The process of immiseration in the Third World is fundamentally tied to the process of accumulation for international capital. The paper examines those particular means and conditions for securing the accumulation and expansion of capital within the context of the structural subordination of Third World countries to the international economic system and of the specific articulation of capitalist development within local boundaries. The paper argues that the accelerated offensive of international capital has primarily led to a relative surplus population whose proportions have reached, in the Third World, insurmountable demographic and social limits.

Far from improving the lot of the majority, the penetration and expansion of capital in most of the so-called underdeveloped Third World has instead created hundreds of millions of immiserated human beings. The accumulation of misery has been, in fact, a fundamental dynamic in the accumulation of capital. While the peculiar mode of the accumulation of misery varies from country to country — indeed the immiserated are far from an undifferentiated, homogeneous mass — the basic operations of these processes have certain recognizable tendencies.

The accelerated thrust of capitalist accumulation and expansion in the Third World has its basis in two processes: the total dispossession of the masses of people in the countryside from their means of production thereby creating legions of landless agricultural workers and urban poor who have to sell their labor power for a pittance; or the further fragmentation (and therefore, precariously) of the means of livelihood of these masses leading to their direct integration into the commodity economy while at the same time preserving their material reproduction outside of this economy. These totally or partially uprooted women and men provide to capital the raw material for exploitation and the realization of profit.

Yet capitalist expansion does not grow at an assured or steady pace with the release of the laboring population and is unable totally to absorb these masses. It thus creates in its uneven path a relative surplus population which becomes both a condition and a consequence of the development of capitalist production. Such is the contradictory nature of the capitalist mode of production that as capitalist activity expands further, it absorbs part of the population in one sector and repels it in another. More recently these processes of dispossession, of integration into the commodity economy and of repulsion/absorption have been intensifying in the Third World as international capital tries to bring itself out of a crisis of overproduction of commodities. With the rate of exploitation as seemingly the only limit to capitalist expansion, international capital has demarcated an international division of labor whereby an inexhaustible reservoir of low-paid and unpaid labor in the Third World is tapped for specific tasks in highly fragmented productive processes under the centralized control of large corporations. Favorable conditions for the surge of international capital at the expense of the laboring masses are guaranteed by state intervention either by means of specific policies or through sheer force and repression.

The Immiserated as Relative Surplus Population

In Volume One of Capital, Marx exposes
the roots of immiseration in the process of capital accumulation itself. He states:

... it is capitalist accumulation itself that constantly produces, and produces indeed in direct relation with its own energy and extent, a relatively redundant working population, i.e., a population which is superfluous to capital's average requirements for its own valorization [self-expansion], and is therefore a surplus population (Marx 1867, trans. 1977).

But just as this surplus is a necessary product of accumulation it also becomes, conversely, a “condition of existence of the capitalist mode of production.” As such it constitutes an industrial reserve army of labor power for capital which at once serves the labor needs of capital's accelerated expansion and reduces the likelihood of increasing wages.

Whether the relative surplus population takes on the floating form (now-hired, now-fired industrial laborers), the latent form (low-paid, underemployed agricultural workers) or the stagnant form (the unemployed, the casual the irregularly-employed and the “sediment” of the sickly, orphans and elderly) this population is a pivot of capital accumulation. Marx expresses this in the following terms:

The greater the social wealth, the functioning capital, the extent and energy of its growth, and therefore also the greater the absolute mass of the proletariat and the productivity of its labor, the greater is the industrial reserve army. The same causes which develop the expansive power of capital, also develop the labor-power at its disposal. The relative mass of the industrial army thus increases with the potential energy of wealth. But the greater this reserve army in proportion to the active labor-army, the greater is the mass of a consolidated surplus population, whose misery is in inverse ratio to the amount of torture it has to undergo in the form of labor. The more extensive, finally, the pauperised sections of the working class and the industrial reserve army, the greater is official pauperism. This is the absolute general law of capitalist accumulation (Marx 1977).

Marx observed of the surplus population in nineteenth century England a “fluctuating” condition which presumably could be absorbed gradually — though partially — through technological development in the “normal” process of capitalist accumulation. Yet as modern industrial capitalism spread from England to most of Europe, the United States, and later, Japan, it would set the pace for an era of imperialism and monopoly capitalism. Henceforth, capitalist development would never be “normal.” Capital’s far-reaching scope and boundless energy in these past few decades have spawned a surplus population in the order of hundreds of millions, including the pauperization of two-thirds of the population of the Third World. These immiserated masses not only experience the acuteness and intensity of the expansion of capital in its general laws but in the context of the structural subordination of these countries to the global economic system, this experience is exacerbated by increasing amounts of cultural degradation, class conflict, social insecurity, and brutal repression. The widespread and accelerated nature of the process of immiseration has been the result of the rapid capitalist transformation that has been occurring in these countries.

The Internationalization of Capital and the Immiserated

In the countryside, international capital has aggressively expropriated peasant lands in order to establish agribusiness industries or summarily relegated these peasants to small plots of land barely enough for the production of their subsistence. Dispossessed peasants either are forced to migrate to towns and cities to sell their labor-power or remain in the countryside where they join labor gangs, moving from farm to farm, in search of work. Inevitably they find themselves in a situation where, by being inserted into the
commodity economy in a precarious way, they exploit their own and their family's labor-power. For those who still "own" their plots of land, their subsistence production provides not a main source of livelihood but rather a supplement to the meager wages they receive for their labor. Thus agricultural workers not only are "de-peasantized," providing a labor market for capital; they also become "re-peasantized," selling their labor-power while at the same time reproducing that labor-power outside the capitalist mode of production (Bennholdt-Thomsen 1980, Cockcroft 1982a, 1982b).

In this manner, capital supplants the other modes of production but uses some of their forms to enable the labor force to reproduce itself at no cost to capital. A "self-subsidized" labor force creates for capital a venue for increasing the rate of exploitation.

Such agricultural development strategies as land reform, the green revolution, and "modernization" of agriculture have aided capital expansion in the Third World.7 These strategies contain inadequate employment content, do not promote self-sufficiency among farmers, and in fact integrate them into an international market in a manner which leads to their indebtedness to local business classes and to international capital through the use of various agricultural inputs, including foreign technology. By way of illustration, transnationals engage in "contract farming," providing small growers financial advances for land inputs and then collect on these advances in the form of delivered produce. But as the Philippine case has shown, the growers are unable to meet these debts at harvest time because price increase for farm inputs outrun product purchase price increases. For some of these growers, indebtedness to international agribusiness has been an unavoidable result of their shift from staple crop production to cash crop production for export (David 1980).

As peasant producers or small farmers are induced into the market economy, they are gradually forced out of competition by agribusiness interests which control market pricing (Payer 1980, Feder 1982). The situation further pushes the farmer into devising ways to become more productive— which usually means self- and family exploitation (particularly that of women's labor) and resort to subsistence production (Bennholdt-Thomsen 1980).

International capital and technology transfers are activated both in labor-intensive and capital-intensive agricultural ventures with differing effects on the laboring classes in the rural areas. Newly mechanized capital-intensive operations eliminate jobs rather than create them because these operations block additional jobs where the land on which they are installed could provide for alternative, ample work. A growing proportion of agricultural land becomes closed to the rural work force (Feder 1982). In addition, large-scale mechanized farming displaces peasant producers because of the unequal terms of market competition it generates.

Labor-intensive ventures do provide some jobs for the rural population; however this is not of a uniform or beneficial consequence. Often these ventures are mixed with capital intensity in another phase of production, and eventually, give way to almost total mechanization. Thus capital taps the reservoir of low-paid labor in the Third World as it simultaneously pushes toward mechanization and automation because of the pressures from this very same labor. In any case, it is the availability of an abundant low-paid rural labor force that has provided the main attraction for transnational agribusiness and it is this abundance, in fact, which has activated its labor-intensive overseas ventures.

At best, where these labor intensive ventures still exist, they retain a portion of the labor force in the rural sector—usually at "going wage rates" (meaning, barely
productive levels) — and keep it from migrating to towns and cities. At worst, they create more unemployment because these ventures provide, on the main, only part-time work opportunities. These ventures characteristically underemploy wage labor: work is of a seasonal nature and further, the level and rate of production is subject to such forces as fluctuations in world market prices and the extent of the penetration of international capital and technology. In this light, seasonal and part-time employment has come to be one of the most exploitative and demoralizing situations for the laboring rural masses.

Pushed to the limits of survival, the laboring immiserated are forced to work out coping strategies. All adult members and children, as soon as they are able, sell their labor-power or engage in some income-generating activity. But even these pooled resources are hardly sufficient for family subsistence. It is usually the case that there are not only multiple-income earners in a household but also multi-employment among its members. It is by virtue of these functions, of the low capital intensity of the activity of the surplus population combined with the increased physical exploitation of the laboring classes through long working days, and a high intensity of work that capitalist and "non-capitalist" activities are intertwined in the processes of capital accumulation and expansion.

This integration can neither be obtained nor assured in the absence of the domestic production activities and child-caring tasks of women. Because the housewife role is historically and culturally central to the identity of women, they constitute the unpaid and necessary core of the relative surplus population. Women's work in the home makes possible at no cost to capital the material and social-psychological reproduction of the labor force. To domestic production is further added social production, so that the physical exploitation and intensity of work is doubly acute for the women. Yet because of the culturally subordinate position of women on which capitalism feeds, women's remuneration in social production is much less than men. As a result, women as a group form the lower ranks of the immiserated and female-headed households are poorer than male-headed households. Indeed, women comprise the "poorest of the poor." 8

Most of the rural immiserated have not been highly visible, but if seen, they are looked upon as being simply "backward." As a rule it is only when the immiserated flock to the towns and cities, crowding in slums and squatter areas, that the immiserated catch the attention of policy makers. The "life-situations" of the poor in make-shift dwellings, lacking such basic amenities of other city dwellers as electricity, running water, and drainage, sewage and sanitation facilities, have been the product of international capital's penetration and the subject of attraction for capital for specific purposes. International capital allied with international finance agencies (e.g. the World Bank) have collaborated with state schemes for "investing in the poor" either directly by integrating the immiserated into the wider market economy (Bennholdt-Thomsen 1980) in both urban and rural areas, or indirectly by means of structural schemes of slum-upgrading and/or relocation. Relocation has been particularly disadvantageous to the immiserated because of the resultant physical displacement in terms of access to economic activity. As cities unto themselves, slum and squatter areas are a primary source of low-paid labor-power and, as well, offer a big consumer market for the business classes (Cockcroft 1982b).

The laboring poor in urban areas try to find work in sweatshops and transnational assembly plants, in homes as domestic servants (especially true for women), in the streets as hawkers, or offer their services for piece-rate or contract work. Sometimes they "create" the need for their jobs — as in "watch your
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car” youths or with “penny” labor. In a real sense, the extent to which jobs are scarce and labor is abundant gives rise to competition among the immiserated.

The wages paid these workers are below minimum, constituting the basis for their added exploitation and presenting to capital a greater fund for accumulation. In this manner, the wages of the immiserated weigh down the wages of the “regularly” employed laboring population for whom the legal “standard” wage barely meets, if at all, the cost of the reproduction of the labor power itself.

The burden of the irregularly employed, “over-employed” (i.e., overworked) and the self-employed poor is particularly onerous because of the intensity of the labor and the self-exploitation that usually comes about. Whether in the agricultural or urban sector, the persistence or reappearance of low-capital intensity or non-capitalist forms of self-employment is “refunctionalized” (Cockcroft 1982b) by the capitalist process for its own expansion and for capital accumulation. As the capitalist mode of production penetrates deeper into the economy, it restructures other forms of economic activity “reconstituting them and incorporating them, whether as non-capitalist or capitalist forms of activity, for the purpose of capital accumulation on an extended scale” (Cockcroft 1982a).

With contract or piece-rate work, for instance, capital pays no overhead costs for the production of most of the goods, the wages are necessarily subminimum because of the contract basis of the jobs, and moreover, capital does not have to shoulder labor benefits. Thus, even if the urban immiserated are not directly exploited by capital through the sale of their labor-power, they are nonetheless integrated by means of these activities into the circulation, distribution, and realization of capital — and thereby integrated into the chain of capitalist production. Such types of activities of the immiserated derive from and reinforce the Third World’s manner of capital accumulation which relies on and regenerates the relative surplus population because of its characteristic low wages and low social productivity and deepens the subordination of the country in the global economic system.

As a reservoir of labor-power, the urban and rural immiserated are also mobilized in capitalist expansion in transnational export-processing industries (e.g., electronics) the chief characteristic of which has been their relatively lower-than-prevailing wage rates. The main attraction of these industries in relocating fragments of the productive processes in the Third World has been the abundant low-paid labor supply and consequent higher profits.

But industries such as these, which have required substantial initial investment while creating some employment, at the same time elevate the “level of capital needed for the re-creation of each new job” (Cockcroft 1982a). Moreover, far from increasing the Third World countries’ capital reserves, these investments take out more capital than they put in. As a result these countries find themselves in a position of growing indebtedness to international capital. The preferences of the local business classes have also been to take advantage of low-paid labor rather than to put resources into higher technology and mechanization, further reinforcing their country’s social productivity disadvantages in the global economic system. In addition, the Third World countries’ lack of adequate capital to generate more employment has added to the size of the relative surplus population.

In sum, through the operations of the market and such mechanisms as credit, export-processing zones, subcontracting and transnational assembly plants, and the like, capital obtains and realizes profits from both low-paid and unpaid work. On the one hand, capital exploits labor directly by realizing
profit from the labor of the working classes and on the other, finds in the non-capitalist forms of production, further exploitation of the laboring classes or the relative surplus population by integrating them into the capitalist commodity economy.9

Ultimately the presence of an international and inexhaustible reservoir of labor presents to capital a partial way out of the crisis of accumulation.10 The intensified use of low-paid and unskilled or semi-skilled labor has become a means of economic recovery and more expansion for international capital: the reproduction cost of labor is far less than in highly industrialized countries, and moreover, because of the subsidy mechanisms (i.e., subsidies extracted from “non-capitalist” or “traditional” sectors), the wages actually paid are frequently less than the cost of reproduction. The work time for these laborers is considerably longer than in highly industrialized countries and yet their productivity per labor hour corresponds to that of the laborers in these countries. The extent to which the laboring classes in the Third World can be attracted and repelled is almost limitless — higher labor intensity can be enforced because once exhausted the labor power is quickly replaced by fresh labor, practically without restrictions (Frobel and others 1977).11

Furthermore, the development and refinement of technology which makes possible the breakdown of highly complex productive processes into elementary units eliminates the need for skilled labor. These developments — an expansion in the reservoir of low-paid labor and the fragmentation of the productive process — have been both condition and consequence of the accelerated expansion of capital accumulation on an international scale.12

The Surplus as Export Population

More recently, the strategy of the immiserated and the laboring classes has been to sell their labor power, to the extent possible, to international capital located abroad. The export of labor represents a transfer of a significant investment of the Third World countries in the form of human capital to a labor-importing country (Sassen-Koob 1978). The costs of educating and nurturing export labor is not borne by international capital; nor is the cost of the reproduction of labor-power. Export labor is in fact a form of subsidization (a replication of the subsidies enabled by subsistence farming and self-exploitation in the local economy) on an international scale.13 State policies which actively promote the export of labor rationalize these transactions as strategies to ease unemployment and to increase foreign exchange reserves by means of the remittances of export labor. Strategies which are geared to alleviate unemployment, however, do so only in the very short run and the disadvantages override the short term “benefits.” The export of population has been selective of the healthier, better-educated and generally better-skilled sectors of the population. This skill drain erodes the economic base of the areas of high labor emigration, and consequently, leads to an uneven development of regions in the country. But more significantly, it leaves the exporting country with a labor base that has a relatively lower social productivity. The use of immigrant labor as a transnational reservoir of labor for the realization of more profit is still another strategy of capital to recover from its structural crisis of overaccumulation.

Remittances, in turn, do not increase foreign exchange reserves; instead these have the effect of creating a negative imbalance in capital formation. Remittances go into final consumption and have little, if any, growth effect. In fact, consumption arising from these remittances have come to stimulate imports and create a local inflationary demand for goods (Sassen-Koob 1978).

Further, immigrant labor in the highly industrialized countries is subjected because of
its political and economic vulnerability, to overexploitation. Few migrants ever emerge from poverty, and many suffer injuries, die young, or are discarded for newer, fresher streams of migrant labor power.

The superabundance of labor and the need to export population, then, represent for the exporting country a devaluation of labor as a resource and further deepens the already unequal relationship between labor-exporting countries and wealthy labor-importing countries.

**The State and the Immiserated**

The state, depending on its form, regulates the immiserated or represses them. In its so-called democratic or parliamentary form, the state channels (and concentrates) the economic activities of the immiserated and organizes their political behavior. The state does not enforce tax or labor laws on capitalists or intermediaries who exploit them. It tolerates a high degree of harassment and corruption with regard to the economic activities of the immiserated and in the less than tranquil conditions in slum areas. Such schemes as are designed to help the immiserated become more productive—self-help, skills training, services programs—are invariably geared to the benefit of capital by creating a relatively more disciplined labor market. Yet such schemes do not as a whole provide jobs. Slum-upgrading programs, as pursued by international aid or lending agencies serve as cover for counter-insurgency strategy and rarely benefit those who need it most because of their inherent bias towards those sectors which are able to afford these so-called “improvements.”

With authoritarian regimes, the repressive function of the state provides capital, particularly international capital, with as much freedom in its movement as possible and with the necessary “stable” conditions for its operations. The stability of these conditions hinges on an abundant and, more importantly, compliant and unorganized reservoir of low-paid labor. The severity of class conflict in Third World authoritarian regimes has occasioned the outlawing of labor-organizing among the laboring classes and in the name of “national security” these regimes have denied to the majority of the population their basic human rights. Harassment, tortures, and murders have become routine operations of the state in its repression of the laboring classes.

These repressive policies of the state stem from the need to integrate their subordinated economies into the international division of labor prompted by the general crisis of capitalism. This need requires a mode of concentration and exclusive accumulation, of which repressive dictatorial regimes are at once precondition and result. The intensified exploitation of labor-power then is not an episodic or circumstantial feature of this new mode of capitalist operation; on the contrary, it underlies the correction of these capitalist economies (Boron 1981).

**Conclusion**

The recent growth of the Third World’s relative surplus population is over and above that necessary for a reserve army of labor for capital. The surplus population’s inexhaustibility has gone beyond that of merely suppressing wage increases. The immiserated have become in fact dysfunctional to capital because of the social services that have to be provided them, the costs of controlling or repressing them and more critically because they do not guarantee a constant realization of profits. On the one hand they provide big business with a consumer market; yet on the other, their deteriorating living conditions put restrictions on this very consumption.

What then is to become of the immiserated and the potential millions who are in the process of being engulfed in the accumulation of misery? Presumably because of the
contradictions inherent in its logic, capital is structurally unable coherently to take these developments into account in its operations. Thus, these very movements of capital may eventually spell its downfall in Third World countries as the immiserated masses, who have absolutely nothing to lose, rise against a system which has been totally and devastatingly inimical to them—witness Iran.

Notes

I wish to thank Jim Cockcroft for helping me get this article into a publishable state.

1 The phrase, "Third World" is used here with hesitation. My position is that it is not proper to think of a Third World, constituted by a homogeneous mass of underdevelopment with an undifferentiated terrain of class struggle.

2 International capital is capital reproduced on a transnational scale. The development of an international capital market is assured by the worldwide mobilization and transfer of capital. The extension and deepening of transnational reproduction requires certain elements of international structure including an intertwined network of major banks, multilateral or bilateral cooperation in monetary and commercial policy, and tax agreements (see Frobel and others 1977). International capital may or may not ally itself with local capital.

3 See Note 10.

4 Marx (1977) further elaborates on this law in *Capital*, Vol. I.


6 This does not mean, however, that "ties" to the countryside are broken. For in fact some studies have shown (in the Philippines, for example) that part of the reproduction of the labor force in urban areas derives from the countryside by means of regular provisions of basic necessities. Or conversely, remittances from the laboring relatives in the urban areas "augment" the subsistence of those who remain in the countryside.

7 Bennholdt-Thomsen (1980) in note 17 of her article, Part I, stresses an important point about the special conditions of agricultural production which make such programs and strategies economically desirable and useful. She brings out a distinction between the differences in operations of capital with regard to agricultural production and manufacturing industry. Relative to labor, only agricultural production allows a certain flexibility in the remuneration of labor power since nourishment which the producer provides her/himself can serve as a last security for existence.

8 Cockcroft (1982b) observes of a corn-growing Mexican village, "the most immiserated are driven by the forces of modern capitalism to stone-age conditions: rural women with their children hunting small animals or collecting wild fruits and herbs on the mountain slopes, or their urban sisters seeking food in major garbage dumps." In the Philippines women landless workers in rice and corn agriculture, on the average work longer hours than male workers. They are also reported to constitute the group who would scavenge among the threshed stalks of rice.

There are numerous examples on the intersection of immiseration and gender. I cannot do justice to the topic in this paper. I wish only to call attention to the situation where because of the subordinate position of women in society (in whatever stage of capitalist development) the process of immiseration has been particularly more detrimental for women.

9 Bennholdt-Thomsen (1980) Part II, calls attention to the theoretical and analytical implications for the consideration of non-capitalist modes of production. She asserts that "the capitalist mode of production does not limit itself to the relation between wage-labor and capital. Rather, it encompasses a series of other forms of labor power utilization, which with capital relation, produce and are constantly reproduced anew. Hence they must be understood as an integral part of this mode of production, and the artificial separation into capitalist and pre-capitalist production relations cannot be made."

10 It is not within the purview of this paper to elaborate on the tendencies of capitalist production toward crises. For the purpose of this essay, the connection between capitalist crises and immiseration is taken in two general senses which are in reality two facets of the same condition; the tendency of the rate of profit to fall is a determinant of the rate of capital accumulation (Sweezy 1968, Castells 1980).
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and the crises of overproduction are simultaneously crisis of overaccumulation of capital and crisis of overproduction of commodities (Mandel 1981). One of capital's main strategies of recovery is tapping the reservoir of the surplus population to reduce wages, raise profits and renew the cycle of accumulation.

In this light, the concern of the paper is the extent to which the increased rate of exploitation of labor is a means of a way out of crisis for the capitalist. This increased rate of exploitation is obtained by 1) increasing the work load of labor; 2) maintaining the same amount of labor time even with the growth in the development of productive forces; 3) putting pressure on wages and on the global cost of reproduction of labor power, in order to lower this cost in relation to the historical growth of human needs; 4) raising the level of efficiency and skills of the work force without a corresponding raise in wages, thereby allowing capital to appropriate more surplus value arising from the increased productivity of labor (Castells 1980).

This movement of foreign capital is not to be unilaterally interpreted as creating employment, for capital has also been now-repelling, now-absorbing on a regional scale. Where economic conditions are no longer profitable, existing production is closed down and re-established in other more favorable locations (although temporarily) as has been the case with the electronics industry in its search for young and compliant female workers in Southeast Asia (Eviota 1980). Favorable conditions often overtly are enforced by the growing militarization of the state or subtly laid by the setting up of "free production" zones. These zones are specifically designed as enclaves for the optimal use of the labor force: the work force is isolated and tighter control of labor is assured. Cockcroft (1982b) also examines this in the Mexican case.

While this is more obvious with regard to industrial relocation because of the worldwide use of labor power in manufacturing industry, this has also been the case with agricultural relocation, only with the latter, low-paid labor power is combined with plentiful and cheap land and other natural resources (Feder 1982).

I refer here to more or less long-term migrant labor. Mexico presents a vivid case of the relationship between migratory labor and immiseration for the temporary form (daily, weekly, monthly, etc.) of migrant labor. See Cockcroft (1982a).

Of which Marx says (in Volume III of Capital): "The ultimate reason for all real crises always remains the poverty and restricted consumption of the masses, in the face of the drive of capitalist production to develop the productive forces as if only the absolute consumption capacity of society set a limit to them (1894, trans. 1981)."

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