

Poverty and Post-Developmentalism: Class and Ethical Dimensions of Poverty Eradication¹

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Marxism and poverty has always lived a contradictory existence. In the South, Marxists were in the forefront of many colonial struggles for political independence. Such struggles were often caught in the cross fire of trying to simultaneously fulfil two objectives: build a socialist state on the basis of the Marxian ethical imperative and, at the same time, eradicate poverty. While socialism/communism's ethical imperative aspires to create a non-exploitative society, poverty eradication has to do with overcoming a state of situation of people whose biological needs are threatened. An exploitative free world does not mean the eradication of poverty while the eradication of poverty does not mean the erasure of exploitative relations. Poverty and poverty eradication were never central to the Marxian imagination and politics over poverty conceived as relatively unimportant in the larger game of history. Thus the real problem lies with the hitherto Marxist imagination that has never been able to fashion and integrate a discourse of poverty within its framework, which would make it possible for Marxists to treat poverty as a distinct problem and engage in its politics. Using a class focused Marxist theory we produce such a discourse here.

Our Marxian theorisation of poverty crucially hinges on two related works. The first is that of Resnick and Wolff (1987) who initiates a class focused Marxian discourse,

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where they understand class as processes relating to performance, appropriation, distribution and receipt of surplus labor. They further subdivide class processes into fundamental class process (performance and appropriation of surplus labor) and subsumed class process (distribution and receipt of surplus labor). The appropriated surplus labor or its equivalent form (in use value or exchange value) is distributed as subsumed class payments in order to reproduce those conditions (encapsulated by subsumed class processes) that help in securing the fundamental class process. The second work relates to Chakrabarti and Cullenberg (2003) who taking off from Resnick and Wolff make a distinction between *production surplus* and *social surplus*. Essentially, they argue that appropriated surplus labor (or its use value or exchange value equivalent) do not exhaust itself only in subsumed class processes. Only a part of the surplus labor goes as subsumed class payments that help reproduce the fundamental class process. This surplus they define as production surplus. Another part of surplus labor – surplus beyond the production surplus - gets distributed to reproduce other conditions of existence, which apparently does not have anything to do with the procreation of fundamental class process. Chakrabarti and Cullenberg define such surplus as social surplus. The total surplus labor thus gets distributed into subsumed class payments (definitionally equal to production surplus) and social surplus. The concept of social surplus holds critical importance for Marxian analysis, especially with regard to the South. Since the rhetoric of politics in the South is development focused, the question of distribution is one of the principal components that move politics in the South. Social surplus opens the way for a Marxian intervention on the question of distribution. Specifically, the Marxian discourse of poverty that we seek to inaugurate in this paper builds on this distinction between production surplus and social surplus.

This Marxist discourse of poverty is unique on a number of fronts. It develops an explicitly class-focused analysis of poverty. Our approach is distinct from other approaches on poverty, namely the World Bank approach, the Post-developmental approach and the Capability approach. While other approaches to poverty emphasise different aspects related to poverty, we offer the class existence – fundamental and subsumed – as also important reasons for the existence of poverty. Importantly, we counterpoise our notion of poverty to that of World Bank and argue that, unlike what the

World Bank professes, poverty eradication is not simply a distributional question. Firstly, struggling to eradicate poverty is a distributional question pertaining to the distribution of social surplus and it is also a distributional question pertaining to the subsumed class payments since social surplus is the excess over the subsumed class payments. For example, in the latter case, one can reduce subsumed class payments (or production surplus) in order to make more social surplus available for poverty eradication. Secondly, poverty eradication is also related to the fundamental class processes since production surplus originates there. Poverty eradication challenges us to seek to produce and extract surplus labor beyond the existing production surplus, which is what we defined as social surplus. That is, how much social surplus gets produced, appropriated and becomes available to be distributed remains critically determined by the concrete forms of fundamental class process. One may seek a change in the fundamental class process in order to refashion the amount of surplus being appropriated and distributed as social surplus. Correcting the injustice of poverty is not simply a distributional question as most discourses on poverty tend to emphasise. Not only is it also a question of production but it is very much a class question as well. Our class discourse of poverty highlights this point very clearly. Thus, unlike any other discourses of poverty, in our Marxian discourse, poverty related need struggles are very much class struggles as well, and vice versa.

Section I

The Discourses of Poverty

There are three major discourses of poverty that we will discuss in this section: neo-classical or World Bank approach, Post-developmental approach and the Capability approach pioneered by Amartya Sen.

- The World Bank Approach

The neo-classical or World Bank approach considers three types of poverty: (i) mass structural poverty, (ii) destitution and (iii) conjunctural poverty (Deepak Lal 1999. 231-252). Among these, mass structural poverty is considered the most important since it is the most enduring and pervasive. Mass structural poverty is associated with organic or traditional societies living under dependence on organic raw materials for food, clothing,

housing and fuel. Such economies are constrained by land, and growth depends on the productivity of land. Because of the law of diminishing marginal productivity, such economies run into a long run stationary state where people end up living at the subsistence level. People are just about producing their biological need in this subsistence economy if they do so at all. Such a low-level subsistence existence resulting from the organic nature of such societies is defined as mass structural poverty.

Destitution is “the poverty of able bodied who lacked land, work or wages adequate to support the dependents who were partly responsible or their poverty (Ilfie, J. 1987, 5. in Deepak Lal 1999, 237). It is also the poverty of those who are economically inactive (children, aged, disabled and mentally handicapped) (Klugman 2002, 13). While destitution may well occur in a modern society as well, normally, it merges with mass structural poverty. One is most likely to find destitutes also living under conditions of mass structural poverty. Finally, conjunctural poverty refers to shocks to the system especially the organic societies, shocks that produce what Amartya Sen described as the “entitlement” failures. This could result from political turmoil to climatic crises and end up with perverse outcomes such as famine. Again, one can see the vulnerability of the organic or traditional societies, whose people are living at the subsistence level. If an adverse shock strikes such societies, entitlement failures are most likely.

Poverty of these types is multidimensional and can be located in different axes. The World Bank identifies four dimensions of poverty: lack of opportunity (low levels of income and consumption), low capabilities (low level of health and education if any at all), low-level of security (exposure to risk and income shocks) and lack of empowerment. As much as possible, different measures have been defined to express these dimensions quantitatively helping bracket people who satisfy these dimensions (hence, are poor) and those who do not (hence, are not poor). These dimensions are positively correlated which in turn captures the symbiotic relation between mass structural poverty, destitution and conjunctural poverty.

What are the measures to be taken for poverty eradication?

The World Bank approach to poverty considers capitalist growth facilitated by market to be the long run solution to both the problems of mass structural poverty and destitution.

Numerous statistical studies confirm that rapid economic growth is the engine of poverty reduction, using both income and nonincome measures of poverty.....Removing barriers to access to new goods, technology, and investment opportunities (through trade, investment, and financial liberalisation) has generally been associated with economic growth. Structural policies to improve the functioning of markets are thus critical.....Prudent macroeconomic management is a precondition for growth. Macroeconomic stability, and the avoidance or removal of significant distortions in the economy and costs in terms of foregone growth and adverse distribution, are needed to underpin sustained improvements in poverty. (Klugman ed, 2002, pp 8, 16).

Thus, growth remains the central theme in eradicating poverty. Poverty will be better eradicated in an open market economy with a macroeconomic regime that controls inflation (strict monetary policy), manages fiscal deficit prudently (tight fiscal policy with even poverty eradication investment subjected to strict cost-benefit criteria) and maintains a flexible foreign exchange regime without trade barriers. Such an economy will facilitate high growth and eradicate poverty quickly, principally its most enduring form – the mass structural poverty. Such a growth oriented market economy in the era of globalisation attempts to procreate global capitalism.

The World Bank complements this long run growth approach of alleviating poverty with an immediate need focused development strategy that attempts to control the spread of poverty. That is, benefits should accrue to the needy, which means that, to begin with, they should be targeted. Thus, departing from the philosophy of providing universal welfare, World Bank seeks

identifying the groups in need of assistance, and the means of targeting assistance to those groups cost-effectively. (World Bank 1992, 2)

Certain needs are defined, people are identified as poor depending on whether they are possessing or not possessing those needs and assistance is to be provided to these targeted people or groups in a cost-effective manner. World Bank also explicitly recognises the point that growth through market expansion may create destitutions or conjunctural poor by dislocating people from their livelihood. The need based developed approach strives to integrate such people as well into its policy orbit.

In this regard, the World Bank interferes with the organic or traditional societies and attempts to seek a change within such so-called subsistence societies by trying to put its own alternative support system to which such societies will become dependent. World Bank's poverty discourse thus effectively displaces the need focused forms of living in subsistence societies with its own need discourse, a need discourse, as we have seen, that ultimately is based on and, in turn, facilitates the spread of global capitalism. While the effects of this need based poverty discourse are complex, it produces two phenomena that demand attention. On the one side, by bringing such people within the market economy, World Bank wants to "support sustainable growth in which poor people participate" (16) thereby integrating these people within global capitalism while, on the other side, for those people who cannot be brought under its growth logic, World Bank attempts to provide them another kind of support system that will help them survive outside the orbit of global capitalism. In other words, World Bank poverty discourse is also an attempt to control and manage the subsistence economies by either bringing people within the domain of a global capitalist market economy or by simply allowing these people to survive on its artificially created support system. One can indeed say that World Bank's discourse of poverty is a hegemonic discourse that attempts to control and manage the subsistence economies to further the growth and development of the capitalist market economy.

- The Post-Developmentalist Approach

While post-developmental school do not emphasize the hegemonic dimension of World Bank's discourse of poverty, they focus on the colonial (Orientalist) import of development discourse generally and specifically on that of need (Escobar 1995, Illich 1992). From the standpoint of the (third world) subject on whom need is applied, need emerges as an intruder and hence is functionally political – symbolizing a power game. It is imposed not only from above but also from outside. As Escobar explained, World Bank's attempt to depoliticise the discourse of poverty by enacting it as a benevolent discourse helps to mask this colonial or Orinetalist import.

Illich (1992) argued that such a colonial/Orientalist discourse define need as a lack in humans – the lack being objectively defined – which then creates a differentiation between humans, between those with more capability (more humans) and others with less capability (less humans). Logically it follows that westerners are more capable and more human than the easterners, people living in the so-called modern societies more capable and more human than those residing in the traditional societies, and so on. The World Bank discourse on poverty is essentially based on such an Orientalist notion of need. The objectively identified lacks flies like a flicker of light to grasp territories and the multitude therein as diseased by poverty enabling the intervention of World Bank to proceed undeterred.

The post-developmentalists reject outright the idea of subsistence economy as poverty ridden. If it rejects World Bank's rendition of poverty, is there then any alternative notion of poverty in the post-developmental approach? Indeed they have one and to see this, the post-developmental takes two types of economy which are independent and autonomous of one another: a modern or market economy founded on the logic of capital and a culturally determined traditional or surviving or natural economy. Vandana Shiva (1994) argues

The paradox and crisis of development arises from the mistaken identification of culturally perceived poverty with real material poverty, and the mistaken identification of the growth of commodity production as better satisfaction of basic needs. (252)...It is useful to separate a cultural conception of subsistence living as poverty from the material experience of poverty that is a result of dispossession and deprivation. Culturally perceived poverty need not be real

material poverty: subsistence economies which satisfy basic needs through self-provisioning are not poor in the sense of being deprived. Yet the ideology of development declares them so because they do not participate overwhelmingly in the market economy, and do not consume commodities produced for and distributed through the market even though they might be satisfying those needs through self-provisioning mechanisms (249)... Subsistence, as culturally perceived poverty, does not necessarily imply a low physical quality of life... cultural perception of prudent subsistence living as poverty has provided the legitimisation for the development process as a poverty removal project. As a culturally biased project it destroys wholesome and sustainable lifestyles and creates real material poverty, or misery, by the denial of survival needs themselves, through the diversion of resources to resource intensive commodity production. (250)

In other words, post-developmentalists would deny the existence of mass structural poverty and argue that, by reducing traditional or organic or subsistence economies to mass structural poverty, World Bank style development attempts to colonise the third world into the logic of the market economy. Such a conception of poverty is culturally produced and thus the World Bank need based discourse of poverty is, as if, a continuation of the Euro-centric or Orientalist discourse. Moreover, they argue that destitution and conjunctural poverty are made possible by the destruction of forms of life and shared environment of such subsistence economies following the penetration of the market economy. This penetration of the market economy is in line with the logic of capitalist growth that the World Bank proposes as the ultimate solution to poverty. Real poverty, which post-developmentalists define as *material poverty*, as the deprivation and dispossession of basic needs (that is readily available in self-subsistence economies) is consequently a by-product of the mechanics of capitalist market economy. The blame for real poverty qua material poverty lies with the capitalist market economy and its logic of growth that telescopes this culturally produced discourse of poverty, and not with the subsistence economies. Particularly, post-developmentalists such as Shiva criticise the World Bank led development program for its detrimental effect on the natural ecological

process and the position of women in the reproduction of social life within the traditional economy.

If we follow the post-developmentalists, the globe becomes locked in a struggle between a homogenous surviving/traditional economy and a homogenous capitalist economy. The politics of post-developmentalists becomes distinctly anti-developmental: getting rid of capitalist market economy and its development logic of growth, of the notion of progress, of the enumerated *conception* of poverty and of *poverty related need* that enfold the colonial impulse of the Western world over the third world.

We applaud the post-developmentalists for enabling us to see the World Bank notion of poverty as not real poverty but rather a product of the cultural construction of the self-subsistence traditional economy as definitionally poor that de-facto is then positioned to allow for the penetration of the market economy into such economies.

Our central problem with the post-developmentalists is the way they treat the notion of the “economy”. To criticise the economism and Orientalist import underlying the mainstream discourse of the economy is one thing but to, in turn, effectively reduce the economy (production and distribution of goods and services) to a natural or cultural content is quite another. Such a reverse reductionism creates its own set of problems for the post-developmentalists rendition of poverty. Let us explain.

Post-developmentalists take the so-called organic or traditional society that World Bank would call self-subsistent and then deconstructs that economy to show the forms of life as not really governed by material or real poverty. If these forms of life are not governed by real poverty, then how are we to describe such organic or traditional economy? To see an exemplary post-developmentalists treatment of economy, we take off from Vandana Shiva (1991, 1994) and Maria Mies (1986). According to Shiva (1991), there are three economies of natural resources: natural resources in the market economy, the economy of natural ecological processes and the survival economy. Natural resource in the market economy is basically about the integration of the natural resources within the capitalist logic. Natural resources in the market economy are relevant in the context of the growth logic through (i) a profit or accumulation driven production system and (ii) the reach of markets that enable access to natural resources and helps break the symbiotic relations between third world societies and natural resources. The economy of natural

ecological process refers to production and reproduction of resources through a complex network of ecological processes. Surviving economy refers to those societies that materially survive by “deriving livelihoods directly from nature through self-provisioning mechanisms. Sustenance and basic needs satisfaction is the organizing principle for natural resource use in the surviving economy...” (Shiva 1991, 32). This surviving economy is akin to the self-subsistence organic or traditional economy that we have already discussed.

Shiva launches a trenchant critique of capitalism and especially its form in Southern countries - “development” - by pointing out that the history of Southern countries like India has been the history of an irreversible process of reducing the economy of natural ecological processes and the survival economy to that of natural resources in the market economy. This narrow tunnel vision view of nature – a view argued for by Bacon and taken to its logical end by the nexus of capital, science, technology – has led to the displacement of the “original” place of nature and ongoing devastation of the natural ecological processes resulting from logic of market expansion. Such an expansion is a threat to the surviving economy since it produces extreme forms of dispossession and deprivation of basic needs thereby creating material poverty.

While Shiva’s and other post-development theorists’ interventions are important for reasons we have already explained, their framework can be criticised for its treatment of the economy. Specifically, they reduce the content of the “surviving economy” to nature thus replacing one form of essentialism with another form. Sometimes, the belief in the sacredness of nature is assumed to be culturally produced in such a society (through the belief in deities and worships rooted in nature). The “surviving economy” gets ultimately reduced to culture and becomes part of a homogenous society. That way, we can call this homogenous economy a cultural economy as well.

We find such a homogenous and reductionist characterisation of surviving economy problematic, since, in contrast, in our scheme, “surviving economy” is a decentered and disaggregated space pulled and pushed through multi-layered, mostly non-capitalist, class sets that comprise it. In the needs based approach of the post-developmentalists, questions pertaining to production, circulation and distribution of goods and services remains unanswered or at best sketchy. Namely, specific forms in

which labor process happens and specifically the performance of surplus labor, the rights and obligations pertaining to the variegated functions in this economy including that of rights over appropriation of surplus labor, and forms of circulation and distribution in these economies including the distribution and receipt of surplus labor are all areas that are avoided in the description of the economy in the post-developmental approach. And if we further take the elements of gender, caste, etc. as inflecting the (class) disaggregated traditional economy in important ways, then the problems with the homogenous characterisation of traditional economy further aggravates. This immediately relates to the point that poverty, however defined, depends critically on the internal relations that govern the economies in such societies. That is, poverty is not simply externally generated (through, say dislocation following the mechanics of market economy) as the post-developmentalists would have us believe but also internally created. For example, a region may be in poverty because a few exploitative individuals, by virtue of being the appropriator of surplus labor, are able to corner most of the surplus leaving the rest of the people in the village under poverty, that is, without the access to basic needs. Unlike what the post-developmentalists would have us believe, the struggle over poverty is not simply a struggle with an external enemy (the World Bank) but also must be fought from within.

Secondly, because the economy in traditional societies is not problematised, how such a disaggregated economy is related to the capitalist economy is not again clearly laid down. In this context, we can refer to Kalyan Sanyal (2001) who explained how the aspect of hegemony encapsulating the attempt of capitalism to articulate with pre-capitalism goes missing in this literature. The absence of hegemonic articulation has deep implications. Quite paradoxically, the notion of a traditional economy is not wholly different from that proposed by, say, the World Bank discourse, which too focuses on the aspect of need to produce its imaginary of a traditional economy. World Bank talks in the language of the post-developmentalists – need, nature, community, etc- and this, in the absence of an alternative articulation of the notion of economy, makes the whole issue of political articulation vis a vis the economy acutely difficult for the post-developmentalists. This raises the fear that alternatives proposed by post-developmental school with(in) their homogenous notion of traditional economy will

end up being interrogated and integrated within the colonial (World Bank style) discourse of global capitalist development. If we are to take the sensitivity towards the subsistence organic society to be an important point, one can indeed say that the current forms of poverty management by World Bank are increasingly taking into account much of what the post-developmentalists would propose.

Thirdly, just as the organic or traditional economy is considered homogenous by being reduced to nature and/or culture in the post-developmental approach, the non-subsistence economy is reduced to the logic of capital (Gibson-Graham and Ruccio 2001). Bereft of any disaggregated conception of the traditional economy that would require posing an alternative notion of the economy such as the class focused one, the only conception of an economy that is de-facto accounted for in post-developmental approach is what the mainstream offers – a homogenous capitalist economy. Consequently the post-developmental idea of economy reduces the complex economic field to an economic field that is naturally capitalist and does not lack. This phantasmic form of capitalist economy envelops the post-development rendition of the non-subsistence economies as its only possible form. It thus ends up being interpellated to the “order” of (global) capital or (global) capitalism, an order that attempts to secure the hegemony of global capital. It is important to note the quagmire in which the post-developmentalists get caught – the only description of the economy as referring to economic processes turn out to be the one that the mainstream offers – suffused with economic determinism with its logic of capital - and the only escape is towards an economy that is culturally determined – we may say, suffused with cultural determinism. Thus, if we follow the post-developmentalists, the globe becomes locked in a struggle between a homogenous surviving/traditional economy and a homogenous capitalist economy without any possibility of escape route. It is not enough to say that global capitalism needs to be overcome. What is also important is to chart out the escape route at the same time as the politics of overcoming capitalism is being articulated. For that we need to break away from the stranglehold of the dominant conception of the economy and produce alternative notions of economy that can support alternative forms of life, within so-called organic or traditional societies and outside the self-subsistence societies. Since we believe that construing an alternative notion of economy has important ramifications

for understand poverty and enacting the struggles for poverty eradication, this is an issue we will pursue further in the next section.

- ***Capability Approach***

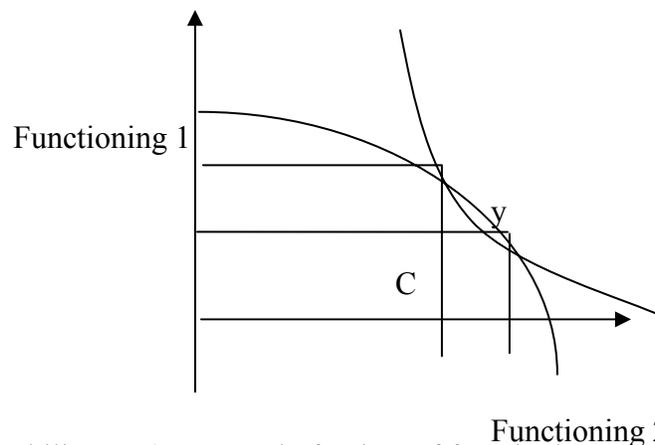
The capability approach was pioneered by Amartya Sen which is founded on the concepts of well-being, functioning, capability and freedom. Since Sen's notion of poverty is critically related to these concepts, let us summarise this capability approach and then relate it to Sen's unique notion of poverty.

Achievement of well-being remains the goal in Sen's framework. Well-being is conceptualised as the quality of the person's living. Living constitutes of a space of interrelated functionings that people value in doing or as being. If well-being is constituted by a set of functionings then capability captures the freedom enjoyed by a person to achieve well being. Capability represents a set of vectors of functionings (of doings and beings) that captures a person's freedom to enjoy one type of living over another.

Let us look more carefully at the relation between functioning and capability – Sen's evaluative space. Functioning relates to being and doing. It varies from things like being able to walk, see and talk (i.e. not being handicapped) to things like being able to read and write, being able to work and having self-respect. Capability is “primarily a reflection of the freedom to achieve valuable functionings” (Sen 1999, 49). Capability is thus a set of various functioning combinations that could be chosen from enormous combinations of functioning.

Capability approach can go in two directions. Firstly we may only concentrate on the entire capability set which is the set of alternatives or real opportunities that agents are free to choose from. This *option capability approach* focuses primarily on the freedom to make choices over various alternatives. It is not simply the final result (the realized functionings) that is important but the process through which it is achieved. Secondly, we may focus on the *choice application capability approach* where the focus is on realized functionings (the functioning vector which a person chooses) from the capability set. Here the procedure of achieving the best result and the alternatives available over which choices are made, i.e., freedom, i.e., the capability set itself, are immaterial. These are redundant since once the choice is made (which by default is the

best choice), everything else is secondary. Why should one bother with building up a capability set if at the end all we do is to simply choose the one – best – functioning vector. Since the chosen vector is construed as the best in some sense of providing the maximum welfare, the choice application capability approach basically reflects the welfarist criterion that drives the choice theoretic framework of mainstream economics. To see the difference between the two approaches, consider the following two-dimensional functioning space.



C represents the capability set (composed of points of functioning combinations) where y represents the realized functioning. The choice functioning vector y is only a part of the options capability set C. Choice application capability approach would not consider y while the options capability approach would consider the whole set C.

Sen's position is clearly different from the neo-classical approach: he takes the options capability approach as the basic approach and rejects outright the choice application based approach. He lays down three reasons for doing so. Firstly, Sen argues that if the focus is on well-being then focusing on the choice functioning approach is problematic since it truncates the sets of alternative. The most famous of the choice functioning approach in Economics is that of utility based neo-classical economics. Well-being there is paraded in terms of some primarily given concept such as utility representing some psychological metric like happiness/satisfaction/desire while other constitutive aspects of well being or functionings are rendered passive and reduced to

utility. While being happy may count as an important functioning, it cannot really be taken to be all there is to leading a life (i.e. it can scarcely be the only valuable functioning). If the utility-based valuation is done in terms of pleasure or happiness, then in effect the other functionings would get disenfranchised, and would be valued indirectly only to the extent that they contribute to pleasure or happiness (Sen 1999, 54).

Secondly, the options capability approach strongly captures the aspect of freedom since freedom is precisely based on the number of functioning available to an individual. Freedom in neo-classical approach is a misnomer. While individuals may have the option of choosing from set of alternatives (the area C), all that matters is the best –the most efficient- alternative chosen. In other words, to begin with if I am given the best alternative the set of options given by C is immaterial to my well-being. Choices matter because people are choosing the best option from alternatives but it does not matter for its own sake, as a separate entity. In other words, choice as a separate entity, for its own sake, is not valuable in the choice application capability approach. If it did then the procedure of choosing that functioning vector itself (how one pursued well-being) would be important. And that is crucial for Sen since “capability represents a person’s freedom to achieve well-being”. Achievement and the freedom to that achievement are not the same.

The third problem relates to the ideal of growth. Sen says

The capability approach clearly differs crucially from the more traditional approaches to individual and social evaluation, based on such variables as primary goods (as in Rawlsian evaluative system), resources (as in Dworkin’s social analysis), or real analysis (as in the analyses focusing on the GNP, GDP, named-goods vectors). These variables are all concerned with the instruments of achieving well-being and other objectives, and can be seen also as the means to freedom.” (Sen, 1999, 42)...It is in asserting the need to examine the value of functionings and capabilities as opposed to confining attention to the means to these achievements and freedoms (such as resources or primary goods or incomes) that the capability approach has something to offer (Sen 1999, 46).

It is on this ground that Sen finds the neo-classical emphasis on growth as the motor of defining development problematic. For Sen, growth and development are not the same thing. Growth (or income based approach) is one of the means (an important one as well) of achieving capability but it cannot be the end. Having more income is important because that makes it possible for us to achieve more functionings and a broader capability set, and hence makes it possible for us to lead a better life, i.e. increase our well being. Since a bigger capability or better well-being is our goal then growth or income is one of the instruments (though not the only one) through which we achieve that. Growth by itself does not make a society better off and hence more developed. Thus, Sen rejects the positivist principle of growth idealised as driving the development of society.

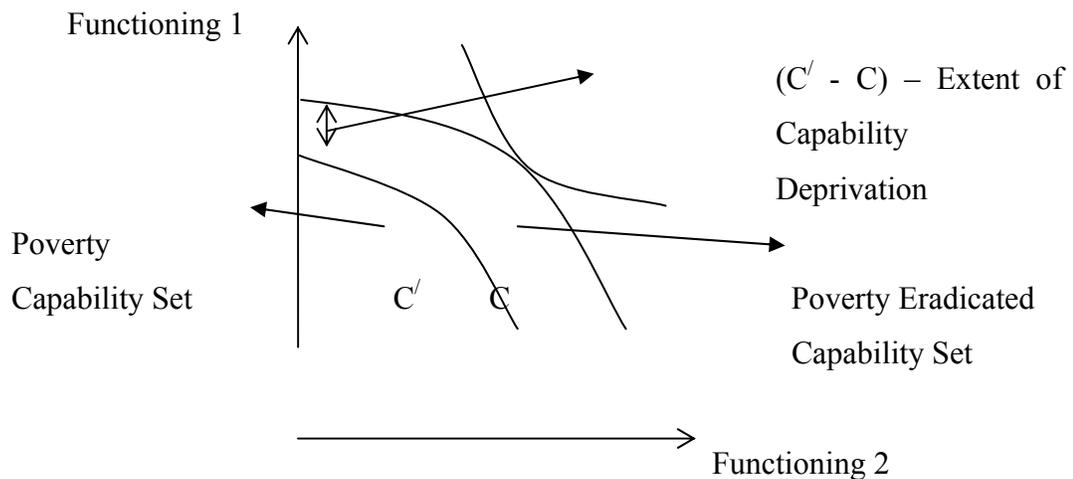
Our well being is enhanced with the increase in our capability set since it gives a broader combinations of functionings one can choose from and hence a greater freedom. That is what Sen understands as development. Well-being is correspondingly retarded if the capability set i.e. the alternatives of functionings from which we choose our living is truncated. Such a truncation would certainly make us, and the society, worse off.

Sen's philosophical foundation is radical if we share the commonplace view of mainstream economics as built on utility/preference, its ethical grounding principle as that of welfarism and development singularly epitomized by the telos of growth. Sen is a break from mainstream economics because he unequivocally rejects all these central tenets of neo-classical economics.

Having understood described Sen's capability structure, we are now only a step away from defining his notion of poverty.

Foster and Sen (1998) define poverty as capability deprivation in the sense of being unable to meet some elementary and essential needs. He makes a case for defining poverty *not* in terms of lowness of income. Income as mentioned earlier is one of the instrument or means of avoiding capability deprivation but it is only that. The final deprivation has to be in terms of functionings that are not available under the present living i.e. as capability deprivation. We then see that "poverty is seen as the deprivation of some minimum fulfilment of elementary capabilities." This capability deprivation could include a whole range of elementary functionings such as lack of real opportunity

of avoiding hunger or under-nourishment or homelessness or some elementary social abilities such as the capability to appear in public without shame or to take part in the life of the community (Foster and Sen 1998, 210). For Sen, development discourse of poverty does not make sense unless we are able to map capability set to a “desirable” solution in terms of some ends such as well-being or fair distribution. So, in our two dimensional functioning space, a person living with the entire set C' would be in poverty, while poverty eradication would call for the person to have at least the set C at his disposal. Poverty eradication would call for accounting the difference between $C'-C$.



The above discussion with its rejection of growth and welfarism means that Sen’s capability approach could be taken as a major departure from the neo-classical led World Bank approach to poverty. Sen’s approach, however, also deviates importantly from the post-developmental understanding of poverty.

Unlike the post-developmentalists, Sen would neither reject the importance of growth per se nor of market per se even though he refuses to reduce the economy, development and poverty to these elements. He would also reject neither development nor progress and will certainly not vouch for the sanctity of a self-subsistence economy. In fact, depending upon the situation, Sen will definitely call for a transformation of the self-subsistence economy even if that be produced through external shocks. To see this important point, consider a self-subsistence society where every individual’s basic need is fulfilled but such a society is fractured by caste division. The division is such that lower caste people are not allowed to participate in the “community” activities even if such

activities help procreate the sacredness of nature that sustains the traditional or organic economy. This exclusion may be, say, from being disallowed to participate in worshipping the village god of nature. If the lower caste people do violate this rule of exclusion, they will end up being shamed. While by post-developmental criteria such people will not be in poverty since they are reproducing their basic needs, Sen will certainly consider such lower caste people to be poverty stricken since an elementary social functioning gets truncated here. So Sen will call for a transformation of the village community as part of his poverty eradication program. For Sen, any idealisation of village community in such a case is to provide sanctuary to oppression, inequality and exclusion that produces this capability deprivation and hence such idealisation is only a mask for procreating poverty.

Having explained the three major approaches to poverty, we are now in a position to summarise the basic differences in the approaches:

| Approaches Aspects | World Bank | Post-Developmentalist | Capability |
|-----------------------|---|--|---|
| Economy | Capitalist market economy and Self-subsistence or organic economy | Capitalist market economy and Self-subsistence economy | Well Being, Functioning, Capability and Freedom |
| Good Economy | Capitalist market economy | Self subsistence economy | Allows the maximum space for capability development or, freedom |
| Poverty | Mass structural poverty, destitution and conjunctural poverty | Material poverty as deprivation of basic needs | Real poverty as capability deprivation |

| | | | |
|---------------------|---|---|--|
| Reasons for poverty | Self-subsistence or organic economy | Capitalist economy creating dispossession and deprivation | Failure to access basic functionings |
| Poverty eradication | Overcome self-subsistence economy through capitalist growth | Destroy or control the capitalist market economy and allow self-subsistence economy to flower | Increase functionings and enhance the capability set |

The post-developmental approach and Sen’s capability approach provides enough reason to outrightly reject the World Bank approach to development. They also provide important insights into the issue of poverty that we greatly value and believe could be integrated in our alternative approach on poverty. But, here, to begin with, we are determined to provide an exclusive Marxian discourse of poverty. In that regard, we wish to distinguish our approach from those described here. Our points of departure can be located in three axes.

- (i) All these approaches are class blind, where we understand class as processes related to performance, appropriated, distribution and receipt of surplus labor. This has enormous significance for the discourse of poverty since, as we shall demonstrate, poverty is determined by processes related to class as well. How surplus labor is performed, appropriated, distributed and received has telling effect on the existence of poverty. Thus class conditions of distribution and production play major role in determining the existence of poverty and its conditions of eradication.
- (ii) A class discourse of poverty must take place within an economy that is class focused but not class specific. That is, we need to create an alternative conception of a disaggregated and de-centered economy that would enable a class politics of poverty to take place. Where poverty eradication is integrated within the transition politics of the economy (say, from exploitative class structure to non-exploitative class structure), a politics that is consistent with some notion of fairness. Like Sen, we

consider problematic a self-subsistence economy that is homogenous or reducible to nature or culture. Any economy, even our class economy, must be construed as decentered and disaggregated complexly constituted by economic, cultural, political and natural processes.

- (iii) We consider the World Bank discourse of poverty to be rooted in *hegemony* of global capital. Thus, struggling against the World Bank approach to poverty is to struggle against the regime/order of global capital and alternatives must seek to supplant the hegemony of global capital by some other order that is built on more worthy and humane principles than that of growth and welfarism. Chakrabarti and Cullenberg (2003) have described such a standpoint as expanded communism, where expanded communism encapsulates the principles of non-exploitation and expansion of needs. In this context, expanded communism could be taken as the standpoint that is used to struggle against poverty and attempt its eradication.

We seek to incorporate the disaggregated class economy, the class rendition of poverty within such an economy, and the elaboration of a just politics over poverty from the standpoint of expanded communism. The three aspects help us build the basic theoretical frame of a class focused Marxian discourse of poverty. The point of this discourse is simple but profound: class matters for the creation of poverty and its dynamics.

Section II

Class and the Economy

From a third world standpoint, traditional Marxist approach worked within the Orientalist paradigm that construed the inferior/backward/underdeveloped East as the negative of the superior/advanced/developed West and rewrote the history of the East in terms of a model (historical materialism) that built a rational, ordered, progressive journey of the East in the image of the West. Moreover, this Euro centric historical materialistic model was punctuated by essentialist centring of the economy and a historicist idea of progress, which served to imprison third world discourse for over a

century into this Orientalist imagination (see Chakrabarti and Cullenberg 2003 for the details of this model and its influence in India's Marxist discourses). Resnick and Wolff (1987) challenged traditional Marxism fundamentally on these grounds of essentialism, historicism and Orientalism though the least challenge is not readily recognized. Accordingly, Resnick and Wolff's contribution should be seen in terms of not only providing a Marxist discourse free of the essentialist and historicist in-gradients as is readily acknowledged but should also be applauded for revealing hitherto unimagined possibilities that such an intervention has opened up through its efforts to free the "Orient" from the pervasive Euro centric hold by undertaking a revolutionary, path breaking discourse of the economy. Resnick and Wolff's approach has seen fundamental extensions in Gabriel (1990), Callari and Ruccio (1996), Cullenberg (1992), Chaudhury and Chakrabarti (2000), Chakrabarti and Cullenberg (2001, 2003), Gibson-Graham (1996, 2003), Gibson-Graham, Resnick and Wolff (2000, 2001), and Resnick and Wolff (2002) regarding the question of class, economy, society and its transition and development.

Building on Althusser's notion of overdetermination and defining it as the mutual constitutivity of processes that informs the epistemic-logic of the social, Resnick and Wolff who, following Marx, pioneered the concept of reading *class as an adjective* (that is, as process) highlight two fundamental moments within the economy. The first is the distinction between *necessary labor* and *surplus labor*. The former captures the amount of labor performed to reproduce the existence of the laborer and surplus labor defined as labor performed over and above necessary labor. Class, and this is the second fundamental moment, refers to processes relating to the performance, appropriation, distribution and receipt of surplus labor. Furthermore, class processes can be grouped into *fundamental class* as constituting of the performance and appropriation of surplus labor, and into *subsumed class* making up the distribution and receipt of surplus labor. Those who are related to fundamental class processes as performers and appropriators of surplus labor occupy fundamental class position and belong to what is called fundamental classes. Similarly, those who are related to subsumed class processes as distributors and receivers of surplus labor occupy subsumed class position and belong to the group called subsumed classes. There are thus fundamental class processes, fundamental class position

and fundamental classes as we do have subsumed class processes, subsumed class position and subsumed classes.

Class processes are specific to an enterprise or structure – be they in the private, state or household sectors. While there are other means of articulating the notion of enterprise (through the goal of profit maximization, for example), Marxists provide a unique description of class enterprise or class structure as being constituted by fundamental and subsumed class processes, and non-class processes geared towards the reproduction of the class processes. A specific set of class and non-class processes define a class enterprise or class structure. These non-class processes encompass the economic (other than class), cultural, political and natural processes.

In this Marxist theory, explanation is thus class (economy) focused but not class (economy) specific. The putative presence of a self-constituted, independent and autonomous economy is an impossibility if we read the economy in class terms. The economy is forever drawing on the non-economy for its oxygen (and vice versa).

The important category of Marxian exploitation emerges from the notion of fundamental class process; exploitation is defined as the surplus labor not appropriated by the performers of that surplus labor, otherwise appropriation is non-exploitative. Fundamental classes can be exploitative as well as non-exploitative and can be mapped into capitalist, communist, communitic, self or ancient, slave and feudal forms. For example, feudal fundamental class process refers to the exploitative appropriation of surplus labor. Exploitation is the contentious category in Marxist theory since it raises the ethical question: do we accept the theft of labor and of a society dominated by trope of the theft. Marxist theory is unique for its ethical position against exploitation.

Political practices in such a Marxist theory are class practices or class related practices sometimes called class struggle. The three fundamental political issues that crop up around Marxism are (i) to fight for changes in the fundamental class processes with the goal to end class exploitation in society, (ii) to fight for changes in subsumed class processes in order to transform the conditions of existence that underlie a fundamental class process, and (iii) to struggle for changes in those non-class processes that transform the conditions of existence for various class processes – fundamental and subsumed.

Marxists take the ethical position of struggling for those class and non-class processes that procreate non-exploitative practices.

In such a Marxist theory, the society is a complex institutional configuration of innumerable number of heterogeneous and multi-layered class processes. At any point in time, all these distinct class processes could potentially co-exist together within a society. A specific *configuration* of class structure is defined as the social totality. Drawn from a specific, that is, partial (class) perspective, social totality is decentred (cannot be defined in terms of a specific form of class existence such as capitalist) and disaggregated (numerous types and forms of class processes intersecting, compensating and reinforcing one another) being pulled and pushed into different directions by the contradictory effects that constitute it. Moreover, since processes are in a overdeterminist state of change due to, among others, numerous class struggles occurring in different axes of society, these bring in contradictory effects causing a transition of the class configuration and, subsequently, deepening further the de-centering and heterogeneity of society.

This Marxian approach then forces an encounter with multifaceted economic practices within a decentred and heterogeneous social terrain. At the level of such practices that significantly determines the formation of (political) subject and the constitution of the political space, we encounter not simply capitalist practices but also non-capitalist practices. One thus cannot reduce the economy to the singular substance of accumulation or forces of production or profit maximization which serves as the imputed motif of capitalist classes as in standard orthodoxy. Such motif as and when they are emphasized reflects an almost divine like gravitational pull of the economy to capitalism which is contested in this Marxism. Indeed, the claim of an all-encompassing storm of capitalist juggernaut stutters and falters in the face of our non-capitalist existences that continue to procreate and spawn within the rich web of our complexly overdetermined society.

The politics of the social play an important role in deciding which types of class processes would dominate in specific time and space, which in turn significantly determines the historical evolution of society. Within this disaggregated economy, any attempt to proclaim the universality of capitalism is nothing but hegemonisation of a truth – the truth of the high value of capitalist existence as against other economic form of

existence. This entails an attempt to protract an “order” that encapsulates the hegemony of capitalist existence over non-capitalist existence. Which means that within a society replete with numerous forms of economic practises qua class, this “order” enables one form of economic practise, namely capitalist, to occupy a commanding height and dominate other existing and possible forms. We call this “order” capitalism. In the current era of globalisation, the “order” is essentially about trying to proclaim the truth of global capitalist existence. Consequently, we define this order as global capitalism. Thus, the terms “capitalism” or “global capitalism” does not mean a homogenisation of the economy in terms of capitalist existence but rather refers to the exposition of politics that attempts to hegemonise a certain kind of truth as against other possible forms of truth. Marxian politics as a counter-hegemonic discourse refers to a different kind of truth that seeks to expose, (i) the disaggregated nature of the economy and the other possibilities embedded within it, (ii) the exploitative root of the truth of (global) capitalism as well as its other embedded injustices and (iii) another “order” that seeks to take society in the direction of non-exploitative forms and more just forms of economic practises.

Our counter-hegemonic description of the economy greatly disrupts any attempt to read the economy as a homogenous face. If one reads the economy our way, the homogenous characterisation of a capitalist market economy and organic or traditional economy within the World Bank as well as the post-developmental approach is rendered problematic. For example, in our scheme, the organic or traditional economy becomes disaggregated with multiple forms of class existence. These differences within the economy in terms of performance, appropriation, distribution and receipt of surplus labor greatly determine the multi-faceted social existence in such societies including the existence and dynamics of poverty. Since poverty could now be a result of internal dynamics of such societies, poverty eradication is an issue that needs to be confronted from within such societies. Poverty can also result from dislocation, material deprivation or capability deprivation following the encounter of the so-called organic or traditional society with the “order” of global capital or global capitalism. Finally, the so-called capitalist market economy is not homogenous too but instead is disaggregated with an attempt to hegemonise a truth of the high value of capitalist existence over this economy. Since Marxian notion of the economy allows for other possibilities, this means that the

content of the encounter of the so-called traditional societies with global capitalism could be transformed through an attempt to change the order that procreates poverty. Poverty eradication is thus possible by changing the subsistence organic societies and the non-subsistence economies in certain directions, which we will elaborate in the last section.

Given this rendition of class, economy, society and transition, we are now in a position to posit a Marxian notion of poverty.

Section III

Social Surplus and Opening the Prism of Poverty

We take off from Chakrabarti and Cullenberg's (2003) distinction between the production surplus and social surplus. Particularly, we extend the notion of social surplus to suit our intervention. But before that we need to understand the meaning of production surplus.

- ***Production Surplus***

To understand production surplus, we begin from Resnick and Wolff (1987) who sought to tie up the performance and appropriation of surplus labor (the fundamental class process) to its distribution and receipt (the subsumed class process). In accounting terms, for example, the capitalist class enterprise could be written as

$$SV = \sum SC$$

This means that the appropriated surplus value (surplus labor in value form) is distributed to the different subsumed class positions on account of these positions fulfilling the different conditions of existence that help procreate the performance and appropriation to begin with. These include subsumed class payments to the landlords or state for providing access to land (SC_L), merchant capitalists for ensuring the valorisation process (SC_M), the bank capitalists for providing the necessary credit (SC_B), the shareholder capitalists for providing the necessary capital (SC_S), the managers for

accumulating capital (SC_{AM}), the supervisors' for overseeing the work effort of the laborers (SC_{SL}) and so on. Suppose, these appropriated subsumed distributions are the ones that actually occur. In class accounting terms, the surplus value is that surplus which remains completely accounted for by these subsumed class payments. Thus, for a particular capitalist enterprise

$$SV_1 = SC_L + SC_M + SC_B + SC_S + SC_{AM} + SC_{SL} \quad (i)$$

If one takes the sum of appropriated surplus value appropriated and distributed by all the capitalist enterprises, then (i) becomes

$$\sum SV_1 = \sum SC_L + \sum SC_M + \sum SC_B + \sum SC_S + \sum SC_{AM} + \sum SC_{SL} \quad (i)'$$

Similarly, one could have feudal, communist, ancient, slave or communitic forms of appropriated surplus produce that again is exhausted through its distribution as subsumed class payments to the agents who provide necessary support to the surplus produces' performance and appropriation. To keep matters simple for the sake of analysis, lump all

the surplus labor appropriated by these non-capitalist enterprises as $\sum_{i=1}^n SSL^i$. The

subsumed class distributions are either internal to the enterprises, whose sum again is

$\sum_{j=1}^k SCL^j$ or they are external to the enterprises, whose sum is $\sum_{s=1}^r SCE^s$. Therefore,

$$\sum_{i=1}^n SSL^i = \sum_{j=1}^k SCL^j + \sum_{s=1}^r SCE^s \dots\dots(ii)$$

Combining (i)' and (ii),

$$\begin{aligned} \sum SV_1 + \sum_{i=1}^n SSL^i &= \text{Total Appropriated equivalent of Surplus Labor} = TSL = \\ &= \sum SC_L + \sum SC_M + \sum SC_B + \sum SC_S + \sum SC_{AM} + \sum SC_{SL} + \sum_{j=1}^k SCL^j + \sum_{s=1}^r SCE^s \\ &= \text{Total Surplus Distributed or Subsumed Class Payments} \end{aligned}$$

where, TSL is the total appropriated surplus labor. We then define

$$\begin{aligned}
\text{Pr oduction Surplus} = TSL & \left[= \sum SV_1 + \sum_{i=1}^n SSL^i \right] = \\
& \left[\sum SC_L + \sum SC_M + \sum SC_B + \sum SC_S + \sum SC_{AM} + \sum SC_{SL} + \sum_{j=1}^k SCL + \sum_{s=1}^r SCE \right] \\
& \dots\dots\dots(iii)
\end{aligned}$$

Chakrabarti and Cullenberg use the adjective “production” to capture the sum of subsumed class payments arising from the surplus generated in the production process, payments that reproduce those conditions of existence that ensure the procreation of performance and appropriation of surplus labor. If we take subsumed class payments as the only form of distribution, then there is no surplus available beyond the production surplus. In this sense, under production surplus, there is no leakage of this surplus to any non-class processes or agents outside the point of appropriation. Production surplus exhausts itself completely through the subsumed payments.

- **Social Surplus**

The almost exclusive focus of Marxist thinking has been on what we are calling production surplus, even when dealing with distribution. However, such production-related distributions do not suffice to address the whole range of distribution: not all distributions are production exhaustive in the sense that these provide the conditions of existence for fundamental class process to materialise. Distribution also pertains to numerous social flows that has nothing to do with the procreation of fundamental class process and thus is not immediately related to production surplus. This does not mean that such production unrelated distributions are not constituted by fundamental class process and production surplus but rather that production unrelated distribution and production exhaustive distribution are conceptually distinct. One thus needs to separate the issue and politics of distribution related to production from that of distribution which are not specifically production related. Marxist theories of all hue can be critiqued for not identifying differences in distribution, which has produced a flavour of adhocism in the way these have treated distribution demoting and leaving out unanswered a host of questions from their frame.

- What about the agents who are not involved in the surplus generating production process but who must be accounted for as economic agents from the point of view of consumption? Such populations fulfil no conditions of existence of production of any surplus and yet their state of being must be reproduced. The population may include the old and handicapped, unemployed and children. There must be a surplus to account for these people. Surplus beyond production surplus could be in the form of transfer payments that account for the existence of the old and handicapped, unemployed and children. For example, one form of social surplus could take the form of pension for the old and handicapped. These people are fulfilling no class conditions of existence nor is this surplus got to do with their being poor. A person, for example, may have saved so much in his working life that even without the pension his biological need would be satisfied. This old person is certainly not in poverty. Just by virtue of being old and handicapped such persons receive this surplus. Similar is the case for the unemployment benefit. Unemployment receives benefit not because they are poor or rich but by virtue of their being unemployed. Similar such benefits to children (say, free education at the primary level) would also account for such surplus. Call the sum of such surplus SS_D .
- Some of the surplus could be directed at class processes. If, say, an agricultural enterprise is receiving electricity subsidy or fertiliser subsidy without which the agricultural enterprise would be threatened then such transfer payment is not outside production surplus. The state must provide such subsidies for the procreation of fundamental class and subsumed class to take place. Thus, not all transfer payments captures surplus beyond production surplus; transfer payments are not identical to social surplus. On the other hand, for another agricultural enterprise, such subsidies will in no way make a difference on production surplus. That is, fundamental and subsumed class processes of this enterprise in the absence of such transfer payments would remain completely unaffected. These subsidies then represent surplus over production surplus – a sort of, say, gift to the

agricultural farmers. We name such surplus as SS_G . In other words, SS_G represents transfer payments that are directed at sites of fundamental and subsumed class processes and are in *no way* material to the procreation of the necessary production surplus that entails payments for all the necessary conditions of existence. Otherwise, such class focused transfers payments are necessary constituent of production surplus.² Another example, in case of India, would be the (implicit) subsidy for LPG cooking cylinder.³ For many households, the amount of this subsidy could be critical for the continuing procreation of household fundamental and subsumed class processes. For others, the subsidy may not make any difference to the continuation of existing household class processes. The subsidy could be used to buy, say, a piece of hamburger. Such subsidies would again fall under SS_G .

- Surplus could be used for purposes which has nothing to do with fulfilling conditions of existence of production, say, for example, payments for creating or maintaining a theatre hall or taking a fling to a casino for gambling. We can say that such surplus are used for entertainment and call it as SS_A .
- Finally, the South is replete with many people, especially in the third world as defined by us, engaged in economic activities through which they are able to just/at the margin reproduce their biological existence if at all by fulfilling their role as performer, appropriator, distributor and receiver of surplus labor. We shall soon see that availability or non-availability of social surplus has a great deal to do with this state of situation. First, the appropriators, after distributing their production surplus and that including resource flow to maintain their virtually biological needs, may have nothing left. Second, the subsumed class individuals receive subsumed payments that again could be

² From a Marxist perspective, one important moment of distributive politics is to argue that subsidies which help in procreating class processes are different from subsidies that do not do so. De facto, those subsidies by virtue of theirs being indispensable components of production surplus are necessary and should be defended (unless there are other criterions for arguing against it). Unilateral withdrawal of transfers or subsidies for class processes, as is deeply ingrained within the neo-liberal global agenda, is difficult to justify within a Marxian framework and should thus be rejected.

³ If the actual price of LPG cylinder is Rs 275 and the market price is Rs 400 then there is an implicit subsidy of Rs 125 for every cylinder that is sold. The subsidy is implicit because no explicit transaction of this amount is taking place between the LPG gas enterprise and the households.

only reproducing their biological needs. They too have nothing left after that. In both cases, the biological needs are met with either the subsumed payments received or the surplus that remains with the appropriator, after the production surplus has been disbursed. Then there are the exploited individuals, neither appropriating nor distributing nor receiving any production surplus. They are the performers, producing either surplus produce (production surplus) with their surplus labor or working in a non-class capacity under the subsumed class agents and helping procreate the vital subsumed class processes. These performing individuals (occupying class and non-class positions) are also just reproducing their biological need, if they are doing it at all. Finally, there are destitutes who by virtue of not engaging in activity and not receiving any benefit of the SS_D kind (such as pension or unemployment benefit) end up failing to reproduce their biological existence.

In other words, by virtue of lacking surplus beyond the production surplus or receiving meagre subsumed flow as providers of various conditions of existence or being destitutes, these people are not being able to fulfil other promises of life beyond that pertaining to biological need (these could be as simple as having a health clinic at the village) that they otherwise would be interested to attempt or have. Not enough of such surplus beyond the production surplus is available that can enable people to fulfil such promises.⁴ If additional surplus was available, then one could have accounted for numerous desirable needs, including social needs, of this population. The state of situation governing the biological reproduction is coterminous with the inadequacy of surplus after accounting for production surplus. In such a class focused Marxian sense, we benchmark this state of reproduction of biological need as one of poverty.

Poverty is defined as the state of reproduction of biological need when there is inadequate surplus available above the production surplus. Thus, those people who are just reproducing their biological existence as well as those

⁴ You can call such promises functioning ala Sen.

who fall below that state are considered to be living under poverty. As one can see, our conception of poverty is very much class focused.

To account for poverty and its associated unfulfilled promises there must be a surplus over and above the production surplus. Call such surplus as SS_P . The claim over this social surplus is not by virtue of people being unemployed, old or child and so on but by virtue of their being poor, that is, as people unable to reproduce their biological need.

Surplus over and above the production surplus is what we name as *social surplus* or $SS = SS_D + SS_G + SS_A + SS_P \dots \dots \dots (4)$

If SS_P refers to biological needs, then SS_A , SS_G and SS_D capture other kinds of needs that we have elaborated. Thus the need space itself is fractured into contending and conflicting sources that attempt to extract SS. Our understanding of need is then not referring to a natural space, consisting of some pre-defined objective ends. Any aspect must articulate its presence in the social terrain to emerge as need. Because it follows from political articulation to socially emerge, need is socially contingent (see Chakrabarti and Cullenebreg 2003 for details). The social surplus or SS could be internally generated within a society or it could arrive from outside as, for example, via the World Bank aid.

Surplus in an economy is then redefined as being equal to *production surplus* plus the newly created category *social surplus*. Putting the same slightly differently, since production surplus is definitionally equivalent to subsumed class payments, the total amount distributed as *surplus* is equal to *subsumed class payments* plus *social surplus*. Or, whatever is available beyond subsumed class payments/revenues is social surplus.

In accounting terms, this social surplus SS must be equal to appropriated surplus labor that is beyond TSL. We name this surplus as STS or social surplus equivalent of

appropriated surplus labor. Thus, $STS = \sum SV_2 + \sum_{i=1}^n SSL''$, where SV_2 is the

appropriated surplus value that is distributed as SS and $\sum_{i=1}^n SSL''$ is the non-capitalist

appropriated surplus labor/produce that is distributed as SS. The sum total of appropriated surplus labor that is distributed is thus

$$STSL = TSL + STS = \left(\sum SV_1 + \sum_{i=1}^n SSL' \right) + \left(\sum SV_2 + \sum_{i=1}^n SSL'' \right) = \sum SV + \sum_{i=1}^n SSL, \dots\dots\dots(5)$$

where the total social surplus equivalent of appropriated surplus labor/produce, STS = STSL – TSL. When this appropriated amount, STS, is distributed, we name STS as SS. We highlight the difference between STS and SS to keep the two social positions – performance/appropriation of social surplus and distribution of social surplus - distinct.

- ***Fundamental Class Process, Subsumed Class Process and Social Surplus***

Social surpluses are required to meet the multiple needs of human society as already described. We have delineated some of the issues related to need, included that tuned to the state of poverty. Distribution from a Marxist standpoint calls for addressing questions regarding how this social surplus is to be generated, under what conditions, and who will get what portion of this surplus? These questions are fundamentally dissimilar to those class questions regarding the production, appropriation distribution and receipt of surplus labor even though the two are intrinsically connected for it is in class process that surplus of either type, social and production, is procreated. The distribution of subsumed class payments has direct bearings on the amount to be distributed as social surplus and, conversely, demand over social surplus affects the retained amount of appropriated surplus to be distributed as subsumed class payments. And since, typically those who appropriate also distribute surplus, the distributional questions regarding social surplus may end up affecting the fundamental class processes as well. With the aspects of social distribution and production mutually constituting one another, changes in one affect the other in important ways. Unlike bourgeois approaches on distribution, in our Marxian approach one cannot address the issue of social distribution qua social surplus without addressing the question of performance and appropriation of surplus produce. Specifically, it must address which fundamental class processes are conducive to a social distribution that could enable the expansion of desirable need.

One can clearly see this relation between fundamental class process, subsumed process and social surplus in the following class accounting relation. Combining (3), (4) and (5) we get

$$\begin{aligned}
 TSL \left[= \sum SV_1 + \sum_{i=1}^n SSL' \right] + STS \left[= \sum SV_2 + \sum_{i=1}^n SSL'' \right] &= STSL = \\
 \left[\sum SC_L + \sum SC_M + \sum SC_B + \sum SC_S + \sum SC_{AM} + \sum SC_{SL} + \sum_{j=1}^k SCL + \sum_{s=1}^r SCE \right] & \\
 + \underbrace{\left[SS_D + SS_A + SS_G + SS_P \right]}_{SS} &
 \end{aligned}$$

or,

$$\begin{aligned}
 SS = [SS_D + SS_A + SS_G + SS_P] &= \left[\sum SV + \sum_{i=1}^n SSL \right] \\
 & \left. - \left[\left[\sum_{i=1}^n SV_1 + \sum_{i=1}^n SSL' \right] - \left[\sum SC_L + \sum SC_M + \sum SC_B + \sum SC_S + \sum SC_{AM} + \sum SC_{SL} + \sum_{j=1}^k SCL + \sum_{s=1}^r SCE \right] \right] \right\}
 \end{aligned}$$

One can clearly see that social surplus remains importantly determined by surplus labor produced and appropriated (fundamental class process) as well as its subsumed distributions (subsumed class process). However, the relation of social surplus with poverty needs further elaboration that will help us see the exact nature of relation between Class, Social Surplus and Poverty.

- ***Class, Social Surplus and Poverty***

There are four categories of people that we consider in our discussion on poverty. Each of the categories could be further broken down. The four categories of people who would be considered as living under poverty are:

- ◆ Those who are appropriators and distributors of surplus labor

$$\{SL - (\sum SSCP)\}_{UV} + \{SL - (\sum SSCP)\}_{EV} \leq \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right]$$

where,

SL = Surplus labor that is appropriated

$\sum SSCP$ = all subsumed class distributions in order to secure the conditions of existence of the performance and appropriation of surplus labor.

$\{SL - (\sum SSCP)\}_{UV} + \{SL - (\sum SSCP)\}_{EV}$ = Total amount in use value (UV) and exchange value (EV) equivalent of appropriated surplus labor after deducting for subsumed class payments. This accounts for the possibility that the appropriating positions could be multiple and so too could be their forms of appropriation – in market and non-market forms. If the appropriating position is singular, that is, the individual is the appropriator in one fundamental class process then either

$\{SL - (\sum SSCP)\}_{UV}$ or $\{SL - (\sum SSCP)\}_{EV}$ would drop out depending upon the specific form of appropriated surplus – use value or exchange value.

$\sum_j UV$ = sum of use values such as food, clothing that are accessed in non-market form in order to reproduced the biological need.

$\left\{ \sum \frac{EV}{UV} UV \right\}$ = Value of means of subsistence required to reproduce the biological need

of the laborer and his family. EV is the exchange value while UV is the use values such as food, clothing etc. (to be) purchased. Hence EV/UV is the exchange value per use value which when multiplied by UV represents the cost of worker's expenditure to reproduce the labor power of the worker.

$\left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right] =$ Sum of value and use value needed to reproduce the biological need of the laborer and his family.⁵

Clearly, the LHS is the revenue and the RHS the expenditure needed to maintain the biological existence. The equation tells us that if LHS is equal to or less than the RHS, then the persons in this category, who are appropriators and distributors of surplus labor are in poverty. This significantly highlights the point that appropriation is conceptually different from poverty; an exploiter of surplus labor can be poverty stricken as well.

- ◆ Those who are receivers of surplus labor

$$\sum SSCR \leq \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right]$$

where, $SSCR_1 =$ subsumed class revenue

This says that those who are receivers of subsumed payments have revenue which

⁵ Importantly, $\left\{ \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right] \right\}$ serves as a benchmark of biological need in our framework. This could be taken as basic need of post-developmentalists, income or any such measure of World Bank. The minimum capability set of Sen because of the presence of non-quantifiable social functionings (constituting of cultural and political processes) will require further elaboration if they are to be incorporated within the Marxian approach to need (see DeMartino 2003 for an initial foray). Irrespective of the way the point of poverty eradication is defined, we take that point as a benchmark for biological need and call it $\left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right]$. It is not that we do not consider the debate over the exact point of poverty unimportant for Marxists but rather we want to emphasise the unique role of class in the presence of poverty (however that may be defined) and its dynamics. That is, irrespectively of the measured definition of poverty the point is to show that class too matters in the evolution of poverty and its eradication. Once we understand the exact role and importance of class in poverty dynamics, we can switch our discussion to issues surrounding the definitions of poverty including the constitution of $\left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right]$. In this regard, the basic need approach of post-developmentalists or the capability approach of Sen will hold special place in any such discussions. Let us leave such important points for future discussion.

is either equal to or less than that needed for biological existence.

- ◆ Performer of surplus labor and also non-class performers who shape the subsumed class processes are faced with

$$V \leq \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right]$$

V = basket of goods or its wage equivalent received by the performers of labor – fundamental performers or performers who produce the subsumed class processes.

This says that the revenue of the worker is just reproducing the biological need or not even doing that.

- ◆ Those who do not appropriate, distribute nor receive surplus labor and neither do they perform any kind of labor (surplus or otherwise) may face.

$$(NCR_{st}) + ((NCR_{dbt}) + (iNCR_{cre})) \leq \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right]$$

where, NCR_{st} = receipt of value of goods and services from the state (example, transfer payments)

NCR_{dbt} = credit obtained from outside agencies (example, consumption loan taken from the moneylender)

$iNCR_{cre}$ = interest on credit loaned out

The L.H.S is the total revenue received.

Here too, we see such people either just reproducing their biological need or not able to do so.

- **Conditions of Poverty and its Eradication**

Thus we find that if $\left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right]$ is needed to reproduce the biological

existence, then

$$\begin{aligned} W \{ \approx \{ SL - (\sum SSCP) \} UV + \{ SL - (\sum SSCP) \} EV \approx V \approx \sum SSCR \approx (NCR_{st}) + ((NCR_{dbt}) + (iNCR_{cre})) \} \\ \leq \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right] \end{aligned}$$

Therefore, the *poverty condition* is

$$W \leq \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right] \dots\dots\dots(6)$$

$$W - \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right] \leq 0$$

The *poverty eradication condition* requires

$$W - \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right] + SS > 0 \dots\dots\dots(7)$$

In other words, there must be enough of social surplus that would enable people to cross the threshold of biological need. However, as we have seen, social surplus could be used for numerous forms of need purposes, including that to be released for the purpose of eradicating poverty. That is, not all social surplus is directed to poverty eradication.

The poverty eradication condition thus must undergo a change.

To see this, recall that social surplus SS is

$$SS = [SS_D + SS_A + SS_G + SS_P] = \left[\sum SV + \sum_{i=1}^n SSL \right]$$

$$- \left\{ \left[\sum SV_1 + \sum_{i=1}^n SSL' \right] - \left[\sum SC_L + \sum SC_M + \sum SC_B + \sum SC_S + \sum SC_{AM} + \sum SC_{SL} + \sum_{j=1}^k SCL + \sum_{s=1}^r SCE \right] \right\}$$

This gives the *precise poverty eradication condition*

$$W - \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right] + SS > 0$$

$$\text{or, } W - \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right] + [SS_P = SS - SS_D - SS_A - SS_G] > 0 \dots\dots\dots(8)$$

$$\text{or, } W - \left[\left\{ \sum_i \frac{EV}{UV} UV \right\} + \sum_j UV \right] + \left[\left\{ \left[\sum SV + \sum_{i=1}^n SSL \right] - [SS_D + SS_A - SS_G] \right\} - \left[\left[\sum SV_1 + \sum_{i=1}^n SSL' \right] - \left[\sum SC_L + \sum SC_M + \sum SC_B + \sum SC_S + \sum SC_{AM} + \sum SC_{SL} + \sum_{j=1}^k SCL + \sum_{s=1}^r SCE \right] \right\} \right] > 0 \dots\dots\dots(9)$$

Equation (8) indicates the part of social surplus – SS_P - that is released for eradicating poverty. If the social surplus, SS, is exhausted in SS_D, SS_G and SS_A, or SS_P = 0, then poverty remains unchanged. This implies that social surplus is unavailable for poverty eradication, which causes poverty to persist.

Equation (8) and (9) help us see the overdetermined relation between the processes related to fundamental class, subsumed class, social surplus and poverty. How much social surplus is obtained depends critically on the excess surplus that is produced and appropriated beyond the production surplus, which, if we may recall, constitute the domain of fundamental class process and subsumed class process. This implies that attempts to eradicate poverty through distributing social surplus must address the class issue as well. This has important implication for poverty related need struggle.

Resultantly, poverty related need struggles must take place in numerous fronts, including the class domain. At one level of abstraction, we divide the struggles into:

- (i) the struggle over social surplus.

As encapsulated in equation (8), this is a struggle regarding who gets what portion of the social surplus labor, that is, it is a struggle between how much goes into SS_A, SS_G,

SS_D and SS_P . Should the social surplus be distributed to allow a few individuals to take a fling to a gambling casino across the town (thus supporting a growing consumer society) or should the social surplus be distributed to meet the needs of destitutes living in the same town? Should the social surplus be used to subsidise class processes that will not make any difference to the procreation of these class processes or should the social surplus be diverted to get the poor people out of poverty? Thus, poverty focused need struggles take place in the pure domain of distribution of social surplus.

(ii) the struggles over class processes

The content of this struggle is captured in equation (9). This refers to how social surplus is produced and how much of it is produced. As can be easily seen, this depends on how much total surplus labor is (performed and) appropriated and out of that how much leaks out as various capitalist and non-capitalist subsumed class payments which is equivalent to production surplus. We can immediately see that appropriation is determined by class struggles over fundamental class process and distribution by class struggles over the subsumed class process. Thus the social surplus is indeed a product of intense class struggles. Finally, out of the remaining total appropriated surplus that goes out as social surplus, SS_P is what remains after deducting for SS_D , SS_G and SS_A . We have already explained that how much of the social surplus will accrue to SS_P is determined by struggle over social surplus. Such struggles over social surplus are need-based struggles, among which poverty related need struggles is one. Thus, equation (9) captures the symbiotic relation between the fundamental class process, subsumed class process and social surplus as well as reveals the importance of struggles over these for eradicating poverty.

Poverty focused need struggles thus take place in two fronts: one struggle is to increase the social surplus either through the production of extra surplus or to force a further leakage from the subsumed class payments thereby forcing a decline in the production surplus but an increase in social surplus, and the other struggle is over the available social surplus in order to force a bigger contribution for SS_P . Consequently, class struggle (struggle over fundamental and subsumed class processes) and need struggle (struggle over processes related to social surplus) constitutes one another; need struggles are class struggles and class struggles are need struggles. In the Marxian

discourse of poverty, each constitutes the other in the struggle over the existence of poverty.

Section IV

Poverty as Unjust and the Class Justice of Poverty

With our class conception of poverty founded on social surplus, we have offered here an alternative and sharply different approach as against the hegemonic poverty discourse of World Bank to which the globe is interpellated. It helps expose numerous poverty-related questions hitherto left untouched: (i) description of a class focused disaggregated third world spanning from exploitative to non-exploitative class existences, as well as the structure of distribution, (ii) locating the reasons as to why an entire area could be under the state of poverty and, if not, marking the split between those who retain substantial social surplus and those (in poverty) who are unable to access it, (iii) studying whether there is any specific link between the specific form of the performance and appropriation of surplus and the presence of poverty, (iv) finding out whether and how far the distribution of social surplus is constituted by elements of race, gender, caste and so on? (v) excavating the politics of World Bank need discourse as trying to provide an alternative/outside support system for distributing social surplus, (vi) looking at the linkage of this support system with the endeavour to stabilize and control the third world, (vii) finding out how this World Bank based social surplus support system is effecting the performance, appropriation, distribution and receipt of surplus labor in such societies, (viii) further finding out whether this intervention is creating alternative means of generating social surplus within these societies or are these societies becoming depended on the benefits received from World Bank, and (ix) in light of all these discussions, trying to think of an alternative Marxian approach to social surplus with regard to poverty, specially involving a kind of symbiotic relation between need struggle and class struggle. It is this last point that we now take up in the following discussion.

The Marxist discourse of poverty raises an important point of justice: an order that cannot eradicate poverty by making available and distributing the required social surplus when it is at the same time facilitating a burgeoning consumer society is an unjust

order. By that count, the current global order is unjust. The World Bank discourse on poverty seeks to alleviate poverty without questioning the injustice of poverty as an integral component of the very materialising global order. Fairness would call for zero tolerance for the benchmark of poverty. That is, all people must, at the least, have access to use values beyond the benchmark of biological need. Thus, justice, on ground of fairness, calls for extracting and redistributing social surplus to meet the problem of poverty. We have already explained why this way of looking at the issue of poverty recognizes the argument that the apparent poverty related need struggle is a pertinent class question as well. Overcoming poverty requires that, firstly, the subsumed payments of some of the agents may have to be reduced (which may require changing the received subsumed class processes) to extract the social surplus (the agents, for example, includes the moneylender or bank capitalists, merchant capitalists) and, secondly, the fundamental class processes may have to be changed in order to facilitate the increased production of social surplus and/or use the changed fundamental process to control the subsumed class payments to make more social surplus available. Poverty related need struggles would thus demand intense class struggles to change the class structure in order to facilitate the assault on poverty. The availability and distribution of social surplus hinges critically on the outcome of such class struggles. So, along with basic need struggles and capability struggles, struggles over classes and social surplus too play a vital role in determining the social dynamics of poverty.

We thus surmise that our Marxian discourse of poverty puts the agenda of poverty as an issue reflecting on the (un)fairness of the global order and solving which requires intervention at three layers – fundamental class process (changing the performance and appropriation of surplus labor), subsumed class processes (changing the distribution and receipt of surplus labor that sustains the fundamental class processes) and social surplus (changing the extraction, distribution and receipt of surplus beyond that of the subsumed class payments). Classing poverty through social surplus thus produces a paradigmatically different discourse of poverty and challenges the current World Bank hegemonic discourse on it on ground of justice.

If poverty eradication is a point of justice, then communism, if it is to account for justice, must stand for the fulfilment of both the criteria of non-exploitation or communist

existence⁶ and that of a fair distribution of social surplus in terms of expansion of needs.⁷ Among the aspects comprising a fair distribution of social surplus is definitely one that targets poverty eradication by accounting for people's much required biological needs. The fulfilment of both non-exploitation and fairness, Chakrabarti and Cullenberg (2003) define, as the communism of the new global age. We name it as *expanded communism*.

It is not that fairness involving poverty eradication qua expansion of need and non-exploitation qua communist form of appropriation are unrelated. Rather, Chakrabarti and Cullenberg argue that each has a greater chance to succeed with the fulfilment of the other. That is, the two compensate, intersect and reinforce one another. They argue that communist class process (along with a form of communitic class process that we do not discuss in this paper) remain the best forms of class process conducive to the expansion of need. Thus, a Marxist position would argue for punching need and class struggles together in a specific direction, as typified by expanded communism. Thus, poverty related need struggles should proceed from the standpoint of expanded communism.

Generally, a collective or shared form of appropriation ala (expanded) communist type has enormous implication on how the social surplus gets distributed and who gets it. Given the various contending needs, Chakrabarti and Cullenberg (2003) argue at length that with the decision much more democratic the chance of the distribution of social surplus for needs like those that address poverty or biological needs is far greater under a collective/shared form of appropriation and distribution than under an exploitative system such as that of (global) capitalism or a so-called traditional/organic society dominated by exploitative class existences.

If not for anything else (there are other virtues of (expanded) communist that we do not address here), at the minimum, it is on the ground of ethics (removal of a social theft) and justice (a fairer society), we have a case for (expanded) communism as against the normative principles of growth and welfarism on which the current global order is

⁶ Chakrabarti and Cullenberg (2003) pointed to the importance communitic class process. They strongly argue for including a class of communitic class process, called AC type of communitic class process, within the desirable set of class processes. Expanded communism would thus comprise of communist and AC type communitic class existences. For details on the formulation of communitic class process and its different forms, see Chaudhury and Chakrabarti (2000), Chakrabarti (2001) and Chakrabarti and Cullenberg (2003).

⁷ Here need is not construed as a universally given set of goods and services but is rather socially, that is, contingently produced. See Chakrabarti and Cullenberg (2003) for details.

based and the official discourse of poverty fashioned. The Marxian discourse of poverty that we have elaborated here gives one more reason as to why we are justified in seeking the death of global capitalism and the transformation of global economy as well as a specific transition of society including the so-called organic or traditional societies and, these too from the perspective of expanded communism.

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