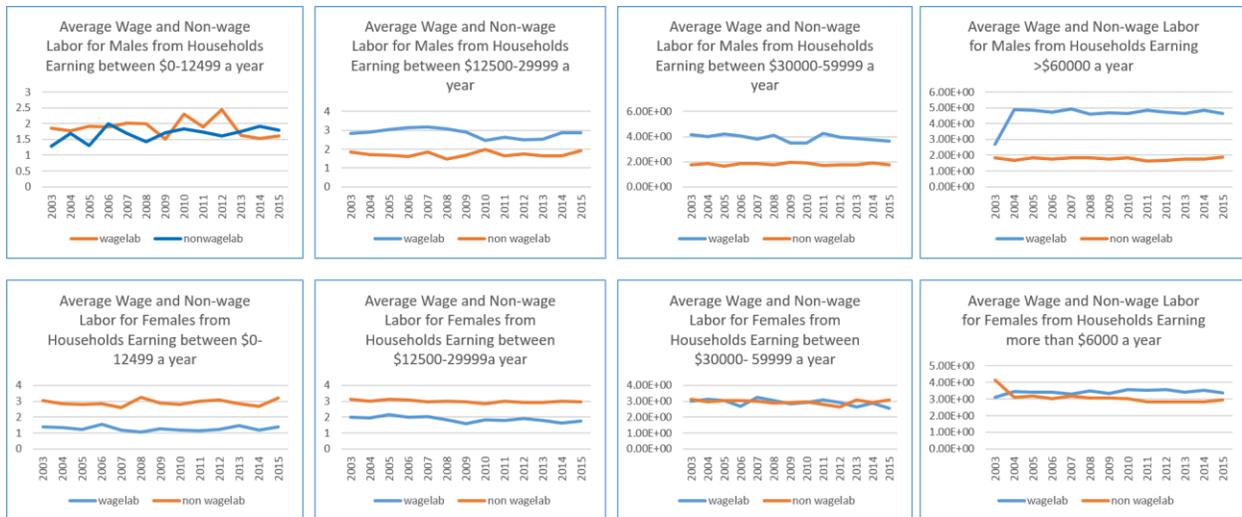
**Figure 3.13: Ratio of Wage to Non-Wage Labor for Men, USA 2003-2015**



Source: ATUS microdata 2003-2015

**Figure 3.14: Ratio of Wage to Non-Wage Labor for Women, USA 2003-2015**

From Figures 3.13 and 3.14 above, it is evident that for households earning less than \$12500, men spend at least as much time on wage labor as on non-wage labor while women spend at most half the time on wage labor as they spend on non-wage labor. For households earning between \$12500 to \$30,000 as well as for households earning between \$30,000-\$60,000 a year, men continue to spend about double the time that women in the same income category spend on wage labor vis-a-vis non-wage labor. In the recession years, there is a decline in wage to non-wage labor for both men and women in both income categories. For households earning more than \$60,000, the ratio of wage to non-wage labor is highly volatile for men but steady for women. The highest ratio of wage to non-wage labor for women from households earning more than \$60,000 is equal to the lowest ratio of wage to non-wage labor for men from households earning between \$12500 to \$30000 annually. Figure 3.15 below presents estimates of average wage and non-wage labor for men and women by income category from ATUS data.



Source: ATUS microdata 2003-2015

**Figure 3.15: Average Wage and Non-Wage Labor for Men and Women by Income Group (Hours/Day), USA 2003-2015**

The figure above shows that for men, the gap between the time spent on wage and non-wage labor increases with household income (arranged left to right). Women from households in lower income groups spend more time on non-wage than on wage labor but in higher income households, women appear to be spending more time in wage labor than in non-wage labor. As with higher incomes, access to paid care services is higher, both men and women -in particular, women- are enabled to spend more time in wage work. Women from lower income-groups are doubly burdened carrying out not only wage work (perhaps performing amidst other tasks, care and household services for higher income households) but also non-wage work to reproduce their own homes. A more detailed analysis may be drawn from the tables in appendices 3.9 to 3.12 for sixteen income categories.

Surveys of time use data allow researchers to study non-wage work as work where the kinship or household economy is as much a part of the ‘economy’ as the system of capitalist class processes. From studying the trends in wage and non-wage work, it becomes possible to illustrate

the inner processes by which i) women are pushed out of the workforce to a greater extent than men as the reproduction of the household economy is strained (as in recession), ii) women of lower income groups are additionally burdened with non-wage work since they do not have access to household and care services to reproduce household systems unlike women of higher income groups. One may surmise a value chain of care -as women in higher income groups perform wage work, the tasks of reproducing the home are outsourced to women of lower income groups who ofcourse cannot hire other women to perform the tasks of reproducing their homes and must thereby reproduce both home systems. One is bound to ask the question- who works as nanny to the nanny's children, who cleans the home of the cleaning lady, who serves breakfast to the server? It may also be borne in mind that supply chains of care are global, multicultural and multiracial in a world that has already experienced the spread of capitalism through colonialism, through policies of loan pushing and debt servicing and through neoliberal policies of displacement and the privatization of the commons -typically, the women of lower income groups are women of color or immigrant women who find themselves bearing the burden of social reproduction without any of the prestige such important work must entail.

In Chapter 4, I will study the role of the neoliberal state in the 'new imperial system' in contrast from the 'old imperial system'. I will look at the impact of privatization of systems held in common on the identity of various communities. Finally, I will explore the origin of conflict and its various expressions within the 'new imperial system'.

## CHAPTER 4

### THE ROLE OF STATE AND IDENTITY

There was nothing natural about laissez-faire; free markets could never have come into being merely by allowing things to take their course. Just as cotton manufactures—the leading free trade industry—were created by the help of protective tariffs, export bounties, and indirect wage subsidies, laissez-faire itself was enforced by the state.- Polanyi, Karl, 1944

Karl Polanyi's theories of disembedding and double movement (1944, *ibid*) have recently sparked renewed interest. Following the global financial and capitalist crisis of 2008, several young persons have turned to Polanyi to develop an articulation of their politics (Iber and Konczal, 2016). According to Nancy Fraser, the current global capitalist crisis bears similarities with the crisis Polanyi was analyzing in the 1930's (Fraser, 2013). The relentless incursions of market forces commodifying all social relations have destroyed the livelihoods of billions of people, frayed families, weakened communities, trashed habitats and despoiled nature around the globe. The recent global crisis much like the crisis Polanyi was analyzing is not only economic and financial but also social and ecological, presenting the 'second Great Transformation' (Fraser, *ibid*).

With the rapid commodification of and incursions into various social and ecological systems, two streams of countermovement have sprung up. One such stream is the neo-fascist political rhetoric<sup>1</sup> that romanticizes a version of social systems prior to neoliberal globalization. Examples of such rhetoric are varied. In the USA, the refrain of 'Make America Great Again' elected Donald Trump as the 45<sup>th</sup> President. Trump derives majority of his electoral support from poor, white voters disenfranchised by neoliberal globalization (Tyson & Maniam, 2017). With the Klu Klux Klan supporting his Presidency<sup>2</sup> in addition to several supporters waving Confederate flags<sup>3</sup>, Trump's

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<sup>1</sup> By 'rhetoric', I mean a body of political ideas that may or may not be logically consistent.

<sup>2</sup> (Holley, 2016)

<sup>3</sup> (Fausset, 2016)

presidential campaign rhetoric of wall building and banning immigration from certain West Asian<sup>4</sup> countries caters to an ideal that seeks to maintain white domination over public space and culture. In the United Kingdom, the rhetoric of immigrants taking away jobs from locals, accessing public resources and bringing a multiracial dimension to supposedly white communities popularized the movement for Brexit<sup>5</sup>. In non-Western countries, the neo-fascist movement has taken on a rhetoric of ‘development’ which welcomes neoliberal enclosures of public and community provisioning systems but creates tropes of majority identities under threat, thus scapegoating minorities for the social and environmental degradation resulting from capitalist incursions. In India for instance, the politics of cow protection (the cow is supposed to be sacred to the upper caste Hindu majority) has led to vigilante mobs lynching Muslims<sup>6</sup>, and Dalits who are confined to the task of public sanitation and other ‘tasks of diligence’ (including removal of cow carcasses)<sup>7</sup>. Similarly, Erdoganism in Turkey began as an attempt to provide a synthesis between neoliberal economic policy and socially-conservative ideals and eventually led to authoritarian policy praxis repressing public intellectuals and the press (Patton, 2009). The neo-fascist approach in both, western and non-western countries, has been disingenuous in that it has provided space for the dissatisfaction and conflict resulting from capitalist incursions by pitting majority identities against minorities, while allowing, even enabling, capitalist incursions to continue unchecked.

The second stream of the countermovement comprises the new Left movements characterized by Sanders and Corbyn which seek to preserve democratic institutions while emphasizing State provisioning on a rights basis. This stream is explicitly socialist addressing the dissatisfaction from the commodification of human labor, education and healthcare through

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<sup>4</sup> Usually referred to as the ‘Middle East’ in the Eurocentric mainstream of political discourse.

<sup>5</sup> British exit from the European Union, regardless of the referendum results in Scotland which voted overwhelmingly to remain.

<sup>6</sup> (Apoorvanand, 2017)

<sup>7</sup> (Chatterji, 2017)

capitalist incursions. While new Left politics attempt to preserve what Polanyi (ibid) calls ‘the natural and human substance of society’, it may also make space for emancipatory movements such as movements for the rights of women, people of color, people with disabilities and other minorities. The latter have, at times, allied with the capitalist incursions favored by those in capitalist class positions and at times with socialist politics seeking to protect labor and ecological systems from commodification, giving rise to what Fraser (ibid) calls the ‘Triple Movement’. Both neo-fascist and new Left politics direct their efforts of activism and advocacy to the State. Similarly, the same capitalist processes that take over community provisioning systems causing conflict and dissatisfaction, also direct their lobbying efforts to enclose and privatize public and community provisioning systems to the State.

This chapter defines and analyses the role of State and identity in the reproduction of the empire of capital through neoliberal incursions of capitalist processes into non-capitalist provisioning systems. Unlike in the old imperialist period, most neoliberal states tend to enjoy political sovereignty to a larger extent<sup>8</sup> (Wood, 2003). The neoliberal world is characterized by several States with varying degrees of sovereignty which become sites for struggle between i) various capitalist interests -both fundamental and subsumed ii) streams of the countermovement -both neo fascist and new Left, and iii) emancipatory movements for gender, social and environmental justice. In the conflict between the three streams of the triple movement, various identities tend to be emphasized over others. An identity is a sense of belonging to a social formation. Human beings have multiple identities through a diversity of affiliations, attachments and affinities (Sen, 2008). One may have varied identities of kinship and community -familial, tribal, communitarian, religious, an

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<sup>8</sup> By ‘sovereignty’ here, I refer to the ability of the State to enact policy. Not all States are equally sovereign. For example, a State burdened by sovereign debt that must be paid off in an external currency as mediated by the International Monetary Fund is limited in its ability to carry out development and welfare spending by IMF conditionalities and structural adjustment obligations.

identity of gender, race and caste. Similarly, one may develop ‘class consciousness’ i.e. identify with class positions -as worker, as a fundamental capitalist directly appropriating surplus, or as a person in a subsumed capitalist position receiving surplus (Resnick & Wolff, 1987). Moreover, one may identify with one’s national identity, nation being an imagined community (Anderson, 1983). To enable a ‘nation’ to emerge, communities have created a sense of historical legacy where nationalists have perceived their nation as emerging from antiquity though the concept of the nation as we know it today is relatively modern. Nations are imagined as limited by borders beyond which lie other nations -most often, feminized borders that must be protected by masculine force and an accompanying rhetoric of masculinity (Walia, 2013). They are also imagined as sovereign with sovereign states as the gage and emblem of sovereign nations (Anderson, *ibid*). Sovereign states become efficient agents of the empire of capital (Wood, *ibid*) pushing capitalist incursions justifying their actions with the rhetoric of the ‘national’ interest. With the emergence of countermovement and emancipatory politics, both take varied expressions -sometimes as peaceful, non-violent movements and sometimes as militant movements. In the recent years, States and capitalist processes influencing States have overemphasized the threat of militant movements, finding in them a justification for the use of force (States enjoying the monopoly over legal violence) in defense of peace, order and stability -thus resuscitating the classical concept of ‘just war’<sup>9</sup> -reinforcing empire.

Unfortunately, an analysis of the world as comprised of only sovereign states ignores several cases such as the Hawaiian Islands, Puerto Rico and the US Virgin Islands, Guam and the Northern Marina Islands, and the American Samoa. Other cases are Kashmir in South Asia, Tibet in Central Asia, Palestine in West Asia and several others. The decolonization movements in Hawaii and Puerto Rico for instance, have raised issues such as the colonial takeover and settlement of lands by

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<sup>9</sup> (Hardt & Negri, 2000)

mainlanders and impositions of debt obligations that continue reproducing the islands' dependency on the USA. Given that international anti-imperialist movements tend to concentrate on "post-colonialism" as an ontology, the case of persons seeking self-determination is often ignored in the literature centered on trans-national enterprises, international organizations and the role of the nation-state. Nonetheless, it is apparent that the mechanisms enforcing dependencies are similar to the mechanisms by which millions of people all over the world are foreclosed and displaced from the means of livelihood, neglected and disenfranchised, with their bodies, culture and labor power commodified. Therefore, our discussion of the role of the state in empire must include not only the agency of sovereign states via the populations that they represent but also the populations that they do not represent but dominate nonetheless.

Section I of this chapter will introduce Polanyi's (ibid) concept of fictitious commodities as a result of disembedding processes. Section II will define the state and its relationship to hegemonic capitalist processes and non-hegemonic processes. Section III will discuss the role of the state as a site for the triple movement between capitalist processes, social-conservative processes, and emancipatory processes. Section IV will discuss the struggle between dominant and contender states. It will illustrate how militant movements enable pro capitalist interests to typecast 'terrorists', militants, 'rogue states' or 'axis of evil' as the most immediate problem inviting State violence and thereby reproducing empire as the capacity to use force in defense of peace. It will argue that within the context of neoliberalism, the empire thus reproduced is an empire of capital.

## Section I- Fictitious Commodities and Disembedding

A market economy is an economic system controlled, regulated and directed by money prices. It is an order in which the problems of production and distribution<sup>10</sup> are solved by the self-regulating mechanism of prices denoted in terms of money. The system is successful and stable only when the supply of commodities denoted at definite prices equals demand for commodities in terms of money. If supply and demand for commodities are to equal one another at some money price, then two specific conditions must hold: i) the existence of commodities and ii) the existence of money. In classical political economy, commodities are goods and services with a value in use and a value in exchange. The latter implies that commodities must be traded on the market. It is true that markets have existed in several non-capitalist economies including European feudal economies where surplus produce has been sold in markets. However, these were not 'market economies' as the sole purpose of production was not sale in markets. Instead, production was conducted for use and only the surplus was sold in markets. According to Polanyi (ibid), market economies are those in which all production is for sale in markets and all income is derived from such sales. Nonetheless, an economy like this cannot exist in isolation. In Chapter 3, I have substantiated the claim that unless there is a steady production of labor values, including affective and emotional labor values in the home economy (which is not undertaken for markets), it is impossible to ensure a sizable labor force given low wages. Polanyi also believes that a purely market economy is a utopia. An economy in which all production is for sale and all incomes are derived from sales is an economy in which all non-capitalist economies are taken over and all social systems are destroyed. In such an economy, even the conservation of ecological systems is geared towards markets and where the demand for such systems is missing, all ecological systems are also destroyed. Polanyi argues that movements to

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<sup>10</sup> What is produced, how much is produced and how is the output of society distributed.

take over non-capitalist economies are met with a social tendency towards countermovement as non-capitalist systems struggle to preserve themselves -making a purely market economy impossible in actual existence.

How does an economy in which all production is for sale in markets attempt to establish itself? It is only possible for an economy to have a sizable portion of its produce for sale if its land and labor are also treated as commodities for sale -and we can talk about land prices and rents, and labor time for sale for wages. Moreover, one can only denote prices, rent and wages in terms of money when money itself exists and is treated as a scarce commodity with the interest rate serving as the price for the use of money. However, neither land nor labor nor money are strictly speaking, commodities, as neither of them were produced for markets. Land is ofcourse, produced by nature and in non-capitalist systems, the terms under which it is utilized are fundamentally different from the interaction between land and capitalist systems. The Kauai for instance, think of the land as a grandparent- an ancestor. One can certainly live ‘on the land’ and ‘off the land’ but there is no question of selling land because one cannot sell one’s relative<sup>11</sup>. In feudal Europe, land was the “pivotal element” (Polanyi, *ibid*) and the basis of the military, administrative, judicial and political system. However the conditions of its ownership and transfer were different from market driven processes of purchase, sale and prices which characterize capitalist systems. Similarly, human labor or work is not by nature, a commodity for sale. It comes from human instinct (Veblen T. , 1898) which has driven human evolution. The organization of labor has taken various forms in non-capitalist societies. The Kula from the Trobriand Islands off the coast of Papua New Guinea for instance have engaged in gift economies and reciprocal transactions that are distinct from barter. They have produced yams for pregnant women of kin (on the maternal side) not for monetary profit

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<sup>11</sup> Kapua Sproat, 2017 quoted in (Letman & Wong, 2017)

but from an urge to reproduce the kinship relationship; later they have accepted gifts in reciprocity. Trade in the kula ring have also comprised of reciprocal transactions across the Trobriand islands - shells, rings and necklaces -products of human labor, were exchanged not for the realization of surplus in terms of money, but to maintain social relationships (Polanyi, *ibid*). The ‘market’ for labor and for products of labor as we know it today, had to be created -through enclosures in England, Scotland and Ireland, through the imposition of private property norms in the Maasailands (Forstater, 2002) and in Libya targeting the nomadic Arab Kabyle Tribes (Luxemburg, 1951), and through direct taxes in colonial West Africa (Forstater, 2005), the Bengal province and several other former colonies (Bagchi, 1982). As people were foreclosed, displaced and ‘freed’ of the means to reproduce their lives, they were left with no alternative but to work for wages. Households became subject to capitalist incursions as their production of life became undermined in favor of production of labor power for wages. In that sense, a ‘laissez faire’ economy free of State intervention or feudal intervention had to be set in place by the very same State which enforced or tolerated enclosures and taxed subsistence economies enforcing a dependence on capitalist systems.

Much like Simone de Beauvoir’s (1949) well known claim, “One is not born, but rather, becomes, a woman”, land and labor are not ‘born’ commodities. Rather, they ‘become’ commodities through institutional processes -often, orchestrated by the State. In that sense, according to Polanyi (*ibid*) they are not commodities but “fictitious” commodities. Similarly, money is also a fictitious commodity. In the words of Alfred Mitchell-Innes (1914), “The eye has never seen, nor has the hand touched a dollar. All that we can touch or see is a promise to pay or satisfy a debt due for an amount called a dollar”<sup>12</sup>. John F. Henry (2004) cites evidence of contracts<sup>13</sup> from the New Kingdom of Ancient Egypt (approximately 16<sup>th</sup> to 11<sup>th</sup> century B.C.) which demonstrate that goods

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<sup>12</sup> (Innes A. , 1919)

<sup>13</sup> Henry (*ibid*) from (Bleiberg, 1996), (Grierson, 1977) and (Ifrah, 2000).

were valued in terms of the 'deben' and that labor services were determined by the 'deben' value of consumption goods. However, according to Henry (ibid), no 'debens' ever changed hands.

Administered price lists were established, but the Egyptians had no coinage until the Ptolemaic period of the last three centuries B.C. Money was not a medium of exchange. In fact, in ancient Egypt between the 16<sup>th</sup> and 11<sup>th</sup> centuries B.C., there was probably no need for a medium of exchange as economies tended to organize themselves on the basis of reciprocity rather than exchange of equivalents. Instead, money or 'deben' was merely a unit of account for debt, taxation and tribute to the Pharaoh. According to Henry (ibid), in the early periods of the Old Kingdom, a deben was considered equivalent to 92 or 91 grams of wheat and then later, to 92 or 91 grams of copper and subsequently, gold and silver. Nonetheless, the unit of weight remained 92 grams. The exact definition of the unit or the deben did not matter as payments were not settled in deben; they were settled in actual goods and merely recorded in deben for bookkeeping purposes. As with other units of measurement, arriving at an exact definition of money proved a complicated social process as such units do not exist in nature. Instead, they were socially constructed. In their examples of ancient Mesopotamia, Schmandt-Bessarat (1992)<sup>14</sup> refer to the clay tokens representing grain, oil, labor hours etc. as a development arising from measuring sticks. According to Schmandt-Bessarat (1992), tally sticks could not be understood outside the context in which they were marked. With tokens, it became possible to "manipulate information" concerning equivalencies between different types of items, creating a "complexity of data processing" never achieved before (Schmandt-Bessarat, 1992). As declared by numismatist, Philip Grierson (1977), it is money that lies behind coinage rather than the other way around, making coinage a special case within the general history of money (Semenova & Wray, 2015).

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<sup>14</sup> (Schmandt-Bessarat, 1992)

States have played a historical role in the origin of money as a fictitious commodity. Georg Friedrich Knapp is credited with the development of a ‘State theory of money’<sup>15</sup>. According to Knapp (1924), the institutions of money (i.e. monetary institutions) and the State are inseparable because money is always “associated with the State which introduces it”<sup>16</sup>. It is not merely enough that legal tender laws determine that which must be accepted as means of payment<sup>17</sup>. Instead, States must decide what they will use or accept as money in their own transactions. Since most persons must pay taxes or fees or fines to the State, they are forced to accept the State’s money as payment for their goods and labor. In fact, as discussed in Chapter 2, the imposition of direct taxes has forced the supply of labor in wage labor processes. Innes (1914, *ibid*) sees taxation as the redemption for States’ indebtedness -as States spend, they release acknowledgements of their indebtedness which are redeemed by taxation.

Anwar Shaikh (2016)<sup>18</sup> critiques both, the chartalism of Knapp and Innes, as well as the neo-chartalism of Wray and Bell<sup>19</sup> for extrapolating the occurrence of fiat money to the “mists of time”. While Innes (1913) draws on historical evidence of debt settlement without use of coin as in Babylon<sup>20</sup>, Shaikh cites other historical accounts in which commodity money preceded debt settlement. Morgan (1965) for instance points out that Babylonian records of around 3000 BC show a legal distinction between exchangeable and non-exchangeable goods for which a formal transfer deed was required. Exchangeable goods included numerous items such as gold, silver, sesame, wine etc.- all of which served as means of payment. Absence of coin did not mean the absence of

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<sup>15</sup> Or ‘chartalism’.

<sup>16</sup> (Knapp, 1924)

<sup>17</sup> Transactions have not always been done in legal tender; in fact, where States have been weak or warring such as after the fall of the Holy Roman Empire in Western Europe, transactions have reverted to barter or to other currencies (Goodhart, 1998)

<sup>18</sup> (Shaikh, 2006)

<sup>19</sup> (Bell, 2001)

<sup>20</sup> (Innes A. M., 1913)

commodity money. Similarly, tobacco and wampum<sup>21</sup> were also commodity monies accompanying the fiat money of American colonists. In colonial regimes where colonists had attempted to achieve the dominance of colonial currency in transactions -at times even through coercion -indigenous capital markets continued to exist in staples of long-distance trade and currencies of rival colonists. According to Shaikh (ibid), the pre-colonial cowrie maintained its status in colonial Nigeria. Unlike British currency which was centrally minted and distributed by the colonial government, native currencies remained privately supplied, endogenous and outside colonial control.

One may agree with Shaikh (ibid) in that extrapolating the phenomenon of State-created-fiat-currency to the beginning of time is problematic. Also, in some cases commodity money may have preceded State currency (Shaikh tends to make the stronger claim that commodity monies preceded State currency in general). However, there are several instances where even so-called commodity monies have been tax driven. Shaikh's example of the cowrie as commodity money for instance, is inaccurate. As in Polanyi's (1966) analysis of Dahomey's West African kingdom in the 17<sup>th</sup> century, prior to colonial incursions, the cowrie shell was accepted by the State as payment for taxes and tributes. Contrary to the ethnocentric bias in understanding the cowrie shell as 'primitive money', Forstater (2004) points out that the cowrie was in fact a feature in the spread of centralized government and food markets in West Africa<sup>22</sup>. The right to string cowries was a monopoly of the palace. Moreover, the spread of cowrie using areas and areas where cowries were accepted as means of payment were "as if their boundaries were drawn by administrative authority" (Polanyi, 1966, ibid).

Shaikh (ibid) is critical of what he sees as the conflation between taxation and debt. According to Shaikh, taxation is not debt. Certainly, taxes are payment obligations but they are no

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<sup>21</sup> The example of wampum as money is also cited in Eichengreen (2010).

<sup>22</sup> (Forstater, 2004)

more debt than the protection money that restaurateurs pay the mafia is a debt (ibid, Page 678). A debt is a transaction in which one promises to return something for what one receives – it is specifically, a repayment obligation. In this regard, Shaikh is critical of Innes who he sees as conflating money with coin, private coin with State coin and payment obligations with debt obligations. Shaikh cites an example from ancient India where if one man<sup>23</sup> injured another, he was expected to pay a hundred cows as recompense. This was a payment obligation but neither a debt nor an exchange. The wrong-doer could not hand over a debt of equal amount owing to him by a third party. The use value of the cow was deemed important for recompense.

While it is certainly true that in some cases, ‘money-things’ have had both, a use value as well as an exchange value and have thus been commodities, Shaikh fails to see that it is a set of collective, social norms that lay down the payment obligations and the forms under which the obligations could be met. Similarly, in the case of debt obligations as well, a set of collectively constructed social norms would lay down the forms in which debt could be paid -in certain cases, the means of payment were commodities and certainly, the use-values may have been of importance. Nonetheless, it is the norms that spurred the economic activity of producing the commodities (and in case of saleable commodities, earning the currency) to meet the obligations -whether of payment or of debt. States, as we shall see later in this section, are a social collective and have evolved as impersonal rather than personal by creating themselves as a set of social norms, of which ‘governments’ serve as custodians.

Shaikh also makes valid observations regarding simultaneous circulation of State and non-State currencies and of the difficulty of ensuring the acceptability of State currency despite coercion in some cases. Nonetheless, even in the case of non-State currencies, issuers must agree to accept

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<sup>23</sup> Large parts of north India falling within the belt of classical patriarchy, active agents were usually male. Else, I would have preferred to use the gender-neutral term ‘person’.

the currency to meet payment obligations due to them -otherwise, there is no reason for persons to hold the currency. Regarding the difficulty of ensuring the acceptability of State currency, Goodhart (ibid) points to the historical one-to-one relationship between sovereign States and their currencies - a declining acceptability of States' currency would often correspond with a declining or fallen State as in the case of the Western Roman Empire. Similarly, a rising State (for eg, the reign of Charlemagne) usually issues a new currency, the use of which is popularized as States accept their own currency in return for taxes and other payment obligations.

Shaikh's strongest critique of both, chartalist and neo-chartalist theories of money pertains to the role of the State. According to Shaikh (ibid), Wray's (2003) parable starts with a simple economy in which households (Shaikh sees a benevolent colonial attitude to 'natives' here, ibid, page 687) initially have neither markets nor money. A government spontaneously arises and in the interest of benefitting the 'native' population, imposes a tax to get them to work for State's currency. The population is passive, there is no discussion of class and there is no resistance to taxation. However, while Shaikh critiques Wray's treatment of neo-chartalism, he ignores Forstater (2005, Taxation and Primitive Accumulation) who examines tax driven money in an explicitly conflicted situation torn between processes of colonial imperialism, capitalist incursions and the resistance of subsistence economies. Forstater (2005, ibid) does not treat the colonial authority as benevolent. Instead, he recognizes the violence of direct taxes, the resistance to them, and sees the colonial authority as acting in the interests of plantation and mining colonial-capitalist interests. The introduction of State currency as a fictitious commodity accepted as payment for direct taxes (payment obligations imposed on the indigenous people) coerces the provision of labor in colonial-capitalist sites of production -an incursion of capitalist interests into non-capitalist, subsistence economies. It is not a benevolent State. It is an imperialist State facilitating the spread of the empire of capital.

Yet, the State is expected to prevent environmental degradation and unemployment, and ensure the education and health of the citizens in its area of jurisdiction (Forstater, 2000). Capitalist firms and sometimes, even households, have no direct incentives to concern themselves with costs that are a burden to third parties or societies at large. Moreover, capitalist firms do not, in general, employ everyone who is willing and able to work at prevailing market wage rates. Given fundamental uncertainty, investment decisions tend to be volatile and there is no reason why capitalist firms must incur enough investment expenditure to employ all labor hours on sale at market wages. It is the State which is expected to ensure full employment, and environmental standards. It appears to be a contradiction in that benevolence seems to be expected from otherwise imperialist States. To resolve this contradiction, we can go no further unless we can first determine what States are<sup>24</sup>.

## **Section II: Defining State in Relation to Hegemonic, Capitalist and Non-Hegemonic Processes**

According to the economic determinism school of Marxian thought, “State” is a catchword for “political superstructure” and merely an ephemeral phenomenon whose ‘real’ organizing principles are found outside its own domain (Dusza, 1989). This school of thought conceptualizes the State as a ‘handmaiden’ of capital, drawing from the Communist Manifesto (1848), “The executive of the modern State is nothing but a committee for managing the common affairs of the whole bourgeoisie.”<sup>25</sup> Unfortunately, while States do work in the interests of ‘the whole bourgeoisie’ or of persons in capitalist positions, an economic determinist view of the State is not particularly

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<sup>24</sup> Here, I must skip the social contract theories of Hobbes, Locke, Rousseau and others where the state is assumed to be largely neutral and to act on its own view of the national interest, arrived at by the application of rational minds to problems (Cronin, 2009). There are several problems with such theories as the ‘rational minds’ that act as the prime agents of social contracts are assumed to be atomic, asocial, and apolitical, hidden -as in the case of Rawls -behind a veil of ignorance regarding institutions of race, class and gender (Rawls, 1971). In this thesis, individuals are both, agents of and products of the institutions that they build and are in turn, built by. They are subsets of their economies and all other social systems and both, form as well as embody their systems.

<sup>25</sup> (Marx and Engels, 1848)

informative. Moreover, it has been widely discredited as essentialist by several social scientists such as Resnick and Wolff (ibid) and Albert, Cagan, Chomsky, Hahnel, King, Sargent and Skylar (1986, ibid). Both, former and latter provide a useful alternative understanding of the State through the concepts of ‘overdeterminism’ and ‘complementary holism’ where State is a subset of society and is thereby determined (overdetermined) by the whole of society just as it determines (overdetermines) the various other parts of society such as the capitalist economy or the kinship/household economy. Nonetheless, to understand the nature and significance of the State vis-à-vis the empire of capital, one must undertake a brief diversion into State theory. Dusza (ibid) is particularly interested in Weber’s conception of the State as the latter sees the State as arising from the diverse conflicts of human agency yet not immediately reducible to its components.

According to Dusza (ibid), the challenge in exploring Weber’s conception of the State lies in resolving the apparent dilemma between methodological individualism and a structural frame of reference. For Weber, every social entity -class or status group, religious, economic or political body, State or empire, capitalism or barter economy can eventually be traced to human conduct as its ontological substance (Dusza, ibid). Thus, for Weber, the State is a product of joint human action. The combined action of a plurality of individuals, status groups, classes, parties confronting one another in a relentless sequence of wars, conquest, subjugation and domination has developed institutions which cannot be reduced to the action of the one or the multiple ones. States and empires are sui generis institutions of this sort secured by brute force and unquestioned use of invented and rationalized doctrines. According to Dusza’s reading of Weber, institutions are the struggle for power -themselves, the result of social action, they are also modes of organization of social action.

Weber’s ‘Economy and Society’ (Weber, 1968) lays out the characteristics of the State as an institution both, resulting from social action but also as a mode of its organization. According to

Weber (ibid), States have emerged from an appropriation of the material means of power and their concentration in the hands of a “supreme ruler”, which has enabled them to acquire the monopoly of the legitimate use of force defined in lieu of a given territory. Given their monopoly over legal violence, states have been tasked with ensuring “law and order”. They have derived their legitimacy from providing security and a semblance of guarantee to everyday tasks of provisioning. The State’s monopoly over the use of legitimate violence has shielded economic systems (whether capitalist or non-capitalist) within the territory overseen by the State from interruptions such as invasions and rebellions. States, which have emerged as the result of the appropriation of military infrastructure and its centralization, have acquired the ability to conduct ‘just wars’ -to use force legitimately in defense of peace and order. States can also act pre-emptively to take over ‘barbarian’ social systems deemed likely to disrupt peace and order and to subjugate women, peasants, commodity producers, and members of vanquished populations deemed likely to rebel and upset the hegemony of the dominant classes. In this regard, States have emerged as guardians of empires, facilitating a distinct power structure constantly pushing and protecting frontiers in the name of extending and preserving the peaceful, economic systems of everyday life.

The ‘material means of power’ indicates not only the military infrastructure of a social system but also the apparatus of rule -the bureaucratic apparatus of administrative service, the systems of legislation and the courts. According to Weber (ibid), States have historically emerged as impersonal – the rise of the modern western State (Weber chose to limit his analysis to the occident) has coincided with the transfer of the fullness of powers from the person of the ruler to an impersonal institution. This process of transfer of power has coincided with the planned distribution of powers among various ‘organs’ of the state, creating a bureaucratic apparatus. The State’s bureaucratic apparatus functions through the continuous activity of a plurality of institutions specified by set rules and exercising the powers of command, not per whim but per impersonal

norms. All autonomous power blocks are fused into an all-encompassing compulsory association with a territorial basis, a unitary legal order, a unitary public power and a system of relationships of direct obedience to and protection by a public power. The 'whole' thus formed is expected to embody the will of the politically united people -in name, if not in fact. According to Weber (ibid), the modern constitutional state represents a gigantic historical experiment in transforming the brute facticity of force inherent in political rule into a normatively founded and regulated relationship of domination.

The plurality of state institutions gives way to the state, not as a monolith but as a 'state system' (Miliband, 1969). The state system comprises i) the government which speaks for the state, claims the monopoly of legitimate violence in the name of the state and enforces the obedience of the citizens that give the state their allegiance, ii) the administrative apparatus which encompasses a variety of bodies enjoying various degrees of autonomy and concerns itself with the management of economic, cultural and social activities<sup>26</sup>, iii) the coercive apparatus and iv) the constitutionally independent judiciary which is expected to actively protect the citizens against other state institutions, v) the representative assemblies and vi) the sub-central government. Miliband (ibid) refers to the relationships of conflict and cooperation within the state system. Even opposition parties within the representative assemblies cannot be wholly uncooperative and simply by serving in the assemblies, they allow state business to take place.

For Miliband (ibid), the relationship between 'state elites' or agents of state power in various positions within the state system and the 'economic elites' is an important reflection of the relationship between the state and the capitalist economy. By 'economic elites', Miliband (ibid) refers to persons in positions of ownership or management in capitalist enterprises. Miliband believes that

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<sup>26</sup> The bureaucracy cannot be reduced to the mere instruments of policy as they are often able to make recommendations that governments may find difficult to discount, making the separation between government and executive something of a 'juridical fiction'.

in the capitalist economy, the separation between ownership and management is more often, a juridical separation than a true separation since persons in both kinds of positions tend to share memberships to the same social group such as households (kinship relations), clubs, organizations, alumni associations etc. Membership to similar social groups tends to manufacture consent around notions of 'success' being tied to the interests of capitalist positions. Therefore, even if persons in managerial positions do not own significant stocks in the enterprises they run, they tend to uphold the interests of those in capitalist positions. Miliband (ibid) also notes a similar mobility between 'economic elites' in both ownership and management and 'state elites'. Conventional notions of businessmen as remote from political affairs tend to exaggerate the reluctance of persons in capitalist positions from seeking state power. In both, the United States as well as the United Kingdom, Miliband (ibid) cites evidence from 1886 to 1950<sup>27</sup> to suggest that a significant proportion of cabinet positions have been held by businessmen. He also refers to the experience of planning in 1950's France where senior civil servants and senior managers of big business colluded to influence state planning, bypassing politicians and representatives of organized labor<sup>28</sup>. Though entrance examinations were the method for selecting civil servants, success in the civil service in terms of promotions depended on social networks formed on the basis of fundamental class positions. The intersection between economic and state elites is, according to Miliband (ibid), a 'ruling class'.

Nonetheless, States have not always acted according to the interests of the 'economic elites'. State activities such as elections and bureaucracy may tend to create problems for persons in capitalist positions. Moreover, in specific regimes of accumulation and regulation such as Fordism and Post Fordism (or dirigisme as in various countries in South and East Asia and North Africa)

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<sup>28</sup> (Schonfield, 1965)

following political independence, it would have been unfair to consider the State merely as a handmaiden of capital (Cronin, 2009). Instead, as in Poulantzas' critique of Miliband, the state is a site of social conflict (Cronin, *ibid*). For Poulantzas, the state is "the center of the exercise of political power" contested by different groups of capitalists, workers and persons in other class positions (Poulantzas, 1973). Poulantzas (*ibid*) conceptualizes 'power blocs'. Within capitalist production processes, political coercion is not required to extract surplus value from living labor - usually, the preconditions have been set such that workers already work longer than the social minimum hours equivalent to the value of their labor. Therefore, state institutions tend to acquire a relative autonomy from capitalist production processes whereby the vicissitudes of relationships within state institutions for example, squabbles between political parties, judicial investigations of state institutions, introductions of no-confidence or impeachment motions in Parliament etcetera, do not usually affect the day to day tasks of capitalist extraction of surplus<sup>29</sup>. Thus, the State system maintains opportunities for the participation of several classes and factions as long as the political interests of the latter do not pertinently undermine the long range political interests of the hegemonic class. The interests of the dominant classes along with the participation of non-hegemonic classes (within limitations) comprise the 'power blocs' that vie with one another to organize, unify and maintain the unstable equilibrium of opposing class interests via compromises, policy, regulatory and political representation (Glick, 1980).

So far, we can arrive at the notion that the state system is a site for clamor, struggle and compromise amongst several power blocs such as conservative power blocs, capitalist power blocs and several emancipatory power blocs comprised of workers, women and minority communities.

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<sup>29</sup> Miliband was later said to have critiqued the separation between economic and political in Poulantzas (1973) as 'superdeterminist' and reminiscent of the economic determinism school of historical materialism. However, Poulantzas argued that Miliband was misinterpreting what he saw as a distinguishing feature of capitalism- economic exploitation that does not always call upon the exercise of state power to reproduce itself (Poulantzas, *The capitalist state: A reply to Miliband and Laclau*, 1976).

Power blocs vie in accordance with impersonal social norms developed to decentralize power into a complex state system. Historically, capitalist power blocs have acquired a hegemony (not least because of the overrepresentation of ‘economic elites’<sup>30</sup>) in state institutions. This hegemony manifests itself not only in the ‘repressive’ state apparatus (coercive, juridical) but also the ideological state apparatus. According to Althusser, the foremost objective and achievement of the French Revolution as a bourgeois revolution was not only to transfer power from the feudal aristocracy to the merchant-capitalist bourgeoisie and to institute the national popular army (new repressive apparatus) but also to attack the prime ideological state apparatus i.e. the Church (Althusser, 1971). With the confiscation of ecclesiastical wealth and the civil constitution of the Church, there was a move to change the character of the Church from an ideological state apparatus of the feudal regime to an ideological state apparatus of the bourgeois regime. At the same time, there was also a move to displace the Church from some of its more educational functions and to replace it with the schooling system. For Althusser (ibid), all ideological state apparatus -schooling, church, family, law, political system, trade-union system, communications and cultural systems -have been adapted to reproduce the capitalist systems of production and distribution. However, Althusser (ibid) also points to the efforts of ‘heroic’ teachers within the schooling system who try to produce informed and critical citizens rather than just the disciplined future workforce necessary to reproduce capitalist processes. Althusser (ibid) refers to the futility of the endeavors of such teachers and how they merely end up serving the capitalist regime. Yet, the schooling system has sufficient autonomy for such teachers to carry on their work of resistance. The clamor for state power encompasses both repressive as well as ideological state apparatus -both by hegemonic capitalist interests and by non-hegemonic conservative or emancipatory interests. Different interest groups vie to not only

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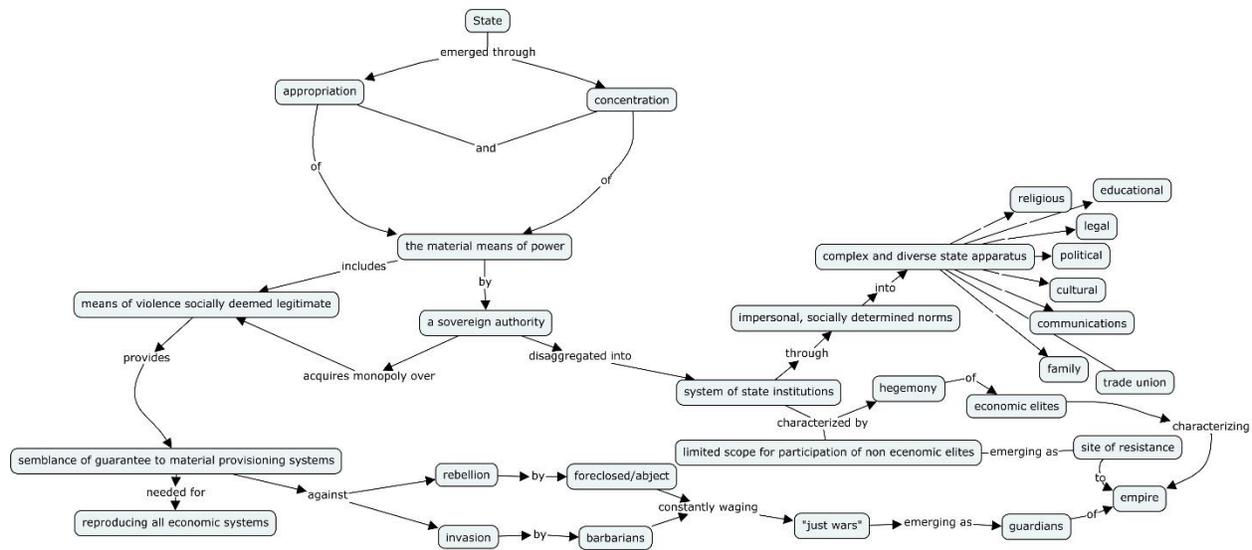
<sup>30</sup> As in Miliband (ibid).

influence military policy, acts of legislature and the policies of various government departments but also school syllabi, activities of religious institutions, the media, literature and the arts etc.

Hegemonic groups such as capitalist interests succeed in influencing most ideological state apparatus to propagate ideas beneficial to the reproduction of the capitalist system. Nonetheless, since these institutions are not directly involved in extracting labor from labor power, they provide scope - though limited in nature - for resistance by non-hegemonic groups. For example, the demand for marriage equality by LGBTQIA groups includes not only legal recognition and protection to same-sex couples but also redefines marriage as an egalitarian relationship where persons come together as equals with no baggage of gender roles to perform while reproducing a household (Solnit, 2014). Here, a non-hegemonic group has affected an ideological state apparatus otherwise characterized by a hegemony of capitalist interests who rely on the heteronormative family to ensure the availability of a reliable body of labor power despite low wages.

From the above discussion, we can arrive at the following schematic as presented in Figure 4.1 below. The modern state has emerged through the appropriation of the material means of power and their concentration in the hands of a sovereign authority which thereby acquires the monopoly over legal violence. The sovereign authority can thus provide a semblance of guarantee to provisioning systems from invasions by “barbarians” and rebellions by the foreclosed or abject. Consequently, sovereign authorities are constantly waging “just wars” and thereby emerge as the guardians of the empire. The disaggregation of state power into the hands of a plurality of state institutions regulated by a series of impersonal norms creates a complex and diverse state apparatus which maintains the conditions of reproduction of the provisioning system in the interests of the economic elite. Nonetheless, given that there is a degree of separation in systems characterized by the hegemony of capitalist interests between the task of running the state institutions and the task of extracting labor power from labor, state institutions afford a certain degree of scope to non-

hegemonic interest groups who may avail of these as sites of resistance to the hegemony of economic elites.



**Figure 4.1: The State in the Empire of Capital**

This brings us to the neoliberal state. Here, by the ‘neoliberal state’, I mean the typical case of states post 1989 including former Soviet Union states, postcolonial states and states that continue to dominate persons whose will they do not embody for eg. the state of the USA which also exercises its dominance over the people of Hawaii, Guam, Puerto Rico, the American Samoa, the US Virgin Islands and several others, the Chinese state which exercises its dominance over the people of Tibet, the Indian state which exercises its power over the people of Kashmir, and several other such states. At times, domination is exercised by actual military occupation. At other times, it is secured by the international proliferation of military bases and cross-border exercises of state institutions such as the Drug Enforcement Agency of the United States through ‘invitation’ of otherwise sovereign states. Moreover, covert imperialism through intelligence agencies tends to limit the sovereignty of dominated states. Nonetheless, if only in name, most states post 1989 enjoy a

certain de jure sovereignty, including the former colonies that claim dominion status vis-à-vis the old imperialist powers of the colonial era. Suppressed states for example, the state of Tibet in exile or the state of Palestine are exceptions but since they embody the will of the people of Tibet or Palestine as opposed to the States of China or Israel, they engage in constant struggle to claim the sovereign right to exercise state power.

The neoliberal state like states before it, enjoys the monopoly over legal violence. Through the institutions of the police, paramilitary and military forces, it maintains this monopoly by constantly prosecuting violence deemed illegal. Such violence includes not only theft, assault, murder, rape and other impingements on human agency within the domestic territory of the state but also attempts to secede from the state. Moreover, the state establishes its power by restricting movements across the borders of its domestic territory -which is where it exercises its power to establish which kinds of cross-border movements are legal and which are illegal. The neoliberal state is also a set of state institutions disaggregated into a complex and diverse set of repressive and ideological state apparatus. Communications systems such as for-profit television channels or education systems such as school and college syllabi tend to manufacture consent around the interests of the economic elite as the social or national interest, constantly reproducing the hegemony of the economic elite. Meanwhile, non-hegemonic groups continue to find space within the state apparatus to influence public policy, thus resisting the hegemony of the economic elite. Space may still be found to the extent that the state power is not directly required to enforce the extraction of surplus from labor power. Nonetheless, while state power may not be directly required for capitalist exploitation, it is certainly required in the reproduction of the system of capitalist processes. Hence state power is drawn into the task of facilitating incursions of capitalist processes into all non-capitalist processes, including state or command economies.

### **Section III: The State as a Site for the Triple Movement: Incursions of Capitalist Processes and the Resistance**

Let us return to the exposition on fictitious commodities. According to Polanyi (ibid), land, labor and money are fictitious commodities. They were not originally produced for sale in markets. Rather, their regulation via the ‘satanic mill’ of the market system has only come about through a series of processes. Polanyi (ibid) refers to these processes as ‘disembedding’ processes because before the market system came to regulate the use of land and natural resources, they were regulated by various other economic systems of kinship or reciprocity or ‘hospitality’ -community sharing agreements -which were destroyed by the processes of disembedding. Contrary to conventional notions of how markets are the most efficient and thereby naturally emerged as the solution to regulate all resource sharing systems, market systems were instituted by exercises of state power. Polanyi (ibid) cites the example of the enclosure movement in England, Scotland and Ireland where enclosures were perpetrated by the exercise of the power of landlords (part of the feudal state apparatus), and later by state power which illegalized vagabondage and pushed displaced peasants into selling their labor in markets.

Enclosures of common property resources have been a feature of the global neoliberal regime. In the USA, after the Second World War, the policies of Fordism, which had afforded to labor a chance to share some of the surplus it was creating, had led to a fall in the share of national income held by the top 1% of income earners in the population<sup>31</sup> (Harvey, 2005). Until the 1970’s, growth was strong but with a fall in growth and consequently, lower interest earnings, dividends and profits, the high-income earners began to feel threatened. Harvey (ibid) argues that the economic elites or the high-income earners who rely on interests and dividends for income were the prime

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<sup>31</sup> From (Duménil & Lévy, 2004).

agents of neoliberalism. He points to the restoration of the share in national income of the top 1% of the income earners in the population in the US and the UK, and to the creation of income inequalities in China and Russia, France and Mexico (ibid). According to Harvey (ibid), it was in the interest of the top 1% to promote a dismantling of the Fordist regime, and to advocate against all 'labor market rigidities' such as unions and state run enterprises. Similarly, the 'commons' were also identified as an inefficiency. Hardin's theory of the tragedy of the commons (1968) became a popular argument against natural resource systems run as commons, and for the market regulation of such resource systems. Consent was manufactured using ideological state apparatus such as schools, colleges and the media around the use of State power to take over the commons, to dismantle trade unions and to privatize state run enterprises.

States being a system of complex and diverse institutions and a myriad set of ideological apparatus such as schooling, religious institutions, political, cultural, family, legal and trade union apparatus, afforded the economic elites the platforms they needed to advocate for neoliberal 'reforms'. Powerful states such as the United States which can exert state power internationally through the vast proliferation of its military and intelligence agencies also allowed the economic elites to advocate the covert US support to the institution of right wing regimes such as Pinochet's coup in Chile or the military takeover in Argentina<sup>32</sup>. Supranational organizations such as the World Bank and the International Monetary Fund afforded the economic elite avenues to spread the neoliberal ideology through the impositions of structural adjustment policies on its debtor nations. Through the supranational organizations, the interests of a small coterie of the economic elite incited the exercises of state power in all debtor states to enclose the commons and state run enterprises, and to impose austerity by privatizing state provisioning systems. The disembedding

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<sup>32</sup> Or for instance, to the attempted dismantling of left wing regimes such as attempts to depose Hugo Chavez in Venezuela

processes that resulted led to the displacement of several persons who were now forced to rely increasingly on markets for their livelihoods. The newly displaced proletariat provided both, labor power at low wages and demand for market goods (since non-market arenas of obtaining the means of life were displaced). The result was an increasing concentration of wealth in the hands of the economic elite of the debtor nations who also began advocating the structural adjustment policies of the supranational organizations to their states. Eventually, the economic elite or rather, persons in both fundamental and subsumed (such as financiers) capitalist positions became a transnational entity benefitting from similar state policies across the globe.

As capitalist interests (both fundamental and subsumed) became a global, transnational entity, contrary to Hardt and Negri's thesis where states no longer matter (Hardt & Negri, 2000), states became all the more important. The economic elite prevailed upon the ideological apparatus of the state to liberalize the movements of capital. Private investment, including foreign investment became easier with fewer regulations on acquiring assets, reduced taxes on property and capital gain etc. Meanwhile, neoliberal states continued to limit the cross-border movements of labor. They maintained stringent visa regulations and a complex, repressive apparatus of detention centers, deportations, immigration and border control arrangements. Consequently, persons displaced by the disembedding processes put in place via exercises of state power could not move to places where chances of acquiring decent living conditions were higher. As it is, anti-immigration propaganda scapegoating immigrants for the social degradation resulting from neoliberal policies had already been transmitted through ideological state apparatus such as media and popular culture. The system worked in the interests of persons in capitalist positions because it allowed the transfer of the more tedious, less skill intensive tasks away from spaces where labor was organized and conditions of work and life were more humane to spaces where unions had already been dismantled through state repression and conditions of work and life were dismal. Overall, the effect was to create a downward

pressure on wages and employment and an increasing strain on labor unions. In the higher per capita income countries where the proletariat had secured better conditions of work and life through unionization, there was a manufacture of consent around training to increase employment, while the cause of the problem was not a shortage of skill but a shortage of jobs. Meanwhile, in lower per capita income countries, states competed amongst one another to lower regulations on investment (including labor laws and environmental regulation) to attract more investment from the transnational economic elite. The process resulted in increasing informalization of labor and a dismantling of institutions protecting workers' rights.

Both, coercive and ideological state apparatus are called upon to disembed and commodify air, water, the joint stock of human knowledge and culture, and the very state apparatus itself which suffers constant incursions of capitalist processes. The US for instance, backed the private pipeline company building the Dakota Access Pipeline, even as the construction of the pipeline threatened to cut across sacred sites and key water sources in the autonomous lands of the indigenous peoples (Standing Rock Sioux and Cheyenne River Sioux). As indigenous peoples from across North America gathered to work as 'water protectors' protesting the construction of the pipeline on indigenous land, the state enforced repression tactics of arrests, strip searches, detentions, intelligence gathering by helicopter, setting dogs against people and the use of chemicals (Jamail, 2017). Similarly, the Keystone Pipeline XL has a potential for oil spills which may cause damage to the water, air and fragile ecosystem of the surrounding areas (Calamur, 2015). Barrack Obama, 44<sup>th</sup> President of the USA, had halted the construction of the pipeline. Nonetheless, 45<sup>th</sup> President, Donald Trump has given it the go-ahead (Labott & Diamond, 2017). Approving the right of private companies to pollute air and water which belongs to all living beings, encloses air and water into fictitious commodities which are subsequently purchased by private companies. However, such

purchases are made at a discount since the benefits of the pollution are privatized but the costs are borne by the public, hence socialized.

In third world countries, state interests may participate even more directly in the disembedding process. For example, the Sardar Sarovar Narmada Nigam Ltd. in India has tasked itself with constructing a roughly 0.76-mile-long, 535-foot-high dam (Sardar Sarovar Narmada Nigam Ltd, 2017). It has already displaced hundreds and thousands of people, and it is likely to submerge forests, farmland, disrupt downstream fisheries and salinate the land along the canals (BBC News, 2000). The Sardar Sarovar Nigam Ltd is wholly owned by the state of Gujarat, India (Sardar Sarovar Narmada Nigam Ltd., *ibid*). For the state, building the dam is a matter of national pride and it is hoped to boost energy security and irrigation to the arid soils of Gujarat -eventually in the hopes of attracting private investment and boosting growth. Originally, the interests of the state were financed by infrastructure development loans from the World Bank. However, on studying the recommendations of an independent review committee which warned of environmental, human and social costs (Morse & Berger, 1992), the World Bank withdrew its support. Nonetheless, the Supreme Court of India allowed the construction of the dam to go ahead, recommending limits to the height of the dam (BBC News, *ibid*). This process of building the dam regardless of its potential to submerge entire villages, displaces people from their homes and forces them on the market for new homes, new lands, new fisheries. The effect is manifold. Displaced villagers would have to offer their labor power regardless of wages to rebuild the assets snatched from them. Moreover, they would have to purchase new assets on the market -new lands, new farms, driving up asset values in favor of those in subsumed capitalist positions -rentiers and financiers.

Meanwhile states continue to enclose the knowledge commons. For example, with high textbook prices, basic texts in most disciplines remain unavailable to students. Used textbook markets and differentiated markets where cheaper versions of textbooks can be sold in lower

income countries enable textbook distributors to reach undeserved communities. Yet, several students take on additional loans to purchase textbooks or simply do without. This is when copyright norms are strictly enforced by state power under direction from profit making publishing companies who are part of the economic elite, and from supranational agreements such as TRIPS. When this is not the case, the spontaneous tendency is to treat academic material as the commons. In Indian universities for instance, photocopy shops are as popular a 'hangout spot' as tea and coffee shops. Since average incomes and allowances amongst the student community in India tend to be lower than in European or North American countries, photocopying academic material from friends and from library books is a feature of university life. In 2012, the Rameshwari Photocopy Shop at the University of Delhi was served notice by three international publishers -Oxford University Press, Cambridge University Press and the Taylor and Francis Group -for selling photocopies of extracts of their books to students (Oberoi, 2016). The shop was raided by an order from the Delhi High Court where court representatives made an inventory of material deemed "pirated". Associations of students and academics were formed who appealed in court against the notice. Eventually, Delhi High Court upheld the interests of the students maintaining that academic and literary work must be available for educational purposes under fair use (Oberoi, *ibid*). The Rameshwari Photocopy Shop case enables us to see that state power may well be used to enclose the commons in the interests of the transnational economic elite yet, it is also possible to use state institutions as a site for resistance.

In all the above cases -impositions of pipelines and dams and enclosures of the knowledge commons, resistance has been inevitable. Contrary to conventional rhetoric, Polanyi (*ibid*) treats *laissez faire* as 'planned' and resistance as inevitable. *Laissez faire* is 'planned' because for the system of capitalist processes to entrench themselves as a system of production and distribution, state power must be called in to dismantle other existing economic systems. As provisioning systems are

under attack and people start to lose their free and easy access to lands and natural resources, to knowledge and culture, in short to the commons, they tend to resist the commodification of their resources, their labor power and their bodies. Similarly, when capitalist incursions make their way into women's lives and draw their labor power and their bodies into a process of commodification, resistance is also inevitable. The urge to conserve a former way of life seeks to police women's behavior and sexuality, resuscitating the tendency for honor crimes, witch hunts, rapes and all kinds of violence against women. At the same time, the participation of women in resistance to neoliberalism also intensifies, along with their resistance to violence from social conservatives.

In European and North American countries, blaming 'foreigners', specifically immigrants, has become a popular rhetoric serving as a catchment for the frustration over fewer jobs and slower wage growth. With the anxiety against 'foreigners' and immigrants, the tendency has emerged into a general distrust of all people of color, the Jewish community, the Muslim community, and all persons of Hispanic or African descent. From the colonial legacy of Orientalizing the Orient, non-western communities are denied the agency of telling their own stories or defining themselves (Said, 1978). Instead, they are painted in a colonial narrative, 'otherized', made invisible in cultural depictions of mainstream environments and reduced to caricature, thus reinforcing white supremacy. As white supremacist identities are reproduced, so are the identities opposed to white supremacy. People of color in Europe and North America have organized against both, neoliberalism as well as white supremacy.

For example, the movement against the extra judicial killings of young Black men by police forces in the USA (Black Lives Matter), the privatization of prisons and the prison industrial complex in the USA strikes directly at both, racism and neoliberalism. According to a report published by the Malcolm X Grassroots Movement, there were 313 extra judicial killings of Black men, women and children by police, security guards and vigilantes in 2012 (Eisen, 2012). Part of the

rationale behind several of these killings is fear and paranoia and an assumption that racialized people are more apt to commit crimes. Linked with the killings is the disproportionate incarceration of Black men, women and even minors. Though Blacks comprised only 13% of the population of the United States in 2012, they comprised at least 50% of the incarcerated population (Eisen, *ibid*). Prison labor is hired by various firms either directly or on contract with other firms purchasing products made by prison labor. Mac Donald's for instance, purchases uniforms for its employees and plastic utensils from firms that use prison labor to produce these at low costs. K-Mart and J.C. Penney sell jeans made by prison workers from Tennessee prisons in their stores (Sloan, 2015). Recently, it was found that even Whole Foods Market sources products from firms using prison labor (Aubrey, 2015). Angela Davis explains the phenomenon through the "Prison Industrial Complex" whereby the task of running penal infrastructure is taken out of the hands of the State and into the hands of private businesses which are even less accountable for maintaining international human rights standards (Davis, 1998). Notable private prison management companies are the Corrections Corporation of America (CCA) and the Geo Group. These are joint stock companies, the shares of which are owned by banks, mutual fund management companies, employee retirement systems and private equity firms (Sloan, *ibid*). Corporations that would not employ a Black person as a regular employee, profit from the labor of prisoners, most of whom are Black and all of whom are paid meagre wages and are mostly out of reach for most labor unions. Meanwhile, large prison corporations continue to profit while claiming to provide 'rehabilitation' (Corrections Corporation of America, 2013) for the prison population. Following a work strike by Alabama prison workers in 2014, the Industrial Workers of the World Union instituted an Incarcerated Workers Organizing Committee to support the Free Alabama Movement for reforms of conditions of life and labor in prison (Faulkner, 2014). Later, the IWOC was able to support similar movements for Free Georgia and Free Ohio. In April of 2016, the Department of Justice of

the USA announced that it would phase out the use of private prisons at the federal level. However, the election of Donald Trump as President of the US caused a sharp rise in prices of CCA stocks, as the President took a strong stance towards prison privatization (The New York Times Editorial Board, 2017)

The result of constant enclosures by exercises of state power and undermining of state apparatus such as labor unions and state managed and run institutions is a two-pronged countermovement of socially conservative forces and emancipatory forces for gender and social justice, which are also mutually opposed to one another. Between disembedding and countermovement, we have a triple movement where persons align themselves on the basis of class positions (both fundamental and subsumed), race, gender and all other identities such as union members, teachers, academics, students, immigrants and refugees. The triple movement can take various expressions from protracted legal battles to protest demonstrations. However, only the state has the means of legal violence. Violent protests usually fail as most successful states can channel their ideological apparatus to manufacture consent around the brutal repression of violent protests to maintain “law and order”. Acts of terrorism (usually favored by the conservative Right) or armed attempts to take over domestic territory overseen by the state (usually favored by communist guerilla movements across Latin America, India and Nepal) are also met with state violence resuscitating *ad bellum* principles. True, states tend to selectively exercise power based on the political interests of state and economic elite. The Trump regime for instance, has categorically stated that counter-terrorism in the USA will focus solely on terrorism by radical Islamists, giving white supremacist terror groups a pass (Ainsley, Volz, & Cooke, 2017). Nonetheless, the fear of terrorist activity, often translated into racial targeting of West and South Asian men and women and an Orientalizing of cultures across North Africa to the Arab peninsula to the Indian subcontinent, causes a rallying cry towards more belligerent state regimes. Belligerent states contend against one another, at times

competing to institute military overtures against ‘wrong-doers’ while still trying to contain one another. Meanwhile, one forgets that much of the despair that led to such posturing, such belligerence, such chest thumping, have been caused by the incursions of capitalist processes around the world into all natural and human systems, eventually facilitating and constantly reproducing an empire of capital.

#### **Section IV: Dominant and Contender States**

While examining the role of the state in empire, there is a temptation to conflate state and empire. For example, when Panitch and Gindin (2012) detail the role of the US state in the making of empire, they tend to describe the political economy of the US state rather than the political economy of US dominated empire (Parisot, 2016). Parisot (ibid) is critical of the tendency to replace empire with the state. The British Empire for example (in the old imperialist system) contained the British state but it was a global, loosely organized system with a variety of power components including the more formal and directly political as well, as the less formal and indirectly political control over large portions of the world’s population (Parisot, ibid). According to Parisot (ibid), capitalist empire most certainly contains the state but it is greater than, or distinct from the state. One may apply a similar line of reasoning to a ‘US empire’ as well. US foreign policy since the First Gulf War has revolved around convictions dating back to the ‘manifest destiny’ of the US as an agent of liberty which has given the US state an “infinitely expansible grant of authority” to assert its influence everywhere since by definition, it works on freedom’s behalf (Bacevich, 2008). Moreover, the compulsions that financiers all over the world face in investing in dollar denominated assets propels the global tendency to balance the current account of the US (thereby deindustrializing it). However, a degree of separation exists between the US state and the vast global network of financial investments, physical investments and production contracts that characterizes neoliberal empire. For

example, US political interests are adversely affected by the deindustrialization resulting from the flight of production processes from the US to spaces where working conditions are less regulated and wages are lower. The resulting unemployment and downward pressure on working conditions and wages in erstwhile centers of the US economy such as Detroit or Pittsburg have led to a militant nationalism and a rallying cry for “buy American”. Nonetheless, even Donald Trump who has come to power on the basis of support from poor and unemployed white persons in working class positions cannot reverse the tide of neoliberal precariousness in working conditions. A particularly glaring example stands out in that a clothing line owned by Ivanka Trump, advisor to the President, also his daughter, continues to outsource production processes to various countries in Asia (Varinsky, 2017).

According to Radhika Desai (2013), the idea that the US has a stable hegemony over global capitalism, thus creating a US empire is fundamentally flawed. Even in the post-World War period, the capitalist world the US had hoped to dominate was truncated and fractured into competing national capitalisms rather the ‘global capitalism’ or ‘empire’. The need to prevent the working classes from succumbing to the “charms of communism” meant that the return to *laissez faire* from a war economy was not feasible. Instead, growth and full employment were necessary and required a degree of economic planning. In regard to these goals, the US state was just one state amongst many other states pursuing similar goals of economic growth and military build-up. However, according to Desai (*ibid*), pursuing national economic expansion conflicted with the dollar’s global role. A national economy could not provide world liquidity easily. Unlike the United Kingdom which could rely on colonial surpluses to finance capital exports, according to Desai (*ibid*), the United States had lesser capital and there were complaints of dollar shortage throughout Western Europe which was under the Marshall Plan for reconstruction. In a fiat world ofcourse, Desai’s (*ibid*) critique would not work. However, the post-World War world was a world on the gold standard where all global

currencies were pegged to the dollar and the dollar was pegged to gold. Since the dollar's exchange value was fixed, it remained in short supply for international investment. After 1958, several global currencies began shifting to flexible exchange rates, dollar shortage became dollar glut since depreciating currencies could now be purchased at lower prices vis-a-vis the dollar (and they were expected to appreciate). Confidence in the dollar fell especially as declining exports joined rising military expenditures.

Desai (ibid) espouses a theory of uneven and combined development. She sees states' international interaction in terms of a dialectic. On the one hand, dominant states seek to preserve existing uneven capitalist development through policies that favor them including imperialist policies. On the other hand, contender states accelerate development (capitalist and otherwise) to contest the imperialist projects of dominant states. Such 'hothouse development' is called combined development because it compresses stages of development into shorter and more intense bursts. The result is a multipolar world whereby there are so many economies that no economy can dominate the rest. Desai (ibid) believes that the United States' project of world dominance ended with the Great Recession. With the burst of the real estate bubble and subsequently, the credit bubble, "history's most massive bailout" had to be put in place to rescue the US centered world financial system. Nonetheless, the regulations that were imposed such as the Dodd Frank Bill cautioned banks against reckless international activity and made financial sectors more national. The dollar began a slow decline but for a brief rally in 2008 as US investors "flew home to safety". Eventually, according to Desai (ibid), the dominance of the United States was brought down by the combined development elsewhere. With increases in commodity prices, dollar depreciated further. Also, the G-20's replaced the G-7's as the most relevant body for informal multilateral management of the world economy. Desai also cites 44<sup>th</sup> US President Barrack Obama as regretfully declaring the US to be living beyond its means and hailing a 'multipolar' world.

There are certain problems with Desai's analysis of US hegemony. It relies heavily on the notion that the US deficits (current account and fiscal) must be 'financed' by the rest of the world. In practice, a significant portion of the world's wealth does flow into the USA but this is not because the deficits need to be 'financed'. In the global macroeconomy as in most national macroeconomies, expenditure drives income rather than the other way around. This means that it is the export of finance capital into the US from the rest of the world which drives US current account deficits rather than vice versa. Attracted by the perceived stability of the dollar and the dominance of the US in most international arena, supported by militant posturing and perceptions of high living standards, international financial interests clamor to invest in US financial assets. The clamor to purchase dollars must be duly compensated by sales of goods within the domestic territory of the US. Such sales may only be successful at competitive prices -easy to manage when conditions of work and life are more precarious abroad than those in the domestic territory of the US. Subsequently, current account deficits may follow as the result of capital inflows rather than the cause. Desai (ibid) is right in that continual current account deficits sustained over time may result in the loss of faith in the dollar and therefore, an end to what is a highly unstable international order. However, she overstates the effect of the global financial crisis which began with the burst of the US real estate bubble. According to Panitch and Gindin (2012, ibid), it is certainly the case that the multipolar G-20 went on to replace the G-7, adding credence to Desai's theory of multipolarity following the 2008 crisis. Nonetheless positions taken by the G-20 continued to hold up the power structure of empire rather than contest the imperial projects of dominant states as in Desai's (ibid) theory. The G-20 upheld the consensus to strive to resist the "lapse" into protectionism which would follow upon the crisis. They undertook a "commitment to an Open Global Economy". Nonetheless, the participation in projects of creating new financial regulation (Basel Committee) and

in pledging global recovery action plans was overwhelmingly dominated by the advanced capitalist countries (Panitch and Gindin, *ibid*).

A final problem with Desai's theory (*ibid*) is not with her critique of the Hegemonic Stability Theories but with her implicit acceptance of stage theories of development in Uneven and Combined Development. For Desai (*ibid*), contender states combine stages of development quickly and rise to challenge imperialist states. The stage theory of development remains an aspect of historical materialism where social formations go from slave modes of production to feudal modes of production, to capitalist modes of production to socialist modes of production. The linear progression of history is considered to be driven through changes in technology. Under combined development, contender states are able to make rapid technical progress, leap frogging across stages of development and thus combining stages of development. However, in a post-colonial world, capitalist modes of production have not grown spontaneously through changes in technology. Instead, in most of the world, capitalism has been imposed by colonial authorities through military incursions, taxation and enclosures. Most third world countries have found themselves in dual economies where systems of capitalist processes coincide with other systems that predate capitalism such as economies of reciprocity and hospitality, village economies, kinship economies etc. Praxis under stage theory would imply that third world countries would have to wait until their capitalist systems are sufficiently developed to create socialist systems and to (in Desai's theories) challenge the imperialism of dominant states. However, waiting for capitalist systems to sufficiently develop would imply seeing all the commons enclosed, all labor power and bodies commodified and all natural resource systems destroyed. Nonetheless, as we have seen, even the G-20, the grouping of powerful and fast growing contender states, is not particularly interested in challenging capitalist empire. Instead, it is more interested in preserving the neoliberal order by all possible means such as

ensuring financial regulation, working towards stimulus and assuring dominant nations that it will not allow the world to “relapse” into a pre-neoliberal world.

Problems with Desai’s (ibid) critique of the Hegemonic Stability Theory and her Theory of Uneven and Combined Development aside, Desai does present a useful geopolitical framework of dominant and contender states. In this regard, she provides the possible key to distinguishing between states and empires. The neoliberal world is a world of several states in various degrees of sovereignty. States are in themselves, a confluence of myriad institutions which do not necessarily act in unison. In fact, it may even be a mandated responsibility of some state institution for example, the judiciary to protect citizens and other persons from the other state institutions. Moreover, states maintain the monopoly over legitimate violence against both, invasions by “barbarians” and “rebellions” by the abject – ‘just war’ deemed socially acceptable since it is waged to preserve the social order. States not only include the repressive apparatus but also the ideological apparatus that enable them to manufacture consent over their militancy, the imperialism, their contention and the order they uphold. With Desai’s (ibid) formulation, it becomes possible to see the global geopolitical economy as a confluence of such states -dominant and contending, protecting their own sovereignty, and vying for the subjugation of less powerful states.

What is the role of such states in negotiating the relationship between the global capitalist system and the myriad non-capitalist systems across the world? State systems tend to be characterized by the hegemony of persons in fundamental and subsumed capitalist class positions who uphold their class interests and seek the exercise of State power in facilitating the incursions of capitalist processes into the commons and into kinship, community and command economic systems. In the neoliberal period, the capitalist class has taken on a transnational character with a tendency to invest rapidly anywhere across the globe and move production processes quickly, constantly threatening to leave behind a displaced and unemployed workforce. Thus, the economic

elites that maintain a hegemony within the State system need not, as in the neoliberal era, be citizens or nationals under the jurisdiction of that particular state. Instead, they may simply have economic interests that exist within the domestic territory of that State or are of interest to some group of constituents of that state. This would explain the attitude of the G-20 States as similar groups of economic elites (persons in transnational fundamental and subsumed capitalist positions) maintain a hegemony across most contender states. Since the empire of capital in the neoliberal era is an empire of capital and not an empire of the dominant or contender states, the persons in capitalist positions are able to insist on supporting open economy policies, rejecting controls on capital movements, bailing out the US centered financial system while showing no concern for the displaced and unemployed and so on. This is not to say that the states characterized by the hegemony of similar elites do not compete with one another. After all, a relative autonomy exists between the activities of state institutions and the tasks of extracting surplus value from living labor. States vie with one another to compete for the attention of the transnational elites -competing for investments and shifts of production processes to their domestic territory. But they also vie with one another militaristically, fueled by the tensions of “protecting” the order within their borders from “barbarians”.

Most neoliberal states though no doubt characterized by the hegemony of elites in transnational capitalist positions, also allow a limited space to persons in non-hegemonic positions. Since the state system comprises not only the repressive apparatus but also the ideological apparatus, one often hears of artists, writers, musicians, academics, activists etcetera who are critical of capitalist interests and state policies, but hold positions in schooling and health systems, communication systems, cultural institutions, legal institutions, bureaucratic institutions etcetera. Since such individuals are not necessarily in capitalist class positions (either fundamental or subsumed), they may, on occasion, oppose the interests of the hegemonic economic elite.

Eventually, state institutions emerge as sites of triple movement between capitalist interests and several groups of non-hegemonic interests. In a space of dominant and contender states, it is often possible to stereotype anti-capitalist or anti state behavior as “anti-national” or “unpatriotic” or as loyal to some other, contender state which could be used to manufacture consent directing state power against the anti-hegemonic or anti-state behavior. When such behavior takes on violent forms, State repression is accompanied by the exercise of pro-capitalist, hegemonic interests in the ideological state apparatuses who create consent for the use of state violence against the “barbarians” or the “rebels”. The idea of violence as in some way, necessary to maintain peace or order creates a power structure feeding a repressive system since nothing else guarantees the everyday tasks of provisioning (or “peace and order”). Such exercise of state repression may stay within national borders and some, particularly the exercises of repression of more powerful states (militarily), may transcend national borders.

Of particular concern to the global order supervised by the network of dominant and contender states is the rogue states. Rogue states are the states where the hegemony has shifted completely into the hands of the countermovement against the capitalist interests. Such states include those dominated by militant social conservative forces such as Afghanistan under the Taliban or Iran under the Supreme Leader. They also include states dominated by militant communist forces such as North Korea. The rogue states not only challenge the global order of neoliberalism and the dominance of states like the US, they also present a constant threat of war and instability, on which account, it is possible to manufacture consent around capitalist systems as the best choice given that its alternatives are depicted as equivalents to North Korean or Taliban command economies. Attempts have been made within the ideological state apparatus of the US to depict states characterized by the hegemony of popular rights-based, 21<sup>st</sup> century socialism movements as rogue states. However, such attempts have not been particularly successful in that

regard on account of the widespread popularity of leaders such as Hugo Chavez, Rafael Correa and Evo Morales, and the unwillingness to accept the dominant narrative against such states.

With capitalist incursions, constantly commodifying all natural and human systems in society, there is a tendency for resistance to build up and occupy spaces across the state system. As non-hegemonic forces, both socially conservative and emancipatory, vie for space, identities or a sense of belonging to a community become significant. Empire exists through the subjugation of anti-capitalist identities, constantly relying on the exercise of state power to impose identities of “anti-national” and “unpatriotic” or “rogue” against all non-hegemonic forces that present a violent challenge to empire. Here, empire is not a US empire or a UK empire. It is an empire in a multi-state, multi-polar world subjugating those who have been displaced, and fore-closed, those whose humanity is taken away from them, those whose livelihoods are taken from them. It is an empire of capital built on the displaced and thereby forced labor power of the abject, the foreclosed, or the world of the third (Chakravarti, Dhar and Cullenberg, 2012, *ibid*), enforced by a constant state of war against all militant opposition.

## CHAPTER 5

### THE EMPIRE OF CAPITAL

Recently, after the publication of ‘A Theory of Imperialism’ by Utsa and Prabhat Patnaik (2016), there has been a debate in Marxist circles as to whether imperialism is still a relevant concept. In the response by David Harvey, Harvey (2016), explained that he does not consider imperialism of the old imperial system to be a useful concept in contemporary geo-political economy as primary goods no longer necessarily move from global South to global North but often also to emerging, newly industrializing spaces outside of the advanced capitalist countries (Harvey, 2016). Harvey (2016, *ibid*) advocates for assessing new categories to conceptualize contemporary geo-political economy whereby increasing ease of geographical mobility of capital has created a deterritorialized, depersonalized “global capital” that profits from the shifts of production processes to low wage spaces with large labor reserves living in conditions conducive to super exploitation (Smith, 2017). Meanwhile, proponents of imperialism as a useful concept such as John Smith (2017, *ibid*) believe that Harvey (*ibid*) has failed to note that the shift of production processes to the emerging, newly industrializing spaces has not occurred because of the transnational nature of global finance capitalist interests but because of the decline in the rate of manufacturing profit in the global north. Increasing imports of cheap manufactured goods did more than simply fuel consumerism, it also supported profitability of North American firms. At this point, it seems that the discussion on imperialism versus empire has become an empirical question whereby a network analysis may be conducted of manufacturing profit and labor embodied in various manufacturing industries to determine whether global core-periphery concepts may still be used. Nonetheless, this dissertation attempts to put forward a more general theory of empire, which will hold regardless of the current Marxian debates of imperialism versus empire.

In this dissertation, empire is seen as a social totality, in the spirit of the approach outlined by James Parisot (2016, *ibid*). Parisot (*ibid*) seeks to separate imperialism from empire. As in Poulantzas (1978), the capitalist world order and the interstate system are linked together in imperialist ‘chains’ structured around movements of uneven development. States, motivated by the capitalist interests that may have a hegemony over the state system, may commit acts of imperialism against one another such as militant aggressions or forcing an unfavorable trade deal but that may not mean that they are forming an empire (Parisot, *ibid*). For Parisot (*ibid*), imperialism is an action whereas empire is a power structure with dimensions of race, gender, the state and so on. Parisot’s distinction between imperialism and empire is a useful one but it is not correct to deny imperialism. After all, as shown by Utsa and Prabhat Patnaik (*ibid*), without the drain of primary goods from the regions that can produce them as downward sticky prices, the value of money cannot be sustained and the capitalist system as a monetary production system would not prevail (Patnaik & Patnaik, 2016). Nonetheless, when taken in contemporary perspective, such an analysis pertains to incursions of global north capitalist processes into both, global south capitalist processes as well as global south non-capitalist processes, but primarily pertaining to systems of provisioning of primary goods that cannot be produced cheaply in global north regions. The approach in Patnaik and Patnaik (2016) does not consider the global value chains in care and sexual work, and in home based manufacturing, low skilled and assembly processing, in outsourcing of technology and data related tasks and several similar cases of outsourcing. They cannot explain the rising violence against women and minorities which seems to have accompanied the processes of privatization of State processes, enclosures of common spaces and informalization of living standards that have accompanied neoliberalism. Therefore, while they make a compelling case (*ibid*) towards a theory of imperialism using the drain of primary goods as an entry-point, the theory of imperialism outlined by Patnaik and Patnaik (2016, *ibid*) lacks explanatory power. Instead a more general theory would

explain a wider spectrum of phenomena connected to race, gender, the environment and to the regular exercises of state violence against collective methods of provisioning and a constant and general state of war which has continuously accompanied the new empire of capital.

To resist the empire of capital in the neoliberal era, it is paramount to construct a theoretical framework to adequately understand the power structure of the empire of capital. After all, the capitalist system is only one economic system in the global economy. If it were the only one economic system as such, it would not be able to perpetuate itself as there would be no reserve of labor to draw into capitalist production as wages rise, and no new markets to constantly seek to create. As communes, cooperatives and the commons are rather infamously resilient and constantly keep recreating themselves, the opportunity to make incursions endlessly tends to present itself. Meanwhile, despite the pressures on kinship systems and the changing nature of kinship relationships, kinship ties continue to be somewhat resilient. As states withdraw from providing basic services, as the community and state systems for providing access to basic resources come under pressure, burdens of social reproduction are shifted to the women in society. Women become the ultimate frontier, pushed to the abject zones of domesticity -the system cannot do without them and yet the system reviles them as housewives of bygone eras. Similarly, men who take on non-wage tasks to care for their families are reviled for being non-masculine and unambitious -yet, if non-wage tasks are not undertaken, there can be no social reproduction. Following Althusser (1971, *ibid*), the theoretical framework of empire must be directed at reproduction, rather than production so that praxis can be directed towards how the system continues to perpetuate itself.

Neoliberalism has pushed the empire of capital to the brink of a reproduction crisis. Kinship relations have been strained with constant economic crises and unemployment and constant withdrawals of the state from provisioning processes. The hegemony of capitalist interests in state processes have driven the states into privatizing much of their roles in provisioning and thereby

directing the benefits of their provisioning into private capitalist hands while socializing the costs. The loss of access to the means of life accompanying neoliberalism has created a number of social movements -both, emancipatory movements to end the hegemony of capitalist interests and thereby the empire of capital as well as socially conservative forces to preserve the traditional hierarchies of identities (for eg. white supremacy) and creating scapegoats of minorities who are depicted as benefitting from neoliberal processes. The rise of the latter in global state systems has created a high neoliberalism whereby the incursions of capitalist processes continue to be tolerated but are accompanied by a regressive rhetoric of racism and xenophobia and coupled against a policy of tolerance to violence for example, hate crimes and assassinations of writers, journalists etc. As violence intensifies, states direct their violence at 'rogue states' that pose militant challenges of socially conservative or emancipatory nature to the empire of capital. Moreover, they tackle rebellions within their domestic territories -as people try to assert their rights to the means of their livelihoods, state power is used to crackdown on and disperse systems of rebellion.

The empire of capital is something confronted by most persons every day. Every time persons seek to share their resources with kin and members of the community, they resist the capitalist ways of provisioning resources through the isolation and anonymity of market transactions. As persons begin to tackle conventional, traditional and capitalist notions of marriage and seek to divide tasks in ways that are free of gender hierarchies and capitalist expectations, they resist the empire of capital. Similarly, seed libraries, food sharing cooperatives, farming cooperatives and workers' cooperatives enable human beings to provision fulfilling lives in ways that resist capitalist incursions. Emancipatory countermovement activism may also be directed at the state to socialize provisioning processes such as financial services, the provision of jobs, and the provisioning of basic goods such as food, water, electricity, health and education on a rights basis. Moreover, supporting an egalitarian distribution of the social output by demanding higher minimum

wages, higher pensions and incomes as payment for non-wage labor on a rights basis may be other ways to confront the empire of capital and to destroy the hegemony of capitalist interests within the economic and state systems. Quite often, the thought of living away from capitalism, to be living on its outside and to strengthen its outside may cause one to think it would involve living poorly or uncomfortably. More so, it may not always be possible since one is often forced to work in capitalist processes as one is deprived of the means of life otherwise. A culture of resistance to empire must take account of the challenges involved in living on the outside of empire and deliberately pledge to be supportive towards one's comrades. It remains quite fitting in that resistance to an empire fraught with war and violence relies on love and peace.

## APPENDIX

### A.1. Expendability and Vanishing Women- Number of Women Per 1000 Men and Number of Women per 1000 Men in India

Year	1901	1911	1921	1931	1951	1961	1971	1991*	2001*
Number of Women per 1000 Men	972	964	955	955	947	941	930	927	933
Number of Women Workers per 1000 Male Workers	504	525	516	453	408	460	210	290	303
Number of Women Cultivators per 1000 Male Cultivators	431	427	463	289	357	498	135	251	324
Number of Women Agricultural Laborers per 1000 Male Agricultural Laborers	1051	1054	952	1006	857	819	498	616	544
Number of Women in Livestock farming, forestry, hunting, plantation orchards and allied activities per 1000 men in said activities	335	337	372	337	491	297	210	281	543
Number of Women in mining and quarrying per 1000 men in said activities	639	500	562	396	434	663	155	139	162
Number of women in manufacturing activities per 1000 men in manufacturing activities (household and otherwise)	553	574	508	440	288	110	88	196	265
Number of women in construction per 1000 men in construction	400	336	412	303	248	134	101	82	99
Number of women in trade and commerce per 1000 men in trade and commerce	405	513	479	396	187	119	59	72	81
Number of women in transport, storage and communications per 1000 men in said activities	65	62	65	41	61	22	34	27	32
Number of women in other paid activities per 1000 men in other paid activities	325	371	357	484	332	287	165	222	303
Number of women 'non workers' per 1000 male 'non workers'	1707	1676	1629	1656	1580	1581	1726	1487	1436

Source: The Census of India quoted in (Mies, 1988), \*My calculations using Census of India figures and Mies' definitions.

## A.2. Estimates of the value of money and *melt*, USA, 2003-2015

Variable	Total Earnings ( $\widehat{TE}$ per quarter)	Total Wage-Labor Hours ( $\widehat{TL}$ per quarter)	<i>value of money</i>	$\widehat{melt}$
2003	\$ 13,356,000,000,000 per quarter	1,860,000,000,000 hours per quarter	0.1392632524708 hours/\$	7.180 \$/hour
2004	13,738,000,000,000	1,920,000,000,000	0.139758334546513 hours/\$	7.155 \$/hour
2005	14,525,000,000,000	1,940,000,000,000	0.133562822719449 hours/\$	7.487 \$/hour
2006	\$ 14,764,000,000,000 per quarter	1,980,000,000,000 hours per quarter	0.134109997290707 hours/\$	7.46 \$/hour
2007	\$ 15,732,000,000,000 per quarter	2,010,000,000,000 hours per quarter	0.127765064836003 hours/\$	7.83 \$/hour
2008	\$16,564,000,000,000 per quarter	2,020,000,000,000 hours per quarter	0.121951219512195 hours/\$	8.2 \$/hour
2009	\$ 15,894,000,000,000 per quarter	1,900,000,000,000 hours per quarter	0.11954196552158 hours/\$	8.3653 \$/hour
2010	\$ 16,606,000,000,000 per quarter	2,070,000,000,000 hours per quarter	0.124653739612188 hours/\$	8.0222 \$/hour
2011	\$ 18,359,000,000,000 per quarter	2,120,000,000,000 hours per quarter	0.115474699057683 hours/\$	8.6599 \$/hour

Variable	Total Earnings ( $\widehat{TE}$ per quarter)	Total Wage-Labor Hours ( $\widehat{TL}$ per quarter)	<i>value of money</i>	<i>melt</i>
2012	\$ 16,880,000,000,000 per quarter	2,060,000,000,000 hours per quarter	0.122037914691943 hours/\$	8.19 \$/hour
2013	\$ 16,503,000,000,000 per quarter	2,090,000,000,000 hours per quarter	0.126643640550203 hours/\$	7.90 \$/hour
2014	\$20,009,000,000,000 per quarter	2,200,000,000,000 hours per quarter	0.109950522264981 hours/\$	9.15 \$/hour
2015	\$ 19,926,000,000,000 per quarter	2,240,000,000,000 hours per quarter	0.112415938974205 hours/\$	8.90 \$/hour

Source: ATUS microdata, 2003-2015

A.3.  $\widehat{EON} =$

**Wage inflows (Monetary earnings) in labor equivalent – Non Wage Labor –**

**Wage Labor – Care in the USA from ATUS data 2003-2015**

Year	Estimated Total $\widehat{EON}$	Average Estimates
2003	524,000,000,000 hours	2.695 hours~\$19.355
2004	573,000,000,000 hours	2.943 hours~\$21.058
2005	587,000,000,000 hours	2.999 hours~\$22.458
2006	628,000,000,000 hours	3.222 hours~\$24.026
2007	557,000,000,000 hours	2.755 hours~\$21.60
2008	571,000,000,000 hours	2.739 hours ~\$22.5
2009	564,000,000,000 hours	2.95 hours ~\$24.689
2010	750,000,000,000 hours	3.970 hours~\$31.851
2011	712,000,000,000 hours	3.66 hours~\$31.70
2012	723,000,000,000 hours	3.82 hours~\$31.20
2013	800,000,000,000 hours	4.367 hours~\$34.5
2014	724,000,000,000 hours	3.539 hours~\$32.378
2015	728,000,000,000 hours	3.44 hours~\$30.6

Source: ATUS microdata 2003-2015

#### A.4. Ratio of Wage labor to Non-Wage Labor and Labor Hours

##### Spent in Care, USA 2003-2015

Year		Wage Labor (Hours)	Non-Wage Labor + Care (Hours)	Ratio of Wage Labor to Non-Wage Labor+ Care
2003	Male	1,040,000,000,000	454,000,000,000	2.291
	Female	829,000,000,000	1,010,000,000,000	0.821
	Overall	1,869,000,000,000	1,464,000,000,000	1.277
2004	Male	1,030,000,000,000	462,000,000,000	2.229
	Female	891,000,000,000	989,000,000,000	0.901
	Overall	1,921,000,000,000	1,451,000,000,000	1.324
2005	Male	1,040,000,000,000	452,000,000,000	2.301
	Female	900,000,000,000	1,010,000,000,000	0.891
	Overall	1,940,000,000,000	1,462,000,000,000	1.327
2006	Male	1,090,000,000,000	483,000,000,000	2.257
	Female	890,000,000,000	998,000,000,000	0.892
	Overall	1,980,000,000,000	1,481,000,000,000	1.337
2007	Male	1,090,000,000,000	501,000,000,000	2.18
	Female	917,000,000,000	951,000,000,000	0.964
	Overall	2,007,000,000,000	1,452,000,000,000	1.38
2008	Male	1,080,000,000,000	415,000,000,000	2.60
	Female	943,000,000,000	849,000,000,000	1.11
	Overall	2,023,000,000,000	1,264,000,000,000	1.60
2009	Male	1,040,000,000,000	499,000,000,000	2.08
	Female	866,000,000,000	1,040,000,000,000	0.833
	Overall	1,906,000,000,000	1,539,000,000,000	1.24
2010	Male	1,110,000,000,000	532,000,000,000	2.09
	Female	960,000,000,000	992,000,000,000	0.968
	Overall	2,070,000,000,000	1,524,000,000,000	1.36
2011	Male	1,170,000,000,000	480,000,000,000	2.44
	Female	945,000,000,000	936,000,000,000	1.01
	Overall	2,115,000,000,000	1,416,000,000,000	1.49
2012	Male	1,120,000,000,000	498,000,000,000	2.25
	Female	936,000,000,000	948,000,000,000	0.987
	Overall	2,056,000,000,000	1,446,000,000,000	1.42
2013	Male	1,170,000,000,000	515,000,000,000	2.27
	Female	920,000,000,000	989,000,000,000	0.93
	Overall	2,090,000,000,000	1,504,000,000,000	1.39
2014	Male	1,210,000,000,000	540,000,000,000	2.240
	Female	995,000,000,000	1,030,000,000,000	0.966
	Overall	2,205,000,000,000	1,570,000,000,000	1.400
2015	Male	1,220,000,000,000	569,000,000,000	2.14
	Female	1,010,000,000,000	1,130,000,000,000	0.894
	Overall	2,230,000,000,000	1,699,000,000,000	1.31

Source: ATUS microdata, 2003-2015

### A.5. Average Wage and Non-Wage Labor, including Care (Hours)

		Average Wage Labor (Hours)	Average Non-Wage Labor + Care (Hours)
2003	Male	4.031	1.760
	Female	2.591	3.156
	Overall	3.234	2.533
2004	Male	3.931	1.763
	Female	2.733	3.034
	Overall	3.267	2.468
2005	Male	4.00	1.74
	Female	2.78	3.12
	Overall	3.32	2.50
2006	Male	4.02	1.78
	Female	2.71	3.03
	Overall	3.30	2.47
2007	Male	4.01	1.84
	Female	2.88	2.99
	Overall	3.40	2.46
2008	Male	3.96	1.52
	Female	2.77	2.49
	Overall	3.29	2.06
2009	Male	3.74	1.79
	Female	2.52	3.03
	Overall	3.07	2.48
2010	Male	3.80	1.82
	Female	2.82	2.92
	Overall	3.28	2.41
2011	Male	4.12	1.69
	Female	2.86	2.84
	Overall	3.44	2.31
2012	Male	3.99	1.77
	Female	2.83	2.86
	Overall	3.36	2.36
2013	Male	3.97	1.75
	Female	2.71	2.91
	Overall	3.29	2.37
2014	Male	4.020	1.790
	Female	2.790	2.890
	Overall	3.360	2.390
2015	Male	3.94	1.84
	Female	2.69	3.01
	Overall	3.26	2.48

Source: ATUS microdata, 2003-2015

### A.6: Average $\widehat{EON}$ over Income-Groups.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<5000	0.843	0.023	0.119	0.163	*	1.027	0.262	0.041	1.105	0.234	1.317	1.110	1.147
5000-7499	0.863	2.273	1.743	0.481	0.758	1.185	1.452	5.505	0.741	0.006	2.651	1.035	2.470
7500-9999	1.419	0.352	0.154	1.801	0.494	0.445	1.776	1.448	1.249	0.808	0.445	0.613	2.035
10000-12499	1.286	0.192	1.116	0.249	0.549	0.503	1.017	1.191	1.518	0.426	0.263	0.674	0.079
12500-14999	0.238	0.075	0.507	0.502	0.912	0.722	1.111	0.905	0.785	0.769	0.071	2.877	0.263
15000-19999	0.775	0.754	0.671	0.053	0.311	0.085	0.575	0.300	0.533	0.284	0.395	0.280	0.128
20000-24999	0.478	0.764	0.073	1.091	0.185	0.264	0.421	1.440	1.179	1.885	1.599	0.446	0.101
25000-29999	0.953	1.109	1.315	1.569	0.887	1.004	0.905	0.551	0.334	0.893	2.312	0.778	0.666
30000-34999	2.306	1.698	1.322	1.959	1.756	1.822	1.727	1.495	1.815	2.279	1.667	0.540	1.152
35000-39999	2.401	3.133	3.694	1.979	1.815	2.147	2.015	2.607	2.362	2.412	3.851	2.336	1.242
40000-49999	2.862	2.617	4.041	2.924	2.479	2.333	2.856	5.188	3.939	3.113	3.788	3.507	3.942
50000-59999	5.060	3.398	4.139	4.204	3.127	3.444	2.316	4.046	5.095	4.168	4.278	3.691	3.397
60000-74999	4.474	4.925	3.526	5.539	4.507	2.725	4.529	4.178	4.742	5.361	5.818	5.234	4.382
75000-99999	5.003	5.380	5.519	4.752	5.158	4.922	5.911	6.764	5.132	7.214	7.180	5.437	6.305
100000-149999	*	4.976	5.577	5.737	5.093	3.902	5.962	8.306	7.087	7.378	7.597	8.023	5.645
>=150000	4.389	4.335	4.657	8.758	1.412	8.979	7.196	4.863	8.672	5.501	6.667	5.244	4.902

Source: ATUS microdata 2003-2015

\* These estimates could not be made as the figures obtained were outliers.

**A.7: Ratio of Wage to Non-Wage Labor for Men, USA, 2003-2015**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<5000	1.704	1.010	2.674	1.689	1.031	1.282	0.701	1.040	0.869	2.091	0.921	1.020	0.622
5000-7499	1.127	0.584	0.882	0.670	1.104	1.462	1.376	0.956	1.723	1.419	1.216	0.394	2.109
7500-9999	1.255	0.992	1.599	0.752	1.489	1.073	0.615	1.202	1.144	1.538	0.857	0.705	0.698
10000-12499	1.653	1.414	1.367	0.942	1.172	1.919	0.992	1.872	0.734	1.115	0.810	1.197	0.660
12500-14999	1.304	1.455	1.964	1.572	2.003	1.524	2.004	1.225	1.191	1.393	1.369	1.558	1.600
15000-19999	1.385	2.034	2.515	1.835	1.186	2.514	1.964	0.795	1.535	1.206	1.361	1.744	1.000
20000-24999	1.856	1.628	1.652	2.057	1.859	1.929	1.502	1.487	2.178	1.511	1.722	1.851	1.996
25000-29999	1.575	1.743	1.407	2.275	1.853	2.354	1.502	1.532	1.540	1.664	1.632	1.862	1.673
30000-34999	2.537	1.582	1.833	2.409	1.837	2.864	1.802	1.769	2.826	2.401	1.577	1.539	1.497
35000-39999	1.883	2.207	2.802	2.248	2.505	2.073	1.678	1.435	1.844	1.845	2.927	1.823	2.368
40000-49999	2.287	2.429	3.023	2.288	1.969	2.339	2.002	1.901	2.976	2.202	2.736	2.703	2.535
50000-59999	2.717	2.636	2.543	1.935	2.118	2.172	1.765	2.319	2.407	2.624	1.941	1.939	2.120
60000-74999	2.622	2.602	2.048	2.439	2.722	2.257	2.690	2.588	2.645	2.422	2.386	2.594	2.214
75000-99999	2.798	2.876	2.651	2.609	2.227	2.201	2.649	2.571	2.764	2.915	2.658	2.287	2.339
100000-149999	0.262	2.492	2.473	3.010	3.031	2.753	2.638	2.657	2.968	2.949	3.117	3.368	2.902
>=150000	0.464	3.973	3.606	2.779	2.993	2.806	2.679	2.280	3.420	3.069	2.451	2.889	2.592

Source: ATUS 2003-2015

**A.8: Ratio of Wage to Non-Wage Labor for Women, USA 2003-2015**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<5000	0.460	0.772	0.709	0.679	0.538	0.347	0.472	0.399	0.514	0.452	0.734	0.642	0.513
5000-7499	0.634	0.381	0.195	0.614	0.520	0.350	0.656	0.329	0.365	0.413	0.335	0.436	0.364
7500-9999	0.318	0.422	0.589	0.369	0.147	0.168	0.240	0.299	0.182	0.487	0.466	0.288	0.371
10000-12499	0.437	0.377	0.331	0.541	0.668	0.436	0.380	0.664	0.556	0.260	0.628	0.381	0.490
12500-14999	0.474	0.558	0.385	0.375	0.411	0.321	0.388	0.655	0.425	0.576	0.525	0.443	0.645
15000-19999	0.660	0.563	0.518	0.706	0.742	0.532	0.434	0.488	0.673	0.637	0.470	0.620	0.492
20000-24999	0.671	0.712	0.947	0.737	0.801	0.808	0.607	0.507	0.800	0.659	0.476	0.590	0.664
25000-29999	0.746	0.758	0.929	0.786	0.739	0.816	0.709	0.975	0.549	0.733	0.959	0.519	0.581
30000-34999	0.728	0.943	0.909	0.926	0.998	0.899	0.916	0.728	1.104	1.153	0.726	0.880	0.744
35000-39999	0.987	0.969	0.988	0.893	0.742	1.207	0.874	1.130	0.970	1.172	0.855	0.818	0.734
40000-49999	1.042	1.229	0.878	0.986	1.425	0.948	0.881	1.060	1.004	0.832	0.878	1.085	0.888
50000-59999	1.081	1.100	1.238	0.725	1.197	1.191	1.231	1.058	1.356	1.326	0.950	1.167	0.957
60000-74999	1.117	1.214	1.187	1.125	1.261	1.264	1.016	1.481	1.410	0.970	1.256	1.184	1.302
75000-99999	0.923	1.124	1.063	1.185	1.257	1.415	1.202	1.300	1.311	1.427	1.097	1.409	0.909
100000-149999	0.004	1.167	0.938	1.374	1.000	1.008	0.983	1.296	1.353	1.383	1.182	1.132	1.103
>=150000	1.362	0.949	1.119	0.865	0.704	0.940	1.170	0.811	0.937	1.287	1.285	1.278	1.262

Source: ATUS microdata 2003-2015

### A.9: Average Wage Labor of Men by Income Group, USA, 2003-2015

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<5000	2.15	1.74	2.20	2.37	2.13	2.34	1.20	1.87	1.56	2.95	1.45	1.43	1.17
5000-7499	1.36	0.69	1.49	1.59	1.81	1.94	1.90	1.95	2.92	2.45	1.92	0.78	2.41
7500-9999	1.63	1.98	1.92	1.57	2.26	1.37	1.26	2.21	1.67	2.57	1.50	1.73	1.28
10000-12499	2.29	2.64	2.03	2.03	1.84	2.36	1.69	3.12	1.44	1.81	1.68	2.18	1.54
12500-14999	2.15	2.52	2.73	2.37	3.62	2.06	3.30	2.08	1.63	1.98	1.87	2.28	2.45
15000-19999	2.85	2.88	3.51	3.18	2.27	3.36	2.90	1.76	2.39	2.24	2.15	2.67	2.53
20000-24999	3.13	3.13	3.12	3.52	3.42	3.29	2.94	2.74	3.33	2.81	3.05	2.90	3.13
25000-29999	3.25	3.07	2.88	3.46	3.37	3.61	2.47	3.30	3.18	3.01	2.99	3.69	3.35
30000-34999	4.18	3.30	3.23	3.99	3.29	4.49	3.22	3.07	4.21	4.10	3.03	2.75	3.05
35000-39999	3.45	3.95	4.57	3.90	3.94	3.62	3.38	3.03	3.52	3.60	3.77	3.88	3.75
40000-49999	4.12	4.29	4.62	4.31	3.87	4.22	3.52	3.23	4.70	3.68	4.62	4.61	4.07
50000-59999	4.79	4.55	4.46	4.04	4.19	4.15	3.88	4.63	4.54	4.50	3.98	3.75	3.73
60000-74999	4.76	4.46	4.20	4.31	5.24	4.40	4.85	4.40	4.56	4.34	4.34	4.58	4.31
75000-99999	4.89	5.10	5.20	4.83	4.50	4.31	4.40	4.77	4.38	4.83	4.64	4.63	4.60
100000-149999	0.80	4.73	4.71	4.95	5.09	4.70	4.67	5.02	5.28	4.92	4.91	5.04	4.93
>=150000	0.36	5.23	5.32	4.84	4.94	4.90	4.83	4.33	5.06	4.72	4.68	5.10	4.70

Source: ATUS microdata 2003-2015

### A.10: Average Non-Wage Labor of Men by Income Group, USA, 2003-2015

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<5000	1.26	1.72	0.82	1.40	2.06	1.83	1.71	1.80	1.80	1.41	1.57	1.41	1.88
5000-7499	1.20	1.18	1.69	2.37	1.64	1.33	1.38	2.04	1.69	1.73	1.58	1.98	1.14
7500-9999	1.30	1.99	1.20	2.08	1.52	1.28	2.05	1.84	1.46	1.67	1.75	2.45	1.83
10000-12499	1.39	1.87	1.49	2.15	1.57	1.23	1.71	1.67	1.96	1.62	2.07	1.82	2.33
12500-14999	1.65	1.73	1.39	1.51	1.81	1.35	1.65	1.70	1.37	1.42	1.36	1.46	1.53
15000-19999	2.06	1.41	1.39	1.73	1.91	1.34	1.48	2.22	1.56	1.86	1.58	1.53	2.53
20000-24999	1.69	1.93	1.89	1.71	1.84	1.70	1.95	1.84	1.53	1.86	1.77	1.56	1.57
25000-29999	2.06	1.76	2.05	1.52	1.82	1.54	1.64	2.15	2.06	1.81	1.83	1.98	2.00
30000-34999	1.65	2.09	1.76	1.65	1.79	1.57	1.78	1.74	1.49	1.71	1.92	1.79	2.04
35000-39999	1.83	1.79	1.63	1.73	1.57	1.75	2.01	2.11	1.91	1.95	1.29	2.13	1.58
40000-49999	1.80	1.77	1.53	1.88	1.97	1.80	1.76	1.70	1.58	1.67	1.69	1.71	1.61
50000-59999	1.76	1.73	1.75	2.09	1.98	1.91	2.20	1.99	1.89	1.72	2.05	1.93	1.76
60000-74999	1.81	1.71	2.05	1.77	1.92	1.95	1.80	1.70	1.72	1.79	1.82	1.77	1.95
75000-99999	1.75	1.77	1.96	1.85	2.02	1.96	1.66	1.86	1.58	1.66	1.75	2.02	1.96
100000-149999	3.04	1.90	1.91	1.64	1.68	1.71	1.77	1.89	1.78	1.67	1.57	1.50	1.70
>=150000	0.78	1.32	1.48	1.74	1.65	1.75	1.80	1.90	1.48	1.54	1.91	1.76	1.81

Source: ATUS microdata 2003-2015

**A.11: Average Wage Labor of Women by Income Group, USA, 2003-2015**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<5000	1.52	2.01	1.64	1.98	1.35	1.13	1.39	1.27	1.49	1.45	1.71	1.69	1.62
5000-7499	1.78	1.11	0.56	1.55	1.29	1.29	1.72	0.92	1.09	1.15	1.22	1.17	1.27
7500-9999	1.00	1.02	1.73	1.15	0.42	0.52	0.67	0.78	0.64	1.49	1.28	0.76	1.24
10000-12499	1.30	1.28	1.04	1.52	1.72	1.26	1.23	1.73	1.42	0.86	1.67	1.06	1.37
12500-14999	1.61	1.57	1.25	1.23	1.18	1.03	1.10	1.79	1.33	1.67	1.51	1.39	1.65
15000-19999	2.04	1.75	1.67	2.11	2.10	1.62	1.29	1.46	1.87	1.86	1.31	1.65	1.49
20000-24999	2.04	2.13	2.89	2.23	2.59	2.26	1.91	1.54	2.22	1.86	1.53	1.82	2.02
25000-29999	2.26	2.29	2.77	2.44	2.20	2.46	2.03	2.59	1.81	2.22	2.75	1.59	1.89
30000-34999	2.29	2.89	2.72	2.79	3.11	2.71	2.50	2.30	3.09	2.93	2.27	2.73	2.31
35000-39999	3.13	2.92	3.03	2.62	2.49	3.25	2.57	3.23	2.84	3.09	2.53	2.43	2.37
40000-49999	3.23	3.51	2.72	2.83	3.91	2.75	2.83	3.21	2.95	2.41	2.67	3.23	2.78
50000-59999	3.29	3.17	3.66	2.42	3.44	3.47	3.44	3.00	3.42	3.21	3.03	3.14	2.73
60000-74999	3.41	3.66	3.67	3.36	3.80	3.67	3.11	3.91	3.60	2.94	3.48	3.31	3.68
75000-99999	2.98	3.40	3.49	3.72	3.77	3.85	3.50	3.60	3.62	3.75	2.96	3.69	2.92
100000-149999	0.02	3.69	3.18	3.84	3.16	3.11	3.33	3.86	3.77	3.81	3.34	3.55	3.28
>=150000	5.92	3.00	3.37	2.69	2.51	3.28	3.37	2.97	3.05	3.70	3.80	3.50	3.60

Source: ATUS microdata 2003-2015.

**A.12: Average Non-Wage Labor of Women by Income Group, USA, 2003-2015**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<5000	3.30	2.61	2.31	2.91	2.51	3.26	2.94	3.20	2.91	3.22	2.33	2.63	3.16
5000-7499	2.81	2.90	2.85	2.52	2.47	3.67	2.63	2.79	2.99	2.78	3.63	2.69	3.48
7500-9999	3.15	2.43	2.94	3.11	2.83	3.12	2.78	2.60	3.49	3.07	2.74	2.63	3.34
10000-12499	2.97	3.40	3.12	2.81	2.58	2.90	3.25	2.61	2.55	3.32	2.66	2.77	2.79
12500-14999	3.38	2.82	3.24	3.29	2.87	3.22	2.83	2.73	3.13	2.91	2.88	3.13	2.56
15000-19999	3.09	3.11	3.22	2.99	2.83	3.04	2.98	2.99	2.77	2.92	2.80	2.66	3.03
20000-24999	3.04	2.99	3.05	3.03	3.23	2.79	3.14	3.03	2.78	2.82	3.22	3.09	3.04
25000-29999	3.03	3.02	2.98	3.11	2.97	3.01	2.87	2.66	3.29	3.03	2.87	3.07	3.25
30000-34999	3.15	3.06	2.99	3.01	3.12	3.02	2.73	3.16	2.80	2.54	3.12	3.10	3.10
35000-39999	3.17	3.02	3.07	2.93	3.35	2.69	2.93	2.86	2.93	2.64	2.96	2.98	3.23
40000-49999	3.11	2.86	3.10	2.88	2.75	2.90	3.21	3.02	2.93	2.89	3.04	2.98	3.13
50000-59999	3.04	2.89	2.95	3.34	2.87	2.92	2.79	2.83	2.52	2.42	3.19	2.69	2.85
60000-74999	3.06	3.01	3.09	2.99	3.02	2.91	3.06	2.64	2.55	3.03	2.77	2.80	2.83
75000-99999	3.22	3.03	3.28	3.14	3.00	2.72	2.91	2.77	2.76	2.63	2.70	2.62	3.21
100000-149999	5.94	3.16	3.39	2.80	3.16	3.08	3.39	2.98	2.79	2.76	2.83	3.13	2.97
>=150000	4.35	3.16	3.01	3.11	3.56	3.49	2.88	3.66	3.25	2.88	2.96	2.74	2.85

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## VITA

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