

Luxemburg, Rosa 1904 (1970): 'Organisational Questions of Russian Social Democracy'. In *Rosa Luxemburg Speaks*.

Miliband, Ralph 1977: *Marxism and Politics*.

Molyneux, John 1978: *Marxism and the Party*.

Trotsky, Leon D. 1904 (1980): *Our Political Tasks*.

**pauperization** Marx's analysis of capitalism leads him to identify two kinds of tendencies inherent in the system: inescapable or dominant tendencies, such as the creation of a reserve army of labour or the tendency of the rate of profit to fall, which channel the counteracting factors in a certain direction and thus end by subordinating them; and escapable or coordinate tendencies, whose relentless pressure may nonetheless be offset by an opposite tendency of sufficient countervailing pressure.

In analysing the condition of the working class, Marx argues that capitalism inevitably creates and maintains a pool of unemployed and partially employed labour (the reserve army of labour) which, in conjunction with the limits given by considerations of the profitability, competition and mobility of capitals, necessarily prevents workers from raising real wages faster than productivity; in fact, real wages decline *relative* to the productivity of labour, or in Marxist terms, the rate of exploitation rises. The resultant widening gap between productivity and real wages enlarges the power of capital, and, therefore widens 'the abyss between the labourer's position and that of the capitalist . . .'. The *relative impoverishment* of workers is an inherent feature of the capitalist system as a whole. Marx notes that real wages can rise provided they do 'not interfere with the progress of accumulation' (*Capital I*, ch. 23), and concludes that 'the tendency of the rate of labour exploitation to rise' is but a 'specific (form) through which the growing productivity of labour is expressed under capitalism' (*Capital III*, ch. 14). In *Wage-Labour and Capital* (ch. 5) he notes that wages may rise if productive capital grows, but 'although the pleasures of the labourer have increased, the social gratification which they afford has fallen in comparison with the increased pleasures of the capitalist which are inaccessible to the

worker, in comparison with the stage of development of society in general.'

The fact that real wages cannot generally increase beyond an upper limit in no way prevents capitalists from incessantly striving to *reduce* real wages as much as possible, and the objective lower limit to this tendency towards the *absolute impoverishment* of workers is provided by the conditions which regulate the availability of wage labour. Where the reserve army is large, for instance, real wages can be driven down even below subsistence because fresh workers become available as existing ones are 'used up' by capital. On the other hand, during boom periods when the reserve army has dried up in certain regions, then within the limits of the costs of the import of labour or the mobility of capital, real wages may rise simply due to the scarcity of *immediately available* labour. Even more importantly, workers' struggles as reflected in unionization and in social legislation can themselves regulate the terms on which labour is made available to capital, and except in periods of crisis, successfully overpower the capitalist attempts to lower real wages. The inherent pressure towards the absolute impoverishment of labour can therefore be offset under the right conditions.

Some modern Marxists such as Meek (1967) have argued, however, that whereas 'there is little doubt that Marx did anticipate that as capitalism developed *relative* wages [i.e. relative to property incomes] would decline, whatever happened to *absolute* wages' (p. 121), there has not in fact been an appreciable fall in relative wages in the advanced capitalist countries. Meek therefore concludes that there is a need to work out new 'laws of motion' of present-day capitalism (pp. 127-8). One such version of the new laws of motion argues that in the advanced capitalist countries there is neither 'absolute' nor 'relative' pauperization, so that pauperization in any form becomes confined to the peripheral underdeveloped countries (usually as a consequence of the development of metropolitan capital). This view is often allied with wage squeeze theories of crises in the centre (see ECONOMIC CRISES), because the absence of pauperization is equivalent to a constant or (more probably) a falling rate of

surplus value. At the heart of this perspective, however, is the *empirical* claim that the rate of exploitation does not rise substantially. And it is precisely this claim which falls apart once even minimal attention is paid to the difference between Marxist categories and the orthodox economic categories in which modern national income accounts are expressed (Shaikh 1978, pp. 237-9). AS

#### Reading

Elliott, J.E. 1981: *Marx and Engels on Economics, Politics and Society*.

Meek, Ronald L. 1967: 'Marx's "Doctrine of Increasing Misery".' In *Economics and Ideology and Other Essays*.

Rosdolsky, R. 1968 (1977): *The Making of Marx's 'Capital'*.

Shaikh, A. 1978: 'An Introduction to the History of Crisis Theories'. In *U.S. Capitalism in Crisis*.

Sowell, T. 1960: 'Marx's "Increasing Misery" Doctrine'.

**peasantry** The term generally refers to those who labour on the land and possess their means of production: tools and the land itself. While it is frequently applied to all direct producers who work the land, it is useful to define the peasantry more precisely and to distinguish peasants from other agricultural workers who are not engaged in wage labour. Farmers are either owners or tenants of the land who, within limits, can use or dispose of their land and the products of their land and labour as they see fit. Serfs, one of the essential classes in the European feudal mode of production, are workers tied directly to the land through non-economic coercive relations (see SERFDOM). As the pre-capitalist social relations of production disintegrate those serfs who remain on the land are transformed into a peasantry whose access to land is by extra-economic means, through a relationship of dependence upon a large landholder. However, there is a peasantry in such countries as India and China which emerged from other (non-feudal) modes of production. A defining characteristic of the peasantry is that it must pay a rent or a tribute to maintain its possession of the land. This may take the form of a payment in labour (such as working a specified period of time in the fields of the

landlord), a payment in kind, or a monetary tribute. The particular social relationships which determine a peasant's access to the land and insertion into the economic and social life of the society depend upon the specific features of the SOCIAL FORMATION, and of the class struggle within that social formation.

The role of the peasantry in the development of capitalism has been the subject of an intense and continuous debate among Marxists and non-Marxists alike. In the Marxist literature this debate has centred upon whether peasants are a class within the capitalist mode of production, whether they constitute a separate and unique mode of production, or whether they are a transitional class which represents the vestiges of a pre-capitalist mode but is also characterized by aspects of the capitalist mode. In pre-revolutionary Russia in particular the agrarian or peasant question was a major issue on account of its political importance. The Narodniks and populists argued that the peasantry represented a distinct mode of production which was antagonistic to capitalism. The 'peasant mode' from this point of view is a mode based on petty commodity production containing only one class and hence is characterized by the absence of relations of exploitation among the peasants themselves. The organization of peasant production is based on the family unit and implied in the argument is that it represents a stable mode of production which contains no contradictions leading to an internal differentiation among the peasantry and to the disintegration of the mode (Chayanov 1966). The adherents of this viewpoint tended to romanticize the life of the peasantry and maintained that there was no tendency for capitalism to break down, or to develop within, the peasant communities. The populists who advanced this position fought to preserve the isolation of the peasantry against attempts to unite the struggles of the peasants with the revolutionary struggles of the Russian proletariat.

Lenin (1897) countered this argument by rejecting categorically the view that peasant production represented a special type of economy. Rather, he maintained, the peasant economy is a transitional one which unites the

peasantry  
of 1920s