

## ***POVERTY AND CAPITALISM***

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### *SUMMARY*

#### *Overhead 1*

Despite the ambitions of the UN Millenium Development Goals, in this session it will be argued that there are at least eight complex processes in which poverty is continually generated and perpetuated during capitalist development. They are

- Processes creating the preconditions
- Petty production under commercial capital
- Technical change creating under- and un-employment
- Ambivalent role of petty commodification
- Harmful commodities and waste
- Crisis-induced pauperisation
- Environmental damage
- The conditions of the non-conforming and/or non working human body

#### *Overhead 2*

- i) the process of concentration of initial capital on the one hand and of loss and dispossession of assets/and of 'adverse incorporation' of labour on the other. This process – of 'capitalist prehistory' is not only necessary for the building of infrastructure, physical plant and spatially extensive production, but also for the generation and finance of starting capital, the creation of a wage labour force, the concentration of food and raw materials for industry. It is not simply confined to an era of history but must be – and is - is continually reproduced.

#### *Overhead 3*

- ii) the persistence of petty commodity production under money advances from commercial capital under which unwaged household labour (often under patriarchal arrangements) is 'super-exploited' not only to reproduce wage labour but also to compete effectively against production using wage labour and economies of scale;

#### *Overhead 4*

- iii) the processes of un- and under-employment – this is unavoidable given productivity-raising technological progress. The pool of under- and unemployed people are not only poor in their own right, they also discipline the struggles of working people by their very existence.

#### *Overhead 5*

- iv) labour displacing technological change is offset by the continual commodification of goods and services which creates employment. But poverty is exacerbated by the ubiquitous and enduring persistence of petty commodification;

#### *Overhead 6*

- v) capitalism is neutral to the effects of commodities and of commodifiable waste and residual waste on human wellbeing. Those that are dangerous

will incapacitate people from work and, other things being equal, pauperise them.

*Overhead 7*

- vi) capitalism has inbuilt tendencies to crisis, through overproduction and through the tensions between wages and profits on the one hand and credit-debt and profit on the other. Complex interlinkages between real production and financial markets which are inherently unstable mean that crises have deep ramifications and can pauperise classes otherwise not poor.

*Overhead 8*

- vii) the logic of growth based historically on fossil fuel is giving rise to an exponential increase in climate change related disasters which have maximum impact on poor people and which also create poverty and destitution among classes which may not have been poor.

*Overhead 9*

- viii) dependency without social security – the ‘deserving poor’ – not only childhood and old age, but also sickness, disability and maternity all of which incapacitate people from work and pitch households into debt and dependency. Destitution is the condition of a category of person which society actively expels – and which takes different forms in different societies.

*Overhead 10*

*Conclusion : the poor are always with us?*

Although it creates wealth, by itself capitalist growth is not a solution to poverty.

On the contrary there are many ways in which it causes poverty - even though that poverty may be exported to sites from which it is not visible, and bequeathed to generations which do not yet exist and might well not come into being .

The relative weights of the mechanisms through which poverty is created will differ among countries occupying different positions in the world's division of labour.

Calls for poor people to empower themselves and support for some of them to organise, while necessary, are not sufficient.

Two linked alternatives are of first importance.

New development models based upon renewable energy

Comprehensive systems of social security based on universal entitlements and funded by redistributive taxation