

## Marx, Globalisation and the Reserve Army of Labour

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## Marx, globalisation and the reserve army of labour

Preben Kaarsholm

One thing that is definitely left of Marxism is its important place in the history of theories of history, development, and globalisation – a subject I have been teaching in recent years to students of development studies and global sociology.

In such a perspective, Karl Marx's theory of history and 'historical materialism' (as given expression, for example, in his writings on India for the *New York Herald Tribune* in the 1850s) stands out as a radical instance of uni-directional, evolutionist and Eurocentric modernisation theory. Marx presents British rule in India as the productive destruction of "Oriental despotism," Hindu superstition and "semi-barbarian" village communities "contaminated by distinctions of caste and by slavery". Though brutal and reprehensible, "the English yoke" thus paves the way for the introduction of "modern industry," "a net of railways," "the supreme rule of capital," and creates "the material conditions of a new world in the same way as geological revolutions have created the surface of the earth".<sup>1</sup>

Also in other respects does Marx's thinking around historical progress foreshadow that of post-Second World War modernisation theory. As explained in Marx's introduction to *Grundrisse* of 1857–1858, the emergence of 'bourgeois society' represents a *caesura* – a fundamental break – in world history, which brings about a qualitatively new dynamism that is governed solely by the social laws of the capitalist mode of production. Therefore, it sums up all earlier stages of historical development, which only give meaning as seen in retrospect as leading forward to this new epoch of capitalist history.<sup>2</sup> In this way, Marx introduces the idea of a break or take-off as setting the period of modern history apart from all earlier historical periods, which becomes again a fundamental ingredient and trivialised

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<sup>1</sup> Karl Marx, "The British Rule in India," *New York Daily Tribune*, June 25, 1853, accessed November 23, 2018, <https://www.marxists.org/archive/marx/works/1853/06/25.htm> and Karl Marx, "The Future Results of British Rule in India," *New York Daily Tribune*, July 22, 1853, accessed November 23, 2018, <https://marxists.catbull.com/archive/marx/works/1853/07/22.htm>.

<sup>2</sup> Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy (Rough Draft)*, [1857-1861], trans. Martin Nicolaus (London: Penguin Books, 1973), 38. Page numbers refer to the electronic version available through <https://www.marxists.org/archive/marx/works/download/pdf/grundrisse.pdf> – accessed November 23, 2018.

in modernisation theories of the 1950s and 1960s (most famously in W. W. Rostow's *Stages of Economic Growth: A Non-Communist Manifesto* from 1960).<sup>3</sup>

### **An unfinished theory**

Marx's *Capital* and his draft manuscripts on theories of surplus value explore the basics of this purely social dynamism and logic, which *der Tendenz nach* (tendentially) are inherent in the capital-labour relationship and the bourgeois mode of production. But the whole architecture of the theoretical construct that Marx and Friedrich Engels aimed at was never completed. This means that major areas of significance were left out from what was outlined in the introduction to *Grundrisse*. This included accounts of "the three great social classes" and "exchange between them", of the "concentration of bourgeois society in the form of the state", of the "unproductive classes", of "population", "the colonies", "emigration", "international relations of production, international division of labour, and international exchange" and of "the world market and crises".<sup>4</sup> Therefore, the exact nature of a lawfulness which manifests itself only tendentially – for example of the inexorability of the crises and *Zusammenbruchs-tendenz* (tendency to collapse) that is inherent in the law of the fall in rate of profit – is not given full-scale and systematic treatment, but is left for investigation to later generations of Marxists.

Hints can be found, however, in the third volume of *Capital* (as edited and published by Engels in 1894) of some of the directions in which Marx might have taken his further analyses as well as of the challenges involved in doing so. Thus, an important set of analytical exercises apply to the obstacles, delays, extenuating and counteracting factors, which may occur or be brought into play to off-set the equalisation of profit rates between capitals and the decline of the rate of profits in an international and global perspective. One example of this is what Marx calls *koloniale Profite* (colonial profits):

Just as a manufacturer who employs a new invention before it becomes generally used, undersells his competitors and yet sells his commodity above its individual value, that is, realises the specifically higher productiveness of the labour he employs as surplus-labour. He thus secures a surplus-profit. As concerns capitals invested in colonies, etc., on the other

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<sup>3</sup> Walt W. Rostow, *Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1960).

<sup>4</sup> Karl Marx, *Grundrisse*, 41.

hand, they may yield higher rates of profit for the simple reason that the rate of profit is higher there due to backward development, and likewise the exploitation of labour, because of the use of slaves, coolies, etc.<sup>5</sup>

What Marx refers to here, is the expansion of the world market for capitalist production in a way that involves a return from a primary focus on increased productivity through the production of relative surplus value to one that lowers prices and increases competitiveness through an increase in the production of absolute surplus value. Marx counts on ‘this tendency’ as being a temporary one, which will eventually be absorbed into – and will not substantially alter – the direction of decline in the rate of profit of the global *Gesamtkapital* (total or aggregate capital). It will, therefore, not fundamentally change the direction or the lawfulness of the progress of history, which will continue in the direction of increasing levels of accumulation and contradictions – and eventually the collapse of the bourgeois mode of production and the opening up of the possibility for an alternative.

### **Globalisation versus modernisation theory**

At this point, however, one could argue that Marx’s theory of history does not only give voice to a radical foreshadowing of *modernisation* and *development* theory, but also provides possible openings and inspiration for *globalisation* theory. In modernisation theory, ‘the salient characteristics (operational values) of modernity’ were understood to be

(1) a degree of self-sustaining growth in the economy – or at least growth sufficient to increase both production and consumption regularly; (2) a measure of public participation in the polity – or at least democratic representation in defining and choosing policy alternatives; (3) a diffusion of secular-rational norms in the culture – understood approximately in Weberian-Parsonian terms; (4) an increment of mobility in the society – understood as personal freedom of physical, social, and psychic movement; and (5) a corresponding transformation in the modal personality that equips individuals to function effectively in a social order that operates according to the foregoing characteristics.<sup>6</sup>

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<sup>5</sup> Karl Marx, *Capital: A Critique of Political Economy*. Vol. III: *The Process of Capitalist Production as a Whole*. Edited by Friedrich Engels [1894], trans. Institute of Marxism-Leninism, Moscow 1959 (New York: International Publishers, n. d.), 168. The page number refers to the electronic version available through <https://www.marxists.org/archive/marx/works/download/pdf/Capital-Volume-III.pdf> – accessed November 23, 2018.

<sup>6</sup> Daniel Lerner, “Modernization: Social Aspects,” in *International Encyclopaedia of the Social Sciences*, vol. 9 (New York: The Free Press, 1968): 387. Cf. Daniel Lerner, *The Passing of Traditional Society: Modernizing the*

What exactly is globalisation theory is in itself a disputed issue, which has also been made complicated by the way in which globalisation has been mobilised as a political and ideological agenda, linked to de-regulation and neo-liberalism. Since the 1990s, notions of globalisation have featured prominently in the discourse of Bretton Woods institutions like the World Bank and the International Monetary Fund:

Globalization—the process through which an increasingly free flow of ideas, people, goods, services, and capital leads to the integration of economies and societies—is often viewed as an irreversible force, which is being imposed upon the world by some countries and institutions such as the IMF and the World Bank. However, that is not so: globalization represents a political choice in favor of international economic integration, which for the most part has gone hand-in-hand with the consolidation of democracy. Precisely because it is a choice, it may be challenged, and even reversed—but only at great cost to humanity. The IMF believes that globalization has great potential to contribute to the growth that is essential to achieve a sustained reduction of global poverty.<sup>7</sup>

Also in less directly policy-related representations of theory, globalisation has appeared as an intensified and accelerated version of modernisation, in particular as brought forward by increased technologies and flows of mobility, communication, and by networking and hybridisation.<sup>8</sup> These processes may involve contradictions of dis-embedding and re-embedding, and may call forth reactions of conservative and nationalist resistance, but most importantly, they bring into place a wholly new playing field of opportunities for change.<sup>9</sup>

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*Middle East* (Glencoe, Ill.: The Free Press, 1958), where the development of ‘empathy’ – ‘the transformation in the modal personality’ - is discussed more substantially.

<sup>7</sup> IMF Staff, “Globalization: A Framework for IMF Involvement,” *Issues Brief*, March 2002 (Washington: International Monetary Fund), accessed November 17, 2018, <https://www.imf.org/external/np/exr/ib/2002/031502.htm>.

<sup>8</sup> An interesting set of texts aiming to bridge the gap between academic and policy-oriented theorising in this field can be found in the World Bank publication *Culture and Public Action: A Cross-Disciplinary Dialogue on Development Policy*, edited by Vijayendra Rao and Michael Walton (Stanford: Stanford University Press, 2004). See in particular Amartya Sen’s critique of Samuel Huntington in “How Does Culture Matter?” (37–58) and Arjun Appadurai, “The Capacity to Aspire: Culture and the Terms of Recognition” (59–84).

<sup>9</sup> Thomas Hylland Eriksen, *Globalisation: The Key Concepts* [2007], (London: Bloomsbury, 2014); Cf. Arjun Appadurai, *Modernity at Large: Cultural Dimensions of Globalization* (Minneapolis: University of Minnesota Press, 1996); Arjun Appadurai, ed., *Globalization* (Durban, NC: Duke University Press, 2001); Jürgen Osterhammel and Niels P. Petersson, *Globalization: A Short History* (Munich: C. H. Beck, 2003).

Globalisation theory is therefore not principally different from modernisation or critical modernisation theory.<sup>10</sup>

In other theoretical understandings, by contrast, globalisation stands out as distinct from modernisation or development, because it does not necessarily involve the same perspective of unidirectionality and progression, for instance, towards wealth, education and democracy. Unlike modernisation, processes of globalisation may also involve history moving into reverse, or leading into scenarios of post-modernity and ‘time-space compression’, which are not necessarily historically progressive.<sup>11</sup> Or, in escaping national and regional boundaries for regulation, globalisation may lead to ecological destruction and political authoritarianism in ways that would make modernising development go backwards.<sup>12</sup>

### **Globalisation versus global history**

In both cases, in both sets of understandings of what globalisation implies, however, the concept involves epochal change – a break, *caesura*, the introduction into historical development of a new engine or driver of lawfulness that brings about a fundamentally different framework of trajectories from what existed before. Therefore, *globalisation history* must be seen as something different from *global history*, or global history must be periodised in a way that distinguishes carefully between the dynamics of a partial globalisation or ‘proto-globalisation’ that may have characterised earlier epochs and those of the era of ‘globalisation proper’.<sup>13</sup>

Globalisation also addresses a different social and political geography of the world from that of modernisation. Development theories would distinguish between developed and underdeveloped parts of the world, centres and peripheries, first, second and third

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<sup>10</sup> For critical development theory and a critique of notions of “post-development,” see James Ferguson, *Expectations of Modernity: Myths and Meanings of Urban Life on the Zambian Copperbelt* (Berkeley: University of California Press, 1999), 245–254.

<sup>11</sup> See e.g. David Harvey, *The Condition of Post-Modernity: An Enquiry into the Origins of Cultural Change* (Oxford: Blackwell, 1989).

<sup>12</sup> Elmar Altvater and Birgit Mahnkopf, *Grenzen der Globalisierung: Ökonomie, Ökologie und Politik in der Weltgesellschaft* (Münster: Westfälisches Dampfboot, 1996).

<sup>13</sup> For discussions of “proto-globalisation,” see Anthony G. Hopkins, ed., *Globalization in World History* (London: Pimlico, 2002); Christopher Bayly, *The Birth of the Modern World: Global Connections and Comparisons, 1780–1914* (Oxford: Blackwell, 2004); Michael Lang, “Globalization and Its History,” *Journal of Modern History* 78, 4 (2006): 899–931.

worlds, global norths and global souths.<sup>14</sup> By contrast, a globalisation theory scenario is much messier, involving multipolarities, where new centres of growth in Asia and Latin America challenge the dominance of Europe–North America, labour from the global south invades the global north, and the poverty and subversion of peripheries migrate into the urban backyards and hidden production corners of centres.<sup>15</sup>

At the same time – within a globalisation scenario – frameworks and schedules of commodity production are transnationalised and disaggregated into modules situated wherever wages and production costs are at a minimum, including *maquiladoras* and the moving back of parts of production processes from factories to domestic manufacture. Most importantly perhaps, the numbers of people and potential labourers within the reach of capitalism and the bourgeois mode of production – and without alternative means of subsistence – have increased drastically with globalisation. According to estimates by the economist Richard Freeman, the global reserve army of labour doubled in numbers from the 1980s, as China, India and the Soviet Union joined the global capitalist system, with “1.47 billion new workers [added] to the global labour supply by 2000, which effectively doubled the labor supply in the global capitalist system”.<sup>16</sup> This means that more people have become wage labourers, but most importantly that masses of new people have been proletarianised in the sense of what Marx called ‘original accumulation’, have been dispossessed, expropriated, and have become ‘radically dependent’ for the subsistence of their livelihoods in a capitalist labour market.<sup>17</sup>

Such forms of dependency and of the mobility of potential workers have not only lowered the cost of labour globally, but have also established new hierarchies between the forms of labour. They have also extended massively the exploitation of labour through measures of the production of absolute surplus value, which is through lower wages, longer working hours, and an intensification of labour through piecework etc., rather than through

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<sup>14</sup> See e. g. Björn Hettne, *Development Theory and the Three Worlds* (Harlow: Longman, 1990).

<sup>15</sup> The need for a new theoretical framework to understand such a disintegration of boundaries and distinctions between the ‘first’ and the ‘third world’ was brought to the fore by Anthony Payne in “The New Political Economy of Area Studies,” *Millenium: Journal of International Studies* 27, 2 (1998): 265.

<sup>16</sup> Richard Freeman, “The Challenge of the Growing Globalization of Labour Markets to Economic and Social Policy,” in *Global Capitalism Unbound: Winners and Losers from Offshore Outsourcing*, ed. Eva Paus (Basingstoke: Palgrave-Macmillan, 2007), 25–26.

<sup>17</sup> Michael Denning, “Wageless Life,” *New Left Review* 66 (2010): 81.

technological increases of the productivity of labour. Therefore, with globalisation, what Marx saw as a temporary and short-term aberration and delay in the fall of the rate of profit through the generation of ‘colonial’ and extended world market surplus profits has developed into an integral and long-term ingredient of disaggregated and outsourced capitalist production on a world scale.<sup>18</sup>

This also means that ‘free labour’ – envisaged by Marx as emerging with the rule of capital in the form of wage labour (what he called in the *Grundrisse* “labour in the abstract”) – has receded in importance globally in comparison with varieties of bonded and unfree labour. Forms of labour that in a modernisation theory perspective would belong to earlier historical periods, where serfdom, slavery, or other forms of coerced labour were the norm. In the 150s, Marx’s writings on India was clearly influenced by abolitionist discourse (‘contamination by slavery’ etc.), and in this sense – as radical modernisation theory – Marxism seems to have been obviously outdated by globalisation.<sup>19</sup> On the other hand, Marx’s sketchy and open-ended reflections on the world market, on the resurgence of methods of absolute surplus value production, and on the processes of equalisation of rates of profits within a transnationally constituted *Gesamtkapital* open up perspectives for the understanding of and coming to terms with contemporary globalisation, which stretch beyond the limitations of development theory.

Marx can, therefore, with good reason be regarded not only as a radical modernisation theorist, but also as a ‘proto-theorist’ of globalisation, and in this capacity he continues to be relevant and interesting to read. This is evidenced by the recent resurgence of interest in notions of ‘capitalism’ in publications, for example, by Jürgen Kocka, Marcel van der Linden and Karen Helveg Petersen, which demonstrate convincingly that

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<sup>18</sup> It was these reflections by Marx on the need to ‘treat the whole world as one nation, and assume that capitalist production is everywhere established and has possessed itself of every branch of industry,’ which Rosa Luxemburg sought to expand upon in her discussion of “The Historical Conditions of Accumulation” in *The Accumulation of Capital* from 1913. See English translation by Agnes Schwarzschild (London: Routledge and Kegan Paul, 1951), 327–467.

<sup>19</sup> On abolitionist discourse, see James Heartfield, *The British and Foreign Anti-Slavery Society, 1838-1956: A History* (London: Hurst, 2016) and Andrea Major, *Slavery, Abolitionism and Empire in India, 1772-1843* (Liverpool: Liverpool University Press, 2012).



possibilities for thinking productively with Marxism in the writing of history and economic history continue to exist.<sup>20</sup>

### Theories of history

The understanding of Marx's theory of history presented in the aforementioned section brings back to life the discussions of critical theory in the late 1960s, which took issue with notions of Marxism as defined in writings of Engels on 'historical materialism' as a rigid succession of 'modes of production' from Asiatic, antique and feudal through to capitalist and communist. This went hand-in-hand with a critique of Marxism as 'dialectical materialism' and a philosophy of general validity, as presented as ideological dogma in writings by Stalin in the 1930s. Writings by Alfred Schmidt were particularly important in this context of a developing 'New Left', which brought into play both new readings of Marx's 1840s' Paris manuscripts, a renewed engagement through close reading with the texts of *Capital*, *Theories of Surplus Value* and *Grundrisse*, and a confrontation of Marxist theory with existentialist and structuralist thinking.<sup>21</sup> In these discussions, the uniqueness of capitalism as a mode of production was emphasised as against earlier modes that could be best understood as different trajectories through which the core elements and preconditions for the establishment of the rule of capital were brought together. The reason for this was that capitalist history – as configured by the structures and logic of the capitalist mode of production, by capital accumulation, and by class struggle between capital and labour – was something qualitatively new, whose global reach and dominance came to exert itself fully only from the mid-nineteenth century. Consequently, there was a fundamental difference between the ways in which pre-capitalist and capitalist histories could be theorised.

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<sup>20</sup> Jürgen Kocka, *Capitalism: A Short History* (Princeton: Princeton University Press, 2016); Jürgen Kocka and Marcel van der Linden, eds., *Capitalism: The Reemergence of a Historical Concept* (London: Bloomsbury, 2016); Karen Helveg Petersen, *Rentekapitalismen: Økonomisk teori og global virkelighed* (Copenhagen: Frydenlund, 2017).

<sup>21</sup> See e.g. Alfred Schmidt, *Der Begriff der Natur in der Lehre von Marx* (Frankfurt am Main: Europäische Verlagsanstalt, 1962); *Existentialismus und Marxismus: Eine Kontroverse zwischen Sartre, Garaudy, Hippolyte, Vigier und Orsel. Mit einem Beitrag von Alfred Schmidt* (Frankfurt am Main: Suhrkamp, 1965); Ernst Theodor Mohl, ed., *Folgen einer Theorie* (Frankfurt am Main: Suhrkamp, 1967); Helmut Fleischer, ed., *Marxismus und Geschichte* (Frankfurt am Main: Suhrkamp, 1969); Alfred Schmidt, *Geschichte und Struktur* (Munich: Hanser, 1971).

A similarly dualistic view of history can be found in post-Second World War theories of modernisation, which also argue the case for the need to differentiate between histories as they unfolded before and after the ‘take-off’ of development, as given expression by Rostow in his 1960 “non-communist manifesto.” While *tradition* as the forerunner of *modernity* does not really have a history, the engine driving history forward in its modernisation phase is economic growth. This provides the base for a superstructure of political, cultural and psychological change from tradition through transition to modernity, with ‘empathy’ supplying additional transformational energies.<sup>22</sup> What is at stake here is not really a general theory of history – the scope and context for modernisation and development are clearly seen to be national or regional rather than global. At the same time, the use of ‘modernise’ and ‘develop’ as verbs can be both transitive and intransitive. They involve political agendas (like the transformation to democracy) as well as patterns of progress with a *developed* world being contrasted with an *underdeveloped* one, and with the *first* and the *third world* offset by a *second world* of communist countries in the post-World War II geography of the United Nations and the Cold War. Therefore, the break or *caesura* between tradition and modernity – the take-off for developmental history – occurs at different times and in different settings of national or regional circumstances.

In the context of globalisation theories, by contrast, history is of course a global matter, and the discussion of whether globalisation in itself represents an epochal break that introduces a new societal logic and dynamism – and when exactly this might have occurred – is a central bone of contention among theorists of global history. To a certain extent the division here lies also between theories, which see globalisation as the highest stage of modernisation. The other schools of thought regard globalisation as something more complex, which may involve both historical progress and retrogression. In his review article, Michael Lang uses publications and David Held, Anthony McGrew, David Goldblatt, Jonathan Perraton, Paul Hirst and Grahame Thompson to illustrate the two positions within

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<sup>22</sup> As given voice in e.g. Daniel Lerner’s *The Passing of Traditional Society: Modernising the Middle East* (see reference in note 6 above).

globalisation theory. These are also positions within a “globalization discussion”, which “by the second half of the 1990s . . . had shifted into a contest over history”.<sup>23</sup>

Lang’s own position is on the sceptical side. This does not mean that he agrees overall with the analysis of Hirst and Thompson, but against the views of Held et al. of globalisation as a new ‘borderless world’ and ‘the retreat of the state’. He does not think that post-World War II globalisation represents a historical break as much as a continuation. Rather “contemporary global integration is both exaggerated and precedented . . . constraint upon the state is overestimated in the present and underestimated in the past.” The “cause of the distortion in perspective is the ahistorical abstract separation of political and economic affairs.”<sup>24</sup> Lang sees the beginning of a new era as situated rather in the 1850s than in the 1950s or the 1980s. He uses a U-shaped curve to illustrate the development in global economic integration in terms of both, production, trade and finance from the late nineteenth to the late twentieth century. He argues that in both cases the economy can only unfold as it does because it relies on a political framework, be it imperialist and colonialist or so-called neo-liberal. He also argues – against “approaches to globalization [that] historicize a golden age of Westphalian sovereignty now coming to an end” – that such “Westphalian” models are largely mythological, and that the most important political frameworks for global economic development remain national or regional.<sup>25</sup>

### **Globalisation and accumulation by dispossession**

Against Michael Lang’s toning down of the epochal shift brought about by globalisation, a number of arguments can be brought to bear. Most importantly, in his analysis of production, trade and finance, Lang does not address the ways in which the capital–labour relationship has been extended globally, and how labour markets have been globalised through ongoing ‘original’ or ‘primitive’ accumulation. This is the “sogenannte ursprüngliche Akkumulation,” which Marx discussed in the famous twenty-fourth chapter of the first

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<sup>23</sup> Lang, “Globalization and Its History...”, 901. Cf. Paul Hirst and Grahame Thompson, *Globalization in Question: The International Economy and the Possibilities of Governance* (Cambridge: Polity Press, 1996); David Held et al., *Global Transformations: Politics, Economics, and Culture* (Stanford: Stanford University Press, 1999).

<sup>24</sup> Ibid.

<sup>25</sup> Ibid., 912.

volume of *Capital*, and for which David Harvey has suggested the best English translation would be “accumulation by dispossession”.<sup>26</sup>

In quantitative and spatial terms – since the late twentieth century – this has meant an enormous expansion of the global territory of capitalism and of the number of people in the world dependent on capitalist wage labour, no matter whether employed or unemployed.<sup>27</sup> In qualitative terms, it has meant that capitalism has been revitalised through the opportunities offered by globalisation to outsource and compartmentalise production process, and to allocate and move around globally production capacities between the environments most cost effective in terms of the labour force and the reserve army available at any given time.

A good example of this in laboratory form are the so-Export Processing Zones (EPZ), which have sprung up across the globe, and which offer seemingly time- and spaceless, de-regulated environments for the maximisation of exploitation and profits.<sup>28</sup> Thus, for example, in the Kenyan EPZ at Athi River on the outskirts of Nairobi, authentically branded American garments like Calvin Klein boxer shorts and Speedo swimming trunks are produced by HELA, a Sri Lankan enterprise. The factory employs around 4,000 Kenyan, primarily female, machine operators, who are paid the monthly equivalent of the Kenyan minimum wage, if they are able to live up to the production targets, they have had to agree to. Though their monthly pay of around 170 USD is above what workers in competing countries like Bangladesh or Ethiopia are paid, their productivity is higher as well. One reason is that their monthly wages are really a disguise for their being paid piece rates. This is a technique for intensifying exploitation through the combination of absolute with relative surplus value production, which was tried out and refined in the nineteenth century in the context of plantation and indentured labour.<sup>29</sup> Together with other benefits, such as a ten-year tax holiday, and subsidised freight rates on the new Chinese-built train to

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<sup>26</sup> David Harvey, *The New Imperialism* (Oxford: Oxford University Press, 2013), 116–151.

<sup>27</sup> Freeman, “The Challenge of the Growing Globalization” (see reference in note 14 above).

<sup>28</sup> See e.g. Patrick Neveling, “Export Processing Zones and Global Class Formation,” in *Anthropologies of Class: Power, Practice and Inequality*, eds. James G. Carrier and Don Kalb (Cambridge: Cambridge University Press): 164-182.

<sup>29</sup> Kris Manjapra, “Asian Plantation Histories at the Frontier of Nation and Globalization,” *Modern Asian Studies* 52, 6 (2018): 2145.

Mombasa, this makes the production of textile garments profitable in Kenya, at least for a while, after which capital can then move on to different global settings.<sup>30</sup>

Together with the acceleration in the mobility of capital, new forms of global mobilisation and control of migrant labour have become established, which within certain sectors of production make it possible to move large numbers of labourers around globally from poor peripheries to centres of growth. Increasingly, in contrast with earlier historical frameworks for labour migration, this has involved time-limited contracts without citizenship or permanent residence rights. Recruitment of labour is effected through agents, and typically includes both a suspension of the direct contractual relationship between capitalists and labourers, and a restriction in the patterns of mobility of labourers to fixed trajectories between sites of belonging and sites of labour.<sup>31</sup>

Through such measures, globalised capitalist exploitation has been able to combine effectively and innovatively forms of relative and absolute surplus value production – profiting from robotisation and growth without employment on one hand, and from over-exploitation through precarianisation, informalisation and fragmentation of production on the other. In global terms, this has meant that the two ends of the spectrum have come together increasingly with prosperity and marginalisation being mutually dependent, and that the spatial configuration of centres and peripheries has undergone fundamental changes. Through these changes, “the West’ has tended more to become like ‘the Rest’ than the other way round, as had been the assumption of development and modernisation theories.<sup>32</sup>

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<sup>30</sup> Information based on visit to the Athi River Export Processing Zone on 14 September 2018. For more overview and general information including “Annual performance reports” for the years 2012-2017, see the web site of the Athi River Export Processing Zone Authority – <http://www.epzkenya.com/>, accessed November 23, 2018. For detailed information on minimum wages in Kenya, see <https://mywage.org/kenya/salary/minimum-wage/>, accessed November 23, 2018.

<sup>31</sup> Cindy Hahamovitch, “Men Do Not Gather Grapes from Thorns: Indenture Labor, Guest Workers, and the Failure of Regulation,” in *Work Out of Place: Work in Global and Historical Perspective*, ed. Mahua Sarkar (Berlin: De Gruyter, 2017): 23–53.

<sup>32</sup> Jan Breman and Marcel van der Linden, “Informalizing the Economy: The Return of the Social Question at a Global Level,” *Development and Change* 45, 5 (2014): 920-940. On informalisation, informality and precarity, besides the reference to Denning, “Wageless Life” above, see also Jan Breman, “A Bogus Concept?,” *New Left Review* 84 (2013): 130–138; Fred Cooper, “From Enslavement to Precarity? The Labour Question in African History,” in *The Political Economy of Everyday Life in Africa: Beyond the Margins*, ed. Wale Adebawwi (Woodbridge: James Currey, 2017), 135-156; Andreas Eckert, “Von der ‘freien’ Lohnarbeit zum ‘informellen’ Sektor: Alte und neue Fragen in der Geschichte der Arbeit,” *Geschichte und Gesellschaft* 43, 2 (2017): 297–307. The work of Elmar Altvater – who passed away on 1 May 2018 – should also not be forgotten, see Elmar

In this sense, the globalisation of capitalism has brought with it both increasing integration and increasing inequalities. It has involved new articulations between economy and politics, with different kinds of political institutions and settings coming into place and proving conducive compared to those expected to result from growth by modernisation theorists. In particular, the emergence of China as a leader of capitalist globalisation has shown that liberalism and authoritarianism can come together profitably to provide a disciplined and cost-effective environment for capitalist mass production, thus outshining and outstripping China's former more democratic BRICS allies like India or Brazil. State or political party controlled market capitalism has been a particularly powerful engine for globalisation through its capacity to suspend or repress class struggle and thereby control the reproduction costs of labour and maintain rates of surplus value production that are more than globally competitive. Whether such a Chinese model represents a form of "social embedding" in Karl Polanyi's sense – which could save capitalism from self-destructing – remains to be seen. It is certainly not one "that is not based on profit, exploitation and inequality".<sup>33</sup>

It can therefore be argued convincingly, I think, that globalisation from the late twentieth century has indeed involved epochal and long-term changes in terms of fundamentally changing labour markets, sustaining ongoing 'original accumulation', and establishing new institutional frameworks for political-economic interaction that have so far been able to withstand forcefully a decline in average global rates of profit. It can be argued further that changes like these – involving historical regression as well as modernisation – have been more significant than the concurrent changes in communications, mobility and digitisation, which have been highlighted by theorists who would rather see globalisation as the highest stage of modernisation.

### **Epochal shifts and the relevance of Marx**

What is left of Marxism, then? The arguments in the aforementioned section have tried to show that globalisation and global capitalism in the late twentieth century represent a

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Altwater and Birgit Mahnkopf, *Globalisierung der Unsicherheit: Arbeit im Schatten, schmutziges Geld und informelle Politik* (Münster: Westfälisches Dampfboot 2002).

<sup>33</sup> For a discussion on the relevance of Polanyi for "present day issues," see Stephen Castles, "Unfree Labour, Migration and Social Transformation in Neoliberal Capitalism," in *Work Out of Place*, ed. Mahua Sarkar, 151–153.

historical break or epochal shift of comparable significance to that of the establishment of the rule of capital and the hegemony of capitalism in the late nineteenth century. At the same time, having capitalism at its core, globalisation of course also represents continuity, and maybe even the defeat of efforts and utopias to establish an alternative to the rule of capital. Globalisation could also be said to represent the triumph of a set of socially and historically created logics and determinants for development over natural boundaries, the final end to the *Naturwüchsigkeit* (embeddedness in nature) from which – according to Marx – it had been the destiny of human history to liberate itself.

There are therefore important aspects of globalisation, for the understanding of which a re-reading of the writings of Marx and Marxist theory can still be helpful and an important inspiration – most significantly perhaps the labour theory of value and surplus value production, without which the contradictions of contemporary accumulation are also difficult to understand. But there are also important respects in which a theory of globalisation – as well of advanced or late capitalism – requires Marxism to be supplemented or remedied by other theoretical approaches. Issues of regulation and social embedding as raised by Polanyi are one of the examples, given renewed urgency by the coming to prominence of new global liberal-authoritarian (rather than neo-liberal) political regimes for capital accumulation. To what extent can Marxism be an inspiration in creating the foundations for a global democratic strategy to break the tyranny of liberal authoritarianism?

At the same time, *Naturwüchsigkeit* – embeddedness in nature – seems to be catching up with the historical efforts of humanity to liberate themselves from it. It is not new for Marxists to point to the self-destructive tendencies of capital in eroding its own natural base and repertoire of resources. With climate change and global warming, however, globalisation and global capitalism appear to be striking at the very foundations of any possibility for economic and human life altogether.<sup>34</sup> This calls for historical interventions that would break with the logic of capital and the social laws of development,

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<sup>34</sup> On the possible mutual acceleration of interacting consequences of environmental and climate change, see Jonathan Watts, “Domino-effect of climate change could move Earth into a ‘hothouse’: Leading scientists warn that passing such a point would make efforts to reduce emissions increasing futile,” *The Guardian*, August 7, 2018, accessed November 24, 2018, [https://www.theguardian.com/environment/2018/aug/06/domino-effect-of-climate-events-could-push-earth-into-a-hothouse-state?CMP=share\\_btn\\_link](https://www.theguardian.com/environment/2018/aug/06/domino-effect-of-climate-events-could-push-earth-into-a-hothouse-state?CMP=share_btn_link).

which Marxists have shown to be dominant in the history of the last two centuries. Will Marxism be able to provide inspiration also for the theoretical design of such interventions and of political strategies to make them possible on a global scale?

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