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**Proletarianisation in the Arab World under
Neoliberalism**

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Abstract

Analysing the intensification of the proletarianisation process in the Arab world, which began with the onset of neoliberal reforms in the early eighties, this paper argues that the neoclassical dual-economy models are unfitting tools for explaining rural-urban migration. The primacy in this historical process is that imperialist hegemony, including wars of aggression, necessitates the creation of indigent and dispossessed labour. Thus, a modified version of the structural approach provides a more pertinent explanation of this Arab proletarianisation process than the neoclassical individual-choice or price-based explanations.

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1. Introduction

Between 1980 and 2010, the share of the rural to total population in the Arab world dropped significantly from about 60 per cent to around 40 per cent. In absolute terms, an estimated seventy million people left the countryside to urban centres within the Arab region.¹ This conservative estimate is nearly equivalent to the total number of rural-urban migrants since the beginning of the twentieth century until 1980. While this exodus was occurring, the regional rate of unemployment was rising and the share of labour in the form of wages fell to around a quarter of national income.² By 2007, the Arab League declared that more than half the Arab population was living on less than the two-dollar per day benchmark.³ Basic food production was decreasing and food imports were rising in this region with high per capita food dependence and scarcest-water area globally. Around half the population in the Arab world was spending more than half of its income on purchasing food.⁴ When speculation reached the commodity market and basic food prices rose, scuffles for bread before bakeries in Egypt resulted in several fatalities.⁵ The agricultural sector was shrinking relative to the economy. The productive economy, in turn, was de-industrialising and retreating relative to oil and geopolitical rents.⁶ The deconstruction sustained by the agricultural sector, in particular, led to massive dislocation throughout the neoliberal age.

In this essay, we will discuss the intensification of the proletarianisation process in the Arab world, which began with the onset of neoliberal reforms in the early eighties. In order to achieve this aim, we will examine how the class of neoclassical economy models known as dual-economy models are unfitting tools for explaining the process of proletarianisation in the Arab world. Dual-economy models purport to provide an explanation of migration from the less-developed rural sectors in terms of choice and in relation to modern sector wages; however, in an Arab context, the rationale for migration on the basis of individual

choice between two competing sectors is irrelevant. Moreover, the very idea that an individual residing in rural areas is afforded with the luxury of choice is insidiously ideological. Whatever choice was available to the individual was subordinate to the choice that was made by the rentier/comprador class in respect to social and macroeconomic policies. The comprador class in charge of development in the Arab world, which personified a cross-border alliance of local and foreign capital, had a choice between a neoliberal pattern universalising and usurping national wealth valorised in dollars, and a strategy based on the recirculation of wealth and the redeployment of real resources for development within the national economies. It chose the former. By doing so, it set in motion a whole dynamic accelerating the disengagement of direct producers from the land. Peasants and farmers were forcibly dislocated; the choice left to any individual was that of the necessity of bare survival. The alternatives, with which the individual is afforded as a result of the neoliberal policy context, are further narrowed by successive violent encroachments on the rights of working people to two wretched conditions: the abjection of the countryside; or the misery of urban squalor.

Although analogies between the dual-economy models and structural theories of migration are possible in that they both consider the initial disparity in the constitution of the rural and the urban sectors, their differences are conceptually irreconcilable. Whereas in the former the price mechanism allocates resources efficiently between sectors, in the latter price becomes one of many causes by which the less-developed rural economy falls permanently into a peripheral orbit in which its already disadvantaged position worsens. For structuralism, the pre-meditated pauperisation of the periphery is generally followed by an outflow of labour. In this essay, we will show that a modified version of the structural approach provides a more pertinent explanation of this Arab proletarianisation process than individual-choice or price-based explanations.

II. A Pre-analytic

The received theory in migration literature postulates that a potential migrant coming from conditions of unemployment or underemployment in subsistence-like farming conditions chooses to migrate because the actual or the expected wage and amenities in the modern sector are higher than those of the rural sector. That people would choose to migrate in order to improve their lot in life however appears at first sight as

too vacuous a proposition to be discussed. Yet the whole of the neoclassical edifice attempts to situate migratory phenomenon on the availability of choice and prices related to higher productivity in the urban areas.⁷ Productivity growth in the Arab world has been negative and the mass of unemployed relative to the capacity of the economy is too large to be absorbed under the received efficiency criterion.⁸ The notion of choice is a malevolent diversion. It is meant to distract from the fairy-tale neoclassical construction that there are two sectors, a rural and an urban, which have entered into a trade relationship and from which they both stand to benefit.

Any trade relationship is also a social and power relationship. The money form gains or losses to any sector or social group conceals beneath it a social structure engaged in production. But this is no symbolic process of production; it is a real metabolic process in which resources, including the *labour* resource, are consumed in the course of action. By ratcheting up its power over rural areas, capital draws on a pool of labour whose social cost of reproduction was borne by the countryside; urban capital thus grabs an underpriced resource to whose formation it did not contribute. Capital, in its pursuit of profit, must recreate the conditions of poverty in the countryside by all means available in order to ensure itself the flow of *cheapened* labour. Labour is not cheap but is made cheap by a process of repression and dispossession to ensure the heterogeneity of labour, which is one of the pillars of surplus extraction.⁹ Under neoliberalism, free trade, ease of convertibility of national moneys and open capital accounts allow social values to more readily assume a universal character incarnate in the dollar as the universal wealth-holding medium. On the flip side of this process, under-pricing Third World social values in the national currencies before their conversion into dollars, implies a further differentiation of the national working class or the regeneration of a more heterogeneous labour. The assault on the rural sectors of the developing Arab world is part and parcel of the fragmentation process necessary for extraction of higher surpluses from these peripheral formations and, conjointly, it deprives labour of some of the grounds upon which it can be organised as a potentially viable political alternative.

Two or more centuries ago, violent aspects of the proletarianisation process as it occurred in the English countryside were dubbed primitive accumulation. The proletarianisation of the English labour force by “expropriation of the immediate producers which was accomplished with merciless Vandalism, and under the stimulus of passions the most infamous, the most sordid, the pettiest, the most meanly odious,”¹⁰ resulted in the maturing of capitalism and the reign of capital as a social relationship globally.¹¹ At the

beginning of the last century, the proletarianisation process in the periphery was adduced from development by encroachment, the foremost facet of which was colonialism and post-colonial wars. It resulted in massive global dislocation and pauperisation relative to the historically-determined standard of living.¹² Third World labour was and continues to be cheapened by outright imperialist belligerence and displacement.

For the majority, the choices were between two levels of historically-determined below decent subsistence living standards. The historically relevant choices, however, were not made by each individual at any one point in time. These important decisions were taken by the subject of history or the social class in power that decided to introduce violent and non-violent measures and policies aimed at eroding the very basis of the reproduction of rural life. For countries developing under the onus of conflict such as Iraq, the process of expulsion from the countryside was materialised by outright military aggression, hunger, and forcible dislocation.¹³ Similarly in Palestine, conditions in the Gaza strip are sometimes so severe that as much as sixty per cent of children can be classified as malnourished.¹⁴ Where outright occupation was not the case, trade openness treaties, dislocation laws dispossessing farmers and macro policies allocating resources away from agriculture uprooted the peasantry *en masse*. Since 1980, the share of investment in agriculture in total investment has fallen continuously and reached a low of 5 per cent by 2009.¹⁵ In Syria, neoliberal policies reduced real incomes and the rolling back of egalitarian land reforms resulted in lower output and a higher farmer eviction rate.¹⁶ In addition to draconian laws dispossessing farmers, in Egypt, the most populated Arab country, the decline in agriculture was drastic. Within a decade, the share of agricultural investment in total investment fell from around 10 per cent to about 4 per cent (see Table 1).¹⁷ The rates of malnutrition among children in Egypt and Yemen reached 30 and 45 per cent successively.¹⁸ These were the results of a concerted and deliberate policy aimed at reconstituting social value for grabbing purposes by absolute and violent means.

Table 1: Share of Agricultural Investment in Total Investment in Egypt
(Percentages)

2003	9.4
2004	9.5
2005	7.6
2006	6.9
2007	5.0
2008	4.0

Source: National Planning Institute, 2009.

These displacement measures were not a onetime occurrence from which policy makers would soon move away; they were reproduced continuously in real time. The rationale for pursuing these policies is at the heart of the neoclassical method. The neoclassical approach postulates that prices or income differences prompt individuals to move, hence allocating resources efficiently. It also attempts to expand the set of choices available to the individual by introducing a variety of other explanatory factors such as city appeal and amenities, which go to determine the course of migration; but, altogether, these become symbols in an equation and amount to a price explanation, or are benefits that can be priced anyway. Reducing complex reality to a quantity, encapsulated in a price, does not ground theory. It does not answer the question of ‘why’ people move, because prices are themselves an outcome of social relations.

Some more sophisticated neoclassical techniques trace back individual migratory decisions through time (Work History Surveys). But time cannot be dissected, and individual responses, which are studied at any one particular point, do not constitute history. As it has often been said, projecting the different slides of dissected time onto a screen does not reproduce history. It does not recreate the fact that there was a subject of history, which is the social class in power that was furnishing the conditions for migration by purposefully extirpating farmers and implementing neoliberal policies. Although there have been a variety of critiques levied at the neoclassical approach, it remains seminal to migration research.

In this essay, we will attempt to redress some of the faults by arguing that the price and choice-theoretic framework averts the study of migratory phenomenon not only by reconstructing a false reality from the summation of individual decisions, which is the common trap of the fallacy of composition, but because any reference to the development of the migratory phenomenon in real time may implicate the social class whose ends the neoclassical discipline serves. Neoclassical economics actually studies something other than the migratory phenomenon; its subject matter is an arithmetic computation which bears no relevance to the fact that evictions and prices are socially construed. Had the neoclassical discipline pursued the development of migratory phenomena in real time and rationalised them, it will inevitably have to question two sacrosanct concepts: firstly, the terms of trade and power structure underlying the price system; and secondly, the contradictions inherent in social systems. The neoclassical perspective has to, at whatever cost, overlook the crux of the issue of proletarianisation, which is the creation of socialised and cheapened wage labour, by analysing reality away so as not to incriminate the class in power to which it is subservient. The neoclassical object of study becomes individual choice in a world of free competition, voluntary

unemployment and scarcity. Notwithstanding that commodities are only scarce for those without income; can anyone imagine an Arab world which is freely competitive and voluntarily unemployed? Chimerical assumptions such as these are elevated to the standing of science, when in actuality they either have no referents in real events or they do not exist.

III. A Comparative with Structuralism at a Glance

In the neoclassical framework, the scenario for the wage pull theory comprises a rural sector with its associated rural income – a first wage, and a modern sector producing manufactured goods with an associated second wage, which is on average higher than the rural income. Hence, people migrate. What this scenario conceals is a process that resolves social contradictions in favour of capital or the more powerful social class. It is a social process that lets surface a money form, in this instance, the wage, which in the process of simple exchange, mediates the basic contradiction between use and exchange values. However, in more evolved capitalism, the wage acts as the measure that reflects a distorted underlying class and power structure (urban/rural and capital/labour). However, in the neoclassical formal set-up, wages are determined by marginal individual productivities and assumed as ‘given,’ and each social entity, rural or urban, is supposed to enjoy the same power-standing *vis-à-vis* the other. Atomised individuals enjoy equal powers in an equal playing field irrespective of their means and position in society. This is, in a nutshell, the imaginary world from which neoclassical theory is derived. These asymmetries are innumerable, such that, incorporating them into the formalised mathematical framework leads to theoretical nihilism instead of rigour.

In the structuralist analysis of migration, the price or wage difference becomes a symptom and no longer the efficient allocation mechanism behind the movement of migrant workers from the rural to the urban sector; it is the structural difference between a modern centre and a rural periphery and the ensuing relation of unequal exchange that underlies the real cause for this movement. This approach borrows its tenets from Marxian political economy where the level of wealth is determined by productivity, but the wage share is determined in the context of the class struggle. The prevailing social conditions and the repression attendant on the labour process are necessary for the reproduction of capital. The extent of repression has a bearing on the social division of labour and the function of each class in material and social reproduction, as well as

the distribution of social wealth and the form and the amount of revenue to each class. In this broad social framework, the individual's prerogative to migrate is being dictated by the worsening economic conditions in the rural sector and is therefore secondary to the permutation of capital creating not only the demand for labour but also the conditions for the supply of labour.

As the degree of economic integration between the rural and urban economies increases, the process by which unviable and uncompetitive economic entities in the rural structure get sifted away becomes more entrenched. What remains in the rural area after its permeation with the scale-produced commodity of the modern sector is but a remnant of a cottage-type industry, which is able to support its costs and survive in a changing economic environment. The wages that are taken to represent rural wages, particularly when conducting empirical tests of migratory cases at the macro level are the wages paid by this surviving cottage industry and the likes of it, e.g. wages of agricultural hired hands, repair and service shops employees, small family-run handicrafts shops, etc. However, these are the wages of an industry continuously adapting and keeping pace with the new capitalistic condition, and therefore, these are modern enclave wages paid and redistributed amongst quasi-subsistence farming communities. In the analytical context of the neoclassical wage-based model, these wages should not be different from an industrial enclave wage in the urban centre. The wages that should in actuality characterise the rural wages represent the share of income of the politically disempowered subsistence farming entities. These incomes are partly constituted in kind (the part of the consumption bundle produced by local means) and partly in measurable money form (which goes to pay for that part of the consumption bundle that is bought on the market). In the case of the Arab world, farmers came to depend more on goods paid for in currency for their consumption, as the squeeze on land lowered the portion of the consumption bundle produced by local means, and the conditions for displacement became pronounced.¹⁹ In the absence of a wage-paying job nearer to home, this ongoing process of disarticulation in the rural structure resulting from increased economic subjugation would make the move to the distant modern sector an imperative rather than a choice.

From the structuralist perspective, the movement of labour from the rural to the urban sector is foreseen as a result of proliferation of foreign capital or merchandise that entails a profound destabilisation of the structure of the peripheral/rural economy. This protrusion, more specifically, impacts the old methods of farming and manufacture, thus generating a mass of unemployed.²⁰ The more radical structuralist/dependency school sees this process of social restructuring being accelerated as the state intervenes with violent and

non-economic measures, namely belligerent measures of political repression, aimed at the extirpation of traditional small farming and cottage industries from their rural base. Forced farm foreclosures and evictions, massive rolling back of land reforms and other unsightly measures are put to work in the creation of additional proletariat.

As depicted, this process is a static characterisation of Marxian primitive accumulation, where “its historical genesis... only means the expropriation of the immediate producers, *i.e.*, the dissolution of private property based on the labour of its owner.”²¹ Private property, as the antithesis to social, collective property, exists only where the means of labour and the external conditions of labour belong to private individuals.²² The advance of capitalism onto the periphery therefore, implies the further socialisation of production. For Marx, the dissolution of these forms of private property paves the way towards socialising labour and the labour process on the one hand and privatising appropriation, on the other. The release of additional wage workers onto the labour market would further suppress an already low Third-World wage, thus shifting the unequal trade relationship more to the advantage of the centre, and, as such, it increases the rate of surplus drain. This represents, albeit contingent upon the outcome of the class struggle, a tendency and not a formalised law of development.

IV. The Genesis of Neoclassical Migration Models

The seminal theory in the explanation of the cause and function of migrant labour is that of W. A. Lewis. Although Lewis does not address this question directly in his analysis of underdevelopment, G. Fei and G. Ranis,²³ relying on his conceptualisation of the development process, introduced a specific model of rural-urban migration. A putative interpretation of it by M. Todaro reads as follows:

*In the Lewis model, the economy consists of two sectors: (a) a traditional, rural subsistence sector characterized by zero or very low productivity surplus labour and (b) a high productivity modern urban industrial sector into which labour from the subsistence sector is gradually transferred... Both labour transfer and urban employment grows by an expansion in the modern sector. The speed by which they occur is given by the rate of industrial capital accumulation in the modern sector.*²⁴

The other assumptions of the model are: re-investment of all profits in the modern sector; higher constant wages in the modern sector vis-à-vis constant subsistence in the rural area; and the perfectly elastic supply of rural labour to the modern sector. Subject to these conditions, an expansion in the modern sector is reciprocated with higher employment until the excess labour is absorbed. Subsequently, real wages rise in response to an increase in the demand for labour. The model itself is an inference from A. Lewis's treatise on economic development. Lewis' primary concern was to analyse the specific condition of an enclave developing along modern lines and surrounded by traditional structures. He then counterposes the aims and character of "such growth poles", and stresses "the failures of traditional sectors to respond swiftly or significantly to economic opportunities."²⁵ He goes on to consider that economic growth in an enclave can promote development and enrichment of the traditional sectors.²⁶

Soon after its inception, the assumptions of the Lewis-Fei-Ranis model were put to scrutiny. It seems that the idea of negligible marginal products in farming and full employment in the modern sector do stretch the reality of the times. It is at this point when the Todaro model came to exemplify the standard model of migration. It reinterprets the migration situation in the light of persisting unemployment in the manufacturing or modern sector. Labour behaves as maximiser of expected utility. Subsequently, the solution of several equations yields migration to the urban areas to be a positive function of the urban-rural *expected* wage differential, and subsequently, the movement of labour to the modern sector will continue unabated insofar as the expected income differential is greater than zero, and irrespective of the presence of unemployment.²⁷ The continued flow of migrants to the urban sector will raise urban unemployment, which, in turn, goes to depress the urban wage to the level of its counterpart, the rural wage. As a result, the expected rural-urban wage differential goes to zero and rural-urban migration ceases.

From a Keynesian perspective, it may be argued that urban wages may be rigid downward and migration into the urban areas may continue to grow; hence, the increasing unemployment rate may fail to set on par rural and urban wages. All the same, this perspective intends to provide a price-wage explanation for the ever growing number of migrants into the metropolis of the Third World despite the presence of urban unemployment.²⁸ It succinctly announces that irrespective of the chance of being unemployed in the cities, individuals, rightly or wrongly, expect to be better-off, and subsequently, they move. There is of course a price attached to information leading to migration. The whole lot is or can be reduced to price and/or be priced leading to equilibrium.

There are two questions that surface as unanswered in this framework. The first may refer to the fact that the social process of creating additional labourers is being overlooked. The second relates to why one cannot find in these models a price or a price matrix relating the process of removing labour from the land to the formation of the urban commodity. The price of rural labour and that of the urban commodity are not independent once trade occurs. The price of an urban commodity may rise in relation to the price of rural labour. These prices reflect differing negotiating positions that have an immediate bearing on social conditions, especially, insofar as remittances contribute to regenerating the living conditions in the rural sector. The simple reason why the first question remains unanswered is that it has to put a price on the various stages of the reproduction of labour in a non-moneyed economy such as the rural sector, which is meant for capital to grab. The reason why the second question goes unanswered is because one has to probe the nature of the social classes and the associated power structure determining interdependent and relative price formation. Attempting an answer to the second question drags into the discussion the issue of unemployment creation as a necessary component of capital accumulation.

The Todaro model was followed by the Harris-Todaro model. In no different fashion than its predecessors, the model is composed of the two standard sectors, the urban and the rural, each of which is defined in terms of production and income. The trade between these sectors takes place in one of two areas: the modern sector generates remitted wages and sells manufactured goods to the rural sector; and the rural sector sends part of its agricultural goods and labour to the modern sector. The seven-equation model basically generates the same result as the Todaro model with the advantage to gauge policy instruments and to measure the welfare implications for the rural sector as a result of the remittances in wages.²⁹ The Harris-Todaro model became the prototype of mainstream migration theory. As will be seen below, what has followed in mainstream economic studies represented a permutation along the same lines.

Of the often cited works in migration, Corden and Findley (1975) may be of relevance to proletarianisation in the Arab world since it allows for variability in more than one factor of production at any one time. The production function of the agricultural and manufacturing sector in the Harris-Todaro model encompasses three factors of production: labour, capital, and land. In this, capital and land are assumed constant while labour is assumed to vary. Corden and Findley allow for capital variability and mobility along with the transfers of labour. The results from this model tend to be largely supportive of the Harris-Todaro model, particularly regarding the crucial issue of the determinants of the supply of labour to the urban sector.³⁰ In

the Arab world, there certainly has been a transfer of some cycles of production into the rural areas – the idea of varying capital may be captured here. But the more pertinent issue relates to the reduction in land size/ownership per family due to state/elite expropriation, which in a sense, may present us with another argument (symbol in an equation) in the production function that is itself variable. However, the methodological drawback of these approaches is not the variability of factors or co-variability of factors of production. All factors of production vary and co-vary in real time. Pursuant to any production process, the explanation of output on factorial basis is tautological and over-determined. The proletarianisation process is historically created and determined. Symbolic percentages assigned to different factors do not redeem the methodological shortcomings of this school of thought.

A related expansion of the Harris-Todaro model involves works that include a choice between more than two sectors. There are very few agricultural sectors which do not contain either some branch plant of the modern sector, or some small-scale cottage industry. In this respect, the work of Steel and Takagie (1976) introduces the component of an intermediate urban sector (using some capital while being labour intensive), a non-productive informal urban sector, and a rural non-agricultural sector. The result of that may be summarised in the following: “the presence of an intermediate sector, which produces manufactured goods in small-scale establishments combining moderate amounts of capital with labour, substantially alters the two sector analysis of the urban unemployment problem. When labour can choose agriculture, manufacturing and unemployment, any attempt to reduce urban unemployment by expanding job opportunities is likely to aggravate it, through increased rural-urban migration.”³¹ But according to Todaro, in order to derive these results, Takagie and Steel had to assume that the products of the intermediate sector and those of the large-scale modern sector are perfectly substitutable. He says: “Unfortunately, it is difficult to think of many examples of perfectly substitutable goods and services between the intermediate and the modern sector, especially when account is taken of the demonstration effect of foreign products on local consumers’ preference patterns.”³² But this debate is impertinent, for it is still moving in Pareto-efficient space and alleged “optimal allocation” despite growing unemployment. As will be shown in Section VI, neither the policy-related implications of these models nor their claims to efficiency remotely relate to the study of the actual phenomenon of migration.

V. Policy-related Issues

The policy side of this formal approach is more actuarial than social scientific. It addresses the process by which subsidies maintain price-related allocation efficiency derived from profit maximisation. The work of Bhagwati and Srinivasan (1974), for instance, concludes that within the partial equilibrium framework of the Harris-Todaro model, it is possible to achieve an efficient allocational level in the economy (the neo-classical marginal conditions holding), without resort to the imposition of quotas on migration and the number of migrants (second best solutions). In their view, certain tax and subsidy scenarios can in fact allocate resources efficiently without recourse to limiting the number of migrants to the urban areas.³³ The work of Stiglitz tackles certain concrete issues peculiar to a developing country labour market and reassesses the policy scenarios in that light. It is generally supposed that the amount of subsidy required for the efficient allocation of labour would have to be the difference between the true marginal productivity of labour and the market wage, for these in reality differ substantially by the degree of imperfections in the market – e.g. efficiency wages (workers paid more than their marginal product so that they perform without supervision), contracts (rigidity of wages over period of time), insider-outsider problems (unions), transaction costs, etc. According to Stiglitz (1982), the shadow price itself is sensitive to certain factors in the developing countries, and this issue may put at risk the whole idea of optimal policy. The factors that he names are: (1) whether the efficiency wage holds in the rural sector, and whether the wage is below the efficiency wage; (2) the explanation of the high wage in the urban sector; (3) the magnitude of the response of the labour supplied to the urban sector to a change in the expected urban wage.³⁴

The work of Fields (1975) explores the Harris-Todaro model and follows with three additional policy instruments that can be used in the manipulation of migratory tides. These are: (i) the designation of labour exchange offices to reduce job search activity and therefore reduce the informal sector in the urban centres; (ii) the over-education of the labour force so that the number of potential migrants is limited to the highly educated only; (iii) a more rapid rate of urban employment. Given sticky wages, these results follow from allowing quantity and not wages to do the adjustments toward equilibrium.³⁵

These models are locked in a search for equilibrium. Prices (wages are the price of labour) will embed a premium for transaction costs (market imperfections), and with a subordinate market and price for every asymmetry, equilibrium will be reached. Notwithstanding that the share of wages is a social by-product

determined after profits and subject to the power devolved to different classes through the political process, the price system is intrinsic to the economic structure. Prices however, are an offshoot of the product market. A general price rise unaccompanied by union demands to increase the nominal wage, always results in reducing the real wage and the wage bill altogether. Unlike the neoclassical price-determined systems, high wages in demand-side economics (Kalecki/Keynes) do not cause unemployment even if there is perfect competition and a negative relationship between real output and real wages, simply because output is determined by aggregate demand. The neoclassical argument which postulates that a reduction in real wages would raise employment and output is flawed from the perspective of demand-side or Keynesian economics since it reduces overall demand. A reduction in nominal wages does not imply that real wages will decline, since given the mark-up (the above-cost price that is determined by firms), a real wage cut could be followed by a reduction in monopolistic prices. The salient Keynesian critique posits that unemployment could even rise after a real wage cut, because of the ensuing reduction in aggregate demand due to the distributional shift towards profits.³⁶

From a Marxian standpoint, social processes in which competing interests are framed within a class and power structure will not allow the surplus to be fully redeployed to the benefit of labour. More importantly, with profits and the creation of wealth rooted in an organic process that metabolises overproduced and cheaper labour power, it is unlikely for the accounting identity of the *widow's cruise* to take hold under the diktat of capital.³⁷ Capital requires an oversupply of the labour commodity that is progressively cheapened to maintain the subsumption of labour and higher rates of profits.³⁸

VI. Recent Developments

The more recent mainstream critique of dual models attempts to bypass price reductionism by positing that the old models emphasised the expected wage and practically neglected other economic and psycho-social variables.³⁹ These absent variables, it is said, can at times be more conclusive in influencing the individual decision.⁴⁰ The migration decision in the Harris-Todaro model, they purport, is a reflex like response to higher expected wages and it is not at all framed in a broader 'choice theoretic framework.'⁴¹ However, in this broader symbolic framework, perks, psychological effects and amenities can also be quantified and ascribed to the wage. However, instead of framing matters in a historical perspective and

designating the social agency or the subject of history, what occurs is a price conversion of each social or psychological element; a price, yet again, that is endogenous to a system, which is bereft of social contradictions.

The end result of this class of recent models is the same as its precedents: the expected wage differential is the price mechanism that ‘efficiently’ allocates labour to the urban or rural areas. This is primarily in the spirit of the neoclassical paradigm where efficiency is determined by marginal condition holding, and labour or labour productivity and the movement in wages are akin to one another. In the framework of the neoclassical models, the difference in the expected wages represents, for the main part, the increment of the difference between those wages that are being offered by the modern and the rural sectors. An early redeeming feature of these models is that Arthur Lewis posited that labour is demand-side generated and not the price-determined system. For Lewis, it is the expansion of the enclave that mattered and not the price difference per se. In latter equilibrium analysis, the market produces a wage that clears excess resources and commodities. Absurdly, in a Third World or Arab world context, which expanded under uneven and negative productivity growth, the latter case implies that anyone unemployed will be voluntarily unemployed.

Later developments of paradigmatic models of migration reverted to price determinism. In a developing country context, the drive for profits, minimal labour representation, and the existence of elastic supplies of labour imply that the price of this demand-driven labour could fall to below subsistence levels. Nominal wages, it may be recalled, are determined in relation to the general price level, which is in turn an outcome of the product market. Real wages are determined by trade union activity, by government intervention and, especially, by the degree of monopoly in the economy (concentration of capital). In this Kaleckian interpretation, which roots its analysis in Marxian political economy, the share of wages is determined *ex-ante* by the power of the ruling class. Policy-wise, the accent is laid on the positive correlation between real wages and employment through the impact of wages on workers’ consumption.⁴² In the migration context however, a principal aim of creating the conditions for migration rests on the diminution of labour representation, a reduction of union power and, by implication, a reduction of real wages.

Another area of concern in the neoclassical world lies in the gap that emerges between the micro and the macro levels of analyses. All along, it has been said that lower wages compress demand and result in lower

unemployment. Individual firms however seek to reduce wages. To attempt to reconcile this difference under the pretext of mathematical rigour is much like squaring a circle. No formal account secures a summation over heterogeneous elements/individuals unless they are reduced to similar quantities. But of course, the intended aim of neoclassicists is that the efficiency that holds at the individual choice level must also hold for society as a whole. What is true of the part has to be true of the whole.

To illustrate, the instances in which theoretical differences between the macro and micro decision levels could arise as a result of that formulation are many. For example, consider the case of an agent who decides to participate in the urban labour market, and in fact, acts on the decision and undertakes the move. This agent is supposedly maximising utility. The outcome of this unitary labour supply is always Pareto optimal (micro analysis). But this very move can also take place at a time of recession and, as such, it would add to the under-utilisation of resources in the urban sector. If this was to occur, this particular move, although efficient from the micro perspective, adds to the problem of inadequate utilisation of resources in the urban sector. However, for neoclassical economics, when the marginal conditions of utility tally with those of factors of production, output and prices, it would still remain efficient and optimal. Choices were made under given distributional arrangements and scarcity conditions that resulted in the best world out of all the possible worlds. A positive science comes into view. Property, power, skewed distributions, etc., are not discussed.

Prima facie, the very idea of underutilisation of resources implies inefficiency and waste. However, irrespective of the depth of the crisis in a developing country context, the mainstream holds that all idle resources, including labour, are idle because they chose to be so. According to C. Plosser and J. Long, the economy is always at full employment because the level of technological development in society has relatively receded, and therefore, it is allowing the employment of something less than the present level of resources, i.e., a negative technological shock.⁴³ Their basic argument is that in a recession technology is relatively lower, and it follows that the marginal product of labour and the real wage is lower. Consequently, because people do not get what they desire in wages, they substitute leisure for work and reduce consumption. Thus, as long as the utilisation of resources corresponds to the level of technology, the economy is always in a Pareto optimal condition even in a recession. Neoclassical models will always find a price-related solution to move into an equilibrium position. These views may be peculiar as they de-socialise and atomise the social condition; however, that is the nature of formalised thought which attempts to match the macro

and the micro levels of analyses. That the wages available, which would clear the market, may be lower than the minimum historically-determined standard of living, has no bearing on this analysis. In this symbolic world, the individual is a symbol. Choice is independent of the purchasing power of the wage and of the necessary and historically-determined level of subsistence.

In the formalised neoclassical approach, the migratory phenomenon is the sum of individual decisions and not the social condition of migration or dislocation. But this very summation of decisions by pauperised peasants is not what needs to be explained. The sum of decisions, which is *ipso facto* the total number of migrants, say fifty million, does not constitute a migration phenomenon. It simply records an accounting of individual moves. Accordingly, the paradigmatic approach, which is based on assumptions fixed in a non-historical and non-social class setting, de-contextualises the decision to migrate.

As Bertell Ollman (2003) notes in respect to methodology of research, it is a problem of ‘who took the commons from the goose and not who took the goose from the commons.’⁴⁴ Migratory phenomena are historical events that reallocate resources on a grand scale. The multifaceted social qualities pertaining to each individual however, cannot be mapped over a whole which is the set of migratory phenomenon. Individual migration is produced by the conditions underlying migratory phenomena. Rooted in the tradition of marginalism, neoclassical models remain *ex post* based on the summation of gains to a model individual, who is a consumption and satisfaction unit at once. It is the end result of neoclassical trade by free agents where a frictionless environment (or one is made frictionless by deriving a premium for symmetries) allows for a tatonnement and an equilibrium around which no one can be made better-off without making someone worse off. In it, a generic rational consumer maximises utility and, hence, welfare. The state of general welfare and communal wellbeing exists contingent upon unrealistic assumptions of identity and transference. In a sense, the qualitatively different condition of each element constituting the whole is ignored and, by using mathematics as a tool, it is reconstituted only in the mind as the sum of the actions of each individual. That it is impossible to add up heterogeneous elements is a result that has been reached at least two centuries ago.

*‘If it be the office of comparison to reduce existing differences to Identity, the science which most perfectly fulfils that end is **mathematics**. The reason of that is that quantitative difference is only the difference which is quite external. ... If quantity is*

*not reached through the action of thought, but taken uncritically from our generalized image of it, we are liable to exaggerate the range of its validity, or even to raise it to the height of an absolute category. And that such a danger is real, we see when the title of exact science is restricted to those sciences the objects of which can be submitted to mathematical calculation.*⁴⁵

Neoclassical mathematical eloquence is not innocuous. It discards anything not fitting into the narrow jacket of its tailor-made assumptions. In particular, it overlooks the historically relevant facts such as war, colonisation and neoliberalism. A neoclassical regime could never transcend the realm of ideology irrespective of the interpersonal comparisons to which it is subjected. That is so not because developments in mathematics would not be able to mimic the functional complexities of history, although that would always remain the case, but also because neoclassical economics starts with the wrong subject matter. Its homo-economicus differs fundamentally from Homo-sapiens. People are social and historical. Their decisions about the future, decided upon within an inherent social context, transmigrate into the social via practice and class action mediated by the form of social organisation constituting the political subject. This situates a social class in the position where it is today relative to where it will be in the future. Social man, as opposed to man in the abstract, is the sort of subject whose class position-consciousness makes where s/he is at present. When this and an assumption implying that contradictions are mediated and resolved into other contradictions under real historical conditions become incorporated into the discipline of economics, then its models will be worth consideration as reference points intended for social policy – only reference points as opposed to a mantra to be followed uncritically. The process by which social man in relation to the class system creates the social conditions such that they become alien to his or her very person is related to his or her position within the power structure underlying the class system itself. Neoclassical esotericism cannot aspire to scientific status or transmigrate from ideology into theory because history is irrelevant to its development.

The symbolic neoclassical individual does not produce the historical phenomenon of migration but rather some symbolic summation, to which the name rural-urban migration is then ascribed. Actuality is not the sum of common features or actions; it is qualitative diversity that is self-differentiating. By adding up an action which is reduced to a common feature, we neither arrive at the discovery of pattern of development nor the reasons for change. The crux of the issue lies in the process by which individuals who have more or less common features start being different from the others as a result of sharing a similar historical experience,

such as dispossession and dislocation. The universal is not the common feature abstracted into a mental construct and given a life of its own: it is the social dynamic that recreates the phenomenon of migration; or more specifically, it is the act of proletarianisation.

*'But the universal of the notion is not a mere sum of features common to several things, confronted by a particular which enjoys an existence of its own. It is, on the contrary, self-particularising or self-specifying, and with undimmed clearness finds itself at home in its antithesis. For the sake both of cognition and of our practical conduct, it is of the utmost importance that the real universal should not be confused with what is merely held in common.'*⁴⁶

The migratory phenomenon is therefore not the sum of the decisions to migrate. It is broadly the mediation of the particular in the general; or more specifically, the way social classes react and engage the crisis of capital, which is the prevailing condition under capitalism. It is this process which is the migratory phenomenon and in which the individual is choosing. The subject of history is not an individual who has been reduced to a biological entity, but the social individual whose identity is mediated in the social class. Thus, it is the self-realisation of the social class that needs to be investigated insofar as its role in forming the conditions for migration is concerned.

VII. Shortcomings of the Neoclassical Explicative

The shortcoming of the neoclassical method is that it considers forms of thought (concepts in complete abstraction/divorced from the concrete content) from the standpoint of a paradigmatic framework and thereby it ignores the concrete content that they may express. In other words, it considers them in rigid isolated form and not in their interconnection, motion, and development.⁴⁷ Consider, for instance, the theoretical explanation given to labour migration à la Harris-Todaro – all that emerges is that labour moves because of a difference in expected wages (we are not concerned with policy implications at this time). Notwithstanding the issue of neoclassical economics constructing a false reality and falsifying it, if at any moment in time another more pronounced cause for labour movement is discovered, and there are undoubtedly many such causes, then the model-based explanation as a cohesive system of thought collapses.

Similarly, if at any time a theory becomes founded on the erratic element of crude empirics, the moment the empirical observation changes, the theory itself has to completely change. Naturally, this approach leads to theoretical nihilism. There is nothing wrong with revamping theory to assimilate newly found facts. But this theory is born at odds with initial facts, which are innately heterogeneous and are only similar at a superficial level of abstraction. It is not a theory of anything to begin with, because the only common denominators it expresses are outward quantitative measures reduced to price and quantity.

One may further enquire about the interconnections of a system and its development, and how they correspond to the rural or urban sector in the neoclassical dual models? The categories of low technical development and low marginal productivity pre-exist in this model. They are merely given assumptions without a historical basis. Little is known about how this comes about, and as to why there should be an interconnection between this particular rural and urban sector; i.e. why there is need for exchange, apart from an individual making a choice to migrate. In fact, the socio-historical conditions that on *a priori* grounds create the necessary environment for migration are absent. To say that the policy and welfare implications for both rural and urban systems are the cause, is again not possible, as in actuality there is obviously some element which disproves that functional inference. In fact, in most of the Third World countries, the depletion of the countryside of its labour reserves and the swelling of the urban areas by the urban-poor runs counter to the premise of the neoclassical approach, and proves that these models provide no insight whatsoever into policy-related matters.

Just as importantly, precious little knowledge is imparted by these models about the relationships within a sector, which necessitates any relation of exchange with the other sector. The sum of all the actions of all the migrants observed empirically signals something about worsening conditions in the rural sector. However, the rural sector, as an independent and objective entity whose movement is not necessarily determined by the sum total of the actions of one of its subsets (the migrants), does not exist. In other words, the subject of history with a direct bearing on the development of rural areas remains unbeknown to us.

To set forth the idea of migrants shaping history from within the confines of the neoclassical perspective would be to assume that the migrants' cohort is the dictator in Arrow's impossibility theorem. Everyone in the rural areas becomes a migrant with similar tastes and predispositions, which as Arrow showed cannot lead to any useful result.⁴⁸ This is not the most astute of examples to illustrate a point, which originally

belongs to system analysis. However, the point is that to state anything about the rural sector from the movement of one of its cohorts (say the migrant group), is to forget that its true movement depends on the amalgam of social forces present within it. From Arrow's perspective, it is impossible to derive complete and transitive social preferences in the absence of a dictator or someone who dictates his own tastes and predispositions to everyone. This is not to restate that the movement of the whole is quite different from the movement of an individual, but to emphasise that even when the migrants represent a homogenous cohort, a generalisation of their condition onto the whole of the rural sector cannot fully explain conditions in that sector. These conditions are an independent resultant characterising the social process of the varying groups in the rural sector, including, the role of the landed class and its alliance with the urban bourgeois class.

A theory as a system of thought that is meant to capture and explain changes and transformations has, at a foundational level, its own methods of building abstractions. The construction of the abstract can be an aspect of the particular historical condition or a one-sided trans-historical, more or less common behavioural/biological aspect.⁴⁹ It can either be that people under capitalism depend on the market for survival or people breath, consume food, and work. The latter vacuous premises are what constitute a sample of abstraction in the neoclassical discipline. The assumptions and the method of the neoclassical school are at best actuarial and related only to measuring, in terms of the price form, the response of aggressive policies aimed at deconstructing the old forms of life and property in the rural sector. It is akin to an insurance company study for the premium that has to be developed to calibrate the flow of labour to satisfy capital accumulation. When prices are considered as a manifestation brokered by a class and power structure, then neoclassical economics ceases to be a theory. For a theory to be pertinent in a given period, it has to be capable of generating a view of the whole that is the sum of diverse phenomena. It is about following the process of self-differentiation and designating the social patterns that maintain its movement in one form more than another (the tendency aspect of things). For it to do this, its definition of the abstract and the concrete are best to represent the genus of social development and not some denominator which is common to all things, for such common denominator may exist for probability theory but not in history. An alternative outline of theory can be carried out by substituting formal laws (mathematical logic being a subset of that) with historical investigations or pattern of developments, which allow for diversity in unity, borne by the very dynamics of social development (the universal or general). More in line with the Marxian treatise, it is

about the social existence that determines consciousness and the social class that moulds history in ways independent of the individual will or, as it is the case in revolutionary times, in conformity with it.

When a mathematical model contributes to the formation of social theory, as is the case of neoclassical economics, falsifying theory becomes an empirical exercise or a matter of spotting an element in actuality which contradicts the model-based theory. That theory is stillborn, since at any point in time multifaceted actuality exhibits diversity. Consequently, the patterns of development change in a fashion commensurate with the infinite number of facts contradicting theory. Eclecticism produces nihilism.

In a related manner, a theory would address the relation of the whole to that of the individual, the devolving of individual agency and their mutual relationship. In the neoclassical model of migration, the individual's choice fuels the migration process. The individual *qua* worker, however, is faced with a worsening situation resulting from the conditions generated by hegemonic capital; he or she can respond only by moving or not moving from a situation to which they did not necessarily contribute. Had an individual had the choice, that choice would have been the prerogative to improve the rural sector.

To begin with, the migrant is not a politically empowered historical agent. It is by defining the forces that were mustered by the relevant historical subject for the creation of deteriorating social conditions in the countryside, which moves a theory away from the irrelevant into the adequate domain of research. Addressing the issue of why any new development in a relationship between two heterogeneous systems (rural/urban) should, by necessity, arise, taps into the historically-determined universal pattern of development. Thus broadly, capital as self-expanding value reproduces the conditions for its own expansion, but the phenomenon manifest in the process is as heterogeneous as actuality itself. More particularly in relation to the question of migration, theory has to probe the depth of the relationship of exchange of labour services (value r for money wages) between a rural and an urban sector and the contradiction that the migration process mediates.

VIII. A Non-price Explanation of Proletarianisation

While criticisms of neoclassical models abound, some areas which are of relevance to the conditions of proletarianisation in the Arab world have to be addressed so that the concerns over the *false primacy* of the price system are put to rest. The structural/dependency approach to development does that. However, it does not comprise any distinct model of labour migration. The process by which the conditions for the transfers of labour are created represents an undercurrent in the overall treatise on economic development, or a stark materialisation thereof, underdevelopment. The initial focus of dependency analysis does not rest in the developmental process per se; it is a comparative analysis of the underdeveloped coordinates of a given developing economy vis-à-vis those of the developed economies. But, it is only by studying the causes and nature of underdevelopment that a strategy for development can be envisaged. Such a strategy can neither be universal nor mechanistic, particularly, in so far as its methodology is concerned. Indeed, it has to be as diverse as the nature of the historical processes giving shape to each social formation. For this matter, each social entity has its own economic ‘content’ and therefore path to development.⁵⁰ The theoretical pattern of development or the mediation of ‘form into content’ that causes the developing world to fall to a less favourable position vis-à-vis a developed world is a relation of unequal power structure and pursuant exchange. That is to say, the development of a world capitalist economy has led to its division into a centre specialising in the production of modern industrial goods and technical innovations, and a periphery engaged in the production of raw materials and food. The terms of trade or the ratio of export to import prices for the developing countries is worsening, which in turn, leads to part of what is created in the periphery to be drained into the centre. The precondition for this process belongs to one of either two related scenarios:

- i. the purely technical scenario which is solely based on the unevenness in the technical basis between the developing and the developed world (the centre is more technologically advanced); and,⁵¹
- ii. a sort of politico-technical scenario which postulates that in addition to the structural technical disparity between the developing and developed countries, there exists the political will and initiative in the developed countries to engineer the necessary political environment in the developing countries to accommodate and serve the interest of

capital, i.e., it to ensure for itself continued accessibility to Third World resources and acquisition of surpluses.

Both of these approaches depart from a Marxian theory of proletarianisation, in which, the necessity of survival for the working class overtakes the luxury of choice:

As soon as capitalist production takes possession of agriculture, and in proportion to the extent to which it does so, the demand for an agricultural labouring population falls absolutely, while the accumulation of the capital employed in agriculture advances, without this repulsion being, as in non-agricultural industries, compensated by a greater attraction. Part of the agricultural population is therefore constantly on the point of passing over into an urban or manufacturing proletariat and on the look-out for circumstances favourable to this transformation. (Manufacture is used here in the sense of all non-agricultural industries.) This source of relative surplus population is thus constantly flowing. But the constant flow towards the towns pre-supposes, in the country itself, a constant latent surplus population, the extent of which becomes evident only when its channels of outlet open to exceptional width. The agricultural labourer is therefore reduced to the minimum of wages, and always stands with one foot already in the swamp of pauperism.⁵²

Shutting off the spigots that drain wealth from the periphery implies that all dependency schools afford the same recommendation to developmental policy: it has to take place in relative autarky so that an infant industry can be protected *a la* List thesis.⁵³ The former approach or what we have termed the technical approach is the salient strand of dependency theory. Its proponents, R. Prebisch, C. Furtado, and others, emphasise the importance of protecting local industry through measures of import substitution.⁵⁴ The infiltration of mature capital from the developed world, via direct investments or through export of commodities, into the developing world is likely to thwart the growth of the local industries and further satellises the local rural areas to the local urban sector. The local industries in developing countries produce substitutes of lower quality goods, have no scale economies, and are technologically underdeveloped in comparison with the Western multinationals. The net result is that of the deindustrialisation of the underdeveloped countries.

The above policy recommendation is also shared by the proponents of the radical approach, who additionally stress the importance of the local political environment as a catalyst in the peripherilisation of the rural areas. Accordingly, the contradictions that arise in the sphere of exchange or the economic sphere get resolved only in the sphere of politics, or in the realm of the class struggle. Therefore there can be no pure economic solution to the relation of unequal exchange. Genuine political independence of the satellite state is compulsory for its development. The Ricardian ‘comparative advantage’ which comes as a result of open trade relationships in the neoclassical framework, fails to materialise in the view of the radical dependency theorist and, moreover, the disadvantage of the less developed country is continuously ensured through political control initiated by the centre.

A major tenet of this latter mode of structuralist thought is that those developing countries which are mainly rurally based – having traditional modes of production, are dominated by the more modern capitalist mode of production. Samir Amin, for instance, takes the view that different modes of production can co-exist simultaneously, but with the capitalist mode dominating the other non-capitalist modes.⁵⁵ His proposal depicts a picture of different modes of production co-existing; however, in them the capitalist mode articulates the non-capitalist modes and draws labour and other resources from them.⁵⁶ Supported by the structuralism of Althusser, which regards history as monolithically difficult to sway off its course, capitalism for this school of thought permits the co-existence of heterogeneous social formations.⁵⁷ It is our contention however, as we will argue later, that it is still theoretically possible for a social formation in which the broader population is based in subsistence farming to be classified as a capitalist formation. High rates of unemployment are not what distinguishes capitalist from pre-capitalist formations. There are today no pre-capitalist systems shut off from contact with the capitalist world and dependency on the market is a pervasive social condition. Capital represents a seminal and ubiquitous social relationship under the historical phase of capitalism. Capitalism amounts to a universal world system, and there arises at times a falsification of fact when using structural analysis without consideration of historical processes or an understanding of capital as a social relationship and not a thing or a machine.

IX. Principal Departure of Structuralism from the Mainstream

The mainstream and structuralist notions of development are diametrically opposed. A characteristic example of the role of capitalist development in the periphery is provided by Andre Gunder Frank (1960):

*The development of industry in Sao Paulo has not brought greater riches to the other regions of Brazil. Instead, it converted them into colonial satellites, de-capitalized them further, and consolidated or even deepened their underdevelopment. There is little evidence to suggest that this process is likely to be reversed in the foreseeable future except insofar as the provincial poor migrate and become the poor of the metropolitan cities.*⁵⁸

This industry developing in Sao Paulo is characteristic of that which is developing throughout the underdeveloped world. This development takes its course through a growth in the investments of multinational corporations, or through the opening of local markets to foreign commodities.⁵⁹ Consequently, the demand for cheaper labour arises and the conditions that lead to increasing the number of migrants from the rural to the urban areas are afoot.

The wage mechanism in the structuralist view is ancillary in the causal chain of events to the basic proposition of different economic structures with disparate technical basis entering into a relation of unequal exchange. This is not because the individual or the wage mechanism fall to some secondary or unimportant position, but because in this context the individual responds to changes in the socioeconomic environment which are formed independently of his or her immediate will. Whereas in the neoclassical method the individual is the nuclei of action or the undisputed agent of history, it is relevant to recall that there are two different types of human beings and that we are dealing with the difference between social man and homo-economicus. Under structuralism, the whole of the social formation and specifically its resultant class structure becomes the agent of history. In the dual economy models, the two structures involved in exchange functionally assist one another; in this structuralist framework, however, they are united in an antagonistic relation of exchange where the formation with the higher technical base integrates and subordinates the one with the lower technical base.

In order to bring this contrast to light, let us consider statements by the leading proponents of the mainstream and dependency theory. First, we consider the argument by A. Lewis whose primary concern lay in analysing the condition of an enclave developing along modern lines and surrounded by traditional structures. He counterpoises the aims and character of ‘such growth poles,’ and stresses ‘the failures of traditional sectors to respond swiftly or significantly to economic opportunities.’⁶⁰ He considers that economic growth in an enclave can promote development and enrichment of the traditional sectors since: ‘it buys commodities and services from the traditional sector...provides work for people coming into the enclave from traditional sectors...sells commodities and services to the traditional sector more cheaply than they can be obtained elsewhere ... establishes for its own purposes an infrastructure ..which is then used by people in the traditional sector at less than average cost...is taxed, and some part of its taxes provides services used by people in the traditional sector at less than average cost ... serves as an example of the productivity of new techniques, institutions, and methods of organization. This example helps to modernize the traditional sector.’⁶¹

Lewis thinks that if the traditional sector could meet all the needs which the enclave is now forced to satisfy by imports, ‘the development enclave would expand rapidly to take in the whole economy.’⁶² On the social side, Lewis stipulates that what the poor obtain in the way of social services i.e. education, medical services, water supply, transport, etc. to be the contribution of the enclave. He writes, ‘the poor have gained much more from development than it is now fashionable to believe.’⁶³ Thus, the supposed enclave serves a social function for the elimination of poverty and bettering the state of the underdeveloped world. For the time being all the poverty reduction in developing countries is also hypothetical. But, what does the radical school think? How different from this view is the radical argument? P. Baran’s view, for instance, is worlds apart:

Tardy and skimpy as the benefits of capitalism may have been with respect to the lower classes in most of the leading industrial countries, they were all but negligible in the less privileged parts of the world. There productivity remained low, and rapid increases in population pushed living standards from bad to worse. The dreams of the prophets of capitalist harmony remained on paper. Capital either did not move from countries where its marginal product was low to countries where it could be expected to be high, or if it did, it moved there mainly in order to extract profits from

*backward countries that frequently accounted for the lion's share of the increment in total output caused by original investments. Where an increase in the aggregate national product of an underdeveloped country took place, the existing distribution of income prevented this increment from raising the living standards of the broad masses of the population.*⁶⁴

Baran reflects the extent to which more radical theories of development depart from the premises of the neoclassical approach. At the heart of the argument lies this irreconcilable contradiction in the respective interests of toiling classes in developing countries and elites of developed countries. Economic and political subjugation of the developing nations is a necessity for the creation of wealth in developed nations.

Appropriately, the structural approach sees the urban and the rural as existing relatively apart in two separate structures. It dubs the more modern urban capitalist and the less-modern rural as some pre-capitalist form. Their joint history begins when the high rate of expansion and accumulation of capital in the modern centre protrudes into the rural areas broadening exchange. If indeed the rural sector did exist in relative independence from the world capitalist system at some point in the twentieth century, then it follows that prior to their full engagement with capitalism, the history of these rural sectors would have been made by the predominant social forces of the pre-capitalist mode of production characterising them. Yet these sectors either perished or became depopulated. So, if the history of a rural region is not being charted by its own social forces or by the political structure associated with a non-capitalist mode of production, but invariably by the structure and related political forces of the outside modern capitalist world, then, the actual social form of the structure in question must be re-examined. That is to say, should these declining rural areas be considered a pre-capitalist formation (a different structure) as it appears in its static structural form, or should they be considered in their state of becoming as the course of their historical development always unfolds in synchronisation with the demands of world capitalism? In particular, the historical tendency has been for the capitalist centre to dictate the course of development in rural areas by outright aggression and subjugation.

It is our position that this concept of the 'traditionality' of the rural sector is more of a fictitious construct resulting from an evaluation of the modern historical phase from the standpoint of structural or static form, and if one were to employ a method which unites the historical and the rational, these rural areas may need

to be re-conceptualised as integrally tied to the capitalist formation and, therefore capitalist. Although historically pre-capitalist relations have been predominant in these rural areas, they were incapable of withstanding the assault of capitalism and, *ipso facto*, the peasantry as a subject of history made no significant contribution to steering its own path of development. The rural and peripheral areas are neither independent nor do they fall beyond the range of capitalist weaponry. The peasants, like their urban working class counterparts, are ‘making history but not as they please.’ They become surrogate reservoirs of additional labour or wage workers in the waiting. Capitalism in the periphery is continuously developing in severe crisis. Its higher rates of unemployment are in fact a manifestation of the crisis of capital. Under pre-capitalist forms of social organisation, the division of labour would not have been amenable to the creation of unemployment. The rural peasantry was employed in low return activity. Capitalism in the periphery operates in a colonial mode: the transfers of labour are the necessary outcome of the intensification of joint national elite/imperialist assault in various forms.

To wait for the fruition of the transformation attendant on expanding commodity trade in order to categorise a rural formation as capitalist is a misunderstanding of capitalism. Capital is a social relationship depicting the contradiction between the private forms of appropriation and the social forms of production at various levels of historical developments and their associated abstractions. The linkage between any rural and urban modern sector is first and foremost political – the political being a subcategory of the social. The rural and urban sectors do not need a commodity exchange to be united; they already have class politics and imperial hegemony that coercively united them.

It is otherwise in the colonies. There the capitalist regime everywhere comes into collision with the resistance of the producer, who, as owner of his own conditions of labour, employs that labour to enrich himself, instead of the capitalist. The contradiction of these two diametrically opposed economic systems, manifest itself here practically in a struggle between them. Where the capitalist has at his back the power of the mother-country, he tries to clear out of his way by force the modes of production and appropriation based on the independent labour of the producer.⁶⁵

It is ‘hegemonic articulation’ or articulation resulting from the politics of ruling class domination, colonialism or imperialist aggression. As such, there is no hybrid mode of production, half-capitalist and half pre-

capitalist, but a rural formation which is capitalist, and one whose determination depends on the dynamics of the leading class or class alliances in the more central capitalist areas. The peasantry, in this context, is proletariat that is not engaged in moneyed production. It is wage labour in the waiting, and the socialisation of the rural forms of property ensues in relation to the pauperisation strategy of capital. In an organic and interdependent process of accumulation, the rural sector is not of secondary importance however. In fact, without the sublation (simultaneous negation and preservation) of the hinterland, the resilience of capitalism and the maintenance of the rate of profit would suffer a setback. In this unity of different social forces, the tendency is for class alliances to form and to regulate the labour process to the demands of capital accumulation. The class in charge of capital accumulation determines the rate of proletarianisation and socialisation of the countryside. Matters relating to the labour process, including the rate of migration, are determined by the class in power.

The development of national capitalism in the Arab world was snuffed out in its infancy and the economy was subordinated to global capital under colonialism or imperial aggression. In the Arab world, the economy, up until independence in the mid-20th century, was mainly rurally based. Presently, only around 40 per cent of the population remains rurally based. The apparent structural transformations, specifically the socialisation of production associated with uprooting the peasantry, follow a rate which is positively dependent on the rate of capital accumulation. Transforming the population from a reserve labour pool in subsistence farming into fully engaged wage labour in production is not without a cost of disarticulating the rural areas. It may be remembered that the Marxian category of the reserve army of labour includes all persons of working age capable of working but unable to work because the economy does not generate sufficient work positions under the capitalist mode of accumulation. More than a century ago the colonies produced huge numbers of labourers. 'But in the colonies... the absolute population here increases much more quickly than in the mother-country, because many labourers enter this world as ready-made adults... and the law of supply and demand of labour falls to pieces.'⁶⁶ Marx wrote this with reference to the fact that many were transformed into slave or indigent labour and, hence, all were forcibly engaged in low productivity employment. In more recent times, the rise in the organic composition of capital and the changing post-independence balance of power, in addition to, the import of labour saving technology in the periphery meant that unlike days-past, where all the labour was absorbed in low productivity agriculture, a significant proportion of new entrants into the labour force became perennially displaced. The crisis of overproduction

furthermore implied a cheapening of labour not simply on the basis of the rule of large numbers, but more so, on the basis of a more redundant labour whose very abjection cheapens its market-priced labour power even further.

In most of the developing world, the proletarianisation process gained momentum as of 1980 or with the onset of the neoliberal age.⁶⁷ While the more easily universalised value became pricing by the dollar on one end, the more self-particularising and repressive became the labour process of value creation, on the other. Increasingly, the remnants of the declining rural economy became the social support mechanism for the peasant who is a potential wage earner but is unlikely to ever find a decent wage-paying job. The failure of the rural sector to deliver sufficient social support raised the spectre of crisis, especially as freer food imports from the North degraded the basis for local sustenance and reduced the share of the consumption bundle which is produced locally and by local means.⁶⁸ There are social forces locked into a social relationship and shaping the process of lowering the amount of food produced for immediate consumption by the farmers and, subsequently, their removal from the land. These are unequivocally the autocratic regimes and their Western allies who, as value is held in the universal form of the dollar, become indifferentiable from one another.

In the Arab world, matters took a turn for the worse pursuant to successive Arab military defeats. The conditions for surrender were cast in a structural and implicit way to guarantee the exposure of working class security and, consequently, a diminution of state sovereignty. Depriving the labouring classes of security, including food security, represented a necessary component that would ensure long-term erosion of state autonomy over policy. The Arab working population through the medium of the state no longer owned its policies for development. There was more than just a commodity mode of integration with the Western world underpinning this relationship. The co-opting of the Arab bourgeoisie – its metamorphosis into a pure comprador class, by the western financial elite was by the time of the Arab Spring nearly complete and the resultant disarticulation within an Arab formation became acute to the point of explosion.

A structuralist perspective does not fully account for this relationship of a social entity to itself, including its contradictions and mode of disarticulation.⁶⁹ The question for the structuralist analyst concerns the conditions influencing the dynamics of modern capital accumulation, its crisis, demand for cheapened labour and the ensuing politics of aggression in the countryside resulting from the interlocking of two separate structures in

exchange. The social contradiction, however, which is intrinsic to each structure, is subsumed under the rubric of a solidified and united nation state. But a state is a form of social organisation with varying levels of sovereignty and multiple layers of security. More exactly, one should question the relationship of rural or urban labour to its own state and social environment. Could there have been social changes in the rural sector as a result of its own class antagonisms, which have steered matters in parallel with the assault on its structure by more advanced capital through cross-sector or cross-border class alliance? The notion that structures are somewhat immutable and determined by the 'nationalist' sentiment of social classes has represented the Achilles heel of structuralism. One is reminded that the failure of Latin America's import-substitution policies was principally attributed to the inevitable collaboration of the comprador bourgeoisie with that of the imperialist centre. The failing of the structuralist approach lies in underemphasising the social context of value formation in a social process entangled with contradictions, and in engaging with the price system on grounds furnished *ex-ante* by the imperialist. As we will show in the next section, value theory changes fundamentally the rules of engagement.

X. The Abstract Condition

At a rudimentary level, the proletarianisation process can be encapsulated in the relationship of exchange of labour for commodities. Examining the issue at this level of abstraction would serve to lay bare the social relations that underlie the proletarianisation process. Also as will be seen later, by understanding these relationships from a value perspective, the contours of policy could emerge from the tendency that is engendered in social relations governing present developments. On the surface, one observes an exchange taking place between a less-developed entity, the rural sector, and the modern developed or urban sector. The former sells labour services for wage goods from the developed entity. The functional relationship between the two formations dictates that one serves a purpose for the other. The rural area pays for part of its trade deficit with the remuneration from remittances.

That labour moves in response to higher wages or, as an individual functional response, is a conceptualisation that captures only one aspect of exchange. The moment exchange takes place, the determinants of the functional relationship, and those of the internal relationship become combined in each of the objects being exchanged. These determinants are found in a real social contradiction; hence, the problem cannot be

reduced to the formal analytical idea that price pulls labour. Questions such as whether exchange occurs primarily because rural labour fulfils a need for the urban sector, or because rural labour is superfluous, surge forth. Excessively empirical schools minutely describe each case of migration as different such that there will as many theories as there are observations. Each case will be different indeed. Yet again, a mere listing of differences obscures the general social dynamics creating the conditions for proletarianisation. The universal is proletarianisation itself. For the neoclassical method, however, this relationship of exchange becomes conceptually discernable, only if it is ultimately reduced to a price and subsidy form. Prices, however, are not given. They emerge on the basis of a distorted power structure. For instance, it is possible for conditions to deteriorate and for the price of labour to be set so much below what is needed to maintain human life such that emigration occurs by *force majeure*.

To capture the kernel of proletarianisation, we need to document the history of socialisation of rural labour and the removal of additional labour from land in synchronisation with the demands of capital. To bring this to light, we will illustrate the process from a simplified Marxian perspective on exchange as the mediation of the contradiction between value and use value. Notwithstanding that labour is a qualitatively separate category, in that it is both a commodity (labour power) and a producer of commodities whose rate of contribution to making commodities can be undervalued by the rate of exploitation, let us momentarily consider only the one aspect where labour service is a commodity being exchanged for another commodity. Any commodity is a product of purposeful social activity, and it is, at the end of the production process, defined as an object. Each commodity in itself, before it enters into exchange, has two qualities. The first quality is its usefulness. A labour service is useful to modern capital, and it has a cost. The outlay on the reproduction of labour in schooling, care for health and food expended by the rural sector is the cost of reproducing rural labour. A similar scenario applies to the modern sector's commodity. Thus before this exchange of goods occurs, each commodity has a dual quality or a relationship to itself. This relationship of the good to itself is a contradictory one. Firstly, because the good is costly in terms of labour expenditure (the labour it takes to reproduce labour as well); and secondly, because it has relatively little or no use-value to its owner within the social formation wherein it was bred and the product is meant for the market. For Marx, exchange mediates internal value contradictions between value proper or socially necessary labour and use value concealed in each of the goods.

Put differently, exchange is the outward manifestation or phenomenon resolving the inner contradiction found in each of the goods. However, the contradictory process does not come to rest in exchange. The contradiction now arises in the determination cited earlier (use and exchange values), and that is that each of the two commodities now retain usefulness and exchangeability at the same time. This contradiction is again mediated via the creation of money as a universal medium of exchange (having only exchange value). Labour services, in consequence, sell for money. Marx resolves the antinomies that usually pile up in the formal system of thought by following the development of the object in history. Real problems call for real and un-analytical solutions. He later showed that the money form mediates various social contradictions attendant on class, forms of social organisation and distribution.⁷⁰ Unlike the neoclassical approach where money becomes an alleged store of value, in the Marxian context, the money form of value captures the lopsided power structure and contradictions within a class system and re-acts upon it. In relation to this latter point, the building of fictitious capital (corporate and state debt) has a non-fictitious impact on the working class (the working class is made to pay for the debts) and it raises in absolute terms the share of surplus value accruing to the bourgeoisie.⁷¹ Money is a measure of value brokered by the classes in charge to regenerate the social conditions for accumulation.

It is necessary for our purposes to examine the conditions that call for the development of the exchange of labour services for a money-wage from the internal relationships found in the creation of both labour power (itself a commodity) and commodities. This allows for an understanding of the proletarianisation process as part of the crisis of capital manifest primarily in a crisis of overproduction. One needs to know how these internal contradictions become mediated and resolved, not in thought, but in their actual course of development within a specific social relation, which is broadly defined as capital. Hence, the long standing immiserisation of the rural area and its economic quarantine may be attributed to the predicaments of capital accumulation. The extreme political measures imposed to limit the economic potential of the rural area in order to make labour superfluous to it are, in part, the outcome of contradictions peculiar to the crisis of overproduction and its alter-image, under-consumption. The destruction of small ownership rights and the socialisation of the rural labour force de-valorise labour and slam shut the door of re-absorption into activity that might through the production of cheaper foods for sustenance provide autonomy for huge sections of the working class. The aim of capital has been to create permanently redundant labour, which as Marx notes, becomes part and parcel of the material of capital. The disarticulation resulting from the

growing redundancy and the associated social rifts deepen labour force differentiation, an indispensable condition of accumulation.

Thus far, three interrelated issues arise from posing the problem in this manner.

The first is that exchange mediates a contradiction between socially necessary labour, which is value, and use-value. The greater the contradiction between these two categories, the greater will be the necessity for exchange. In the context of migration, as will be seen in the next section, the higher the rate of pauperisation of the countryside as a result of its low share of income and when not receiving enough to reproduce itself, the higher the rate of its social dislocation. As mentioned earlier, the share of income of this and other sectors is decided not by productivity but in the course of the political struggle.

Secondly, the valorisation of use value in a process of exchange determined in a class structure has an implacable bearing on alienation. The expanse of alienation will be determined by the extent to which the working class is co-opted, and the extent to which the commodity produced by labour stands above and rules over labour, (the fetishism of commodities side of the Marxian argument). That labour power comes to stand above labour, in a crisis-pervaded context, amounts to complete alienation and the commoditisation of human life. Man becomes commodity or the dispensability of the labour power that the labourer holds, begins to determine the fate of the labourer. The separation of labour power from the labourer in an Arab-despotic context culminates in an increasing rate of extirpation and socialisation. It is not the individual who will be left with a choice to migrate or not; the class in power adopts choices in relation to the magnitude of the reserve army of labour and its bearing on the rate of accumulation.

The third issue is that of the money form. Although a universal equivalent which resolves the contradictions arising in exchange, it hides within it the breadth of antinomies in the social system. In particular, by generalising wealth in the form of money, capital further ties the reproduction of the rural land-owning class to its industrial counterpart. Thus the proletarianisation process occurs not only through the austere measures imposed from outside, but also by the repression of the collaborationist land-owning class whose mode of wealth accumulation depends on money earned from cash crops. Equally important, money becomes an additional instrument by which the reproduction of capital determines the social wealth devolved to each of the social classes in the rural areas. The mystique of the price system and a rationing of the supply of money

to rural areas combine to squeeze the rural working population. Through money/price reification, the class in power reinforces the rate of exploitation and the rate of impoverishment necessary to create excess labour.

The question as to why there is uneven development in this union of modern and less modern sectors appears, from an analytical perspective, to represent the duality that defines the boundary of the subject. Knowing their differences appears to explain proletarianisation and migration. However, upon a closer reading, these two different sectors are separate as well as united. The political hegemony exercised over the rural area links it to capitalism not via the trade in commodities/labour route alone, but, primarily, by a social relationship, which is capital. Capitalists acquire territory to engage it in capitalist production. The hegemonic relationship is essentially an extension of the social relationship of central capital into the hinterland. Capital, as per the Marxian conceptualisation, is not a physical thing, but a social relationship. It matters little if the majority of the rural sector was unemployed or employed. A high rate of unemployment is not what characterises a capitalist or pre-capitalist formation. Capital as self-expanding value requires the engagement of all resources in the process of profit-driven production. However, because accumulation is profit driven, idle resources also form part of the material of capital, hence, the vastly idle rural counterpart. Insofar as the rural sector is socially and politically subjected to the diktat of value forming central capital, one ceases to observe separateness between two morphologically different rural and urban entities. The capitalist sector *sublates* the pre-capitalist sector.⁷² It stands to reason therefore that any policy will have to address the leading social agency of the modern sector and its subordinate ally, the rural land-owning class, which together pauperise rural areas.

XI. The More Concrete Situation

Although Arab countries are broadly diverse, the recent history of economic growth in the Arab world can be characterised by three distinct periods: a period of high growth driven by comparatively heavy government intervention beginning in the early 1960s and ending in the early 1980s; a period of low growth typified by collapsing oil prices, free market reforms and gradual structural adjustments ranging from the early 1980s until the early 2000s; and a period of high oil prices and highly inequitable growth beginning in the early

2000s; If anything, vulnerability to external shocks in the Arab world was and remains part and parcel of the growth mechanism.

Until 1977, real per capita income in the Arab world grew at about the same rate as that of East Asia in its heyday. However, since then, East Asia's income grew at a rate that allowed its per capita income to triple by 1996, while on average per capita income in the Arab world stagnated or declined as of the mid-1980s. The retreat could not be fully attributable to oil prices or revenues, since the latter declined once and started to rise again as of the mid-1980s. Successive Arab defeats in wars against the US and Israel, a comprador ruling autocracy, and imperialist oil control and grab, represent the core reasons for Arab retrogression. The state was gradually stripped of sovereignty whose substance is working class security, and subsequently, autonomy over policy. This failure of the state constituted a failure of development. Swings in the regional business cycle could be attributed to pressures arising from external forces, and not to forces generated *causa sui* by the economy's internal mechanism. The business cycle of the Arab world therefore, represents a case of a "political cycle" or one mainly determined by imperialist hegemony. Oil prices and revenues are relevant to development only insofar as they exceed the costs of political tensions, and that too only in a state that mediates the interests of the working class; that is a far-fetched supposition. Civil wars and the rise of a political Islam that ordains the wrath of the labour process as a natural occurrence are marring the landscape after the Arab uprisings. Oil revenues in oil abundant states act as regime stabilisation measures rather than development tools. Unless Arab Spring, springs measures that would empower the working population by direct redistribution and land reform, development will continue to be a case of de-development.

From the early 1980s, a social metamorphosis has transpired in the Arab world with the onset of the neoliberal age, its capitulation to imperialism, and entry into inauspicious trade treaties with the rest of the world (the structural terms of surrender to imperialism). The process of deepening the ideological rule of capital gained grounds after the collapse of the Soviet Union across the globe. People became increasingly divorced from their previous means and ways of making a livelihood and driven into poverty without a socialising ideology of resistance. They were socialised and deprived of the ideological and organisational means to develop a framework to meet the requirements of livelihood by more equitable social standards. Depending on the estimate that one adopts for the growth of population in the rural sectors, anywhere between 70 and 100 million people left the countryside to the cities.⁷³ So much so was the exodus from the

countryside such that the UN began addressing the issue of an ageing demographic profile of the rural population in the Arab world.⁷⁴

Table 2: Rural and Urban Populations of Arab Countries, 1980-2020 (Percentages)

Country or territory	Percentage of rural population					Percentage of urban population				
	1980	1990	2000	2010	2020	1980	1990	2000	2010	2020
Arab region	56.1	50.2	46.3	42.6	38.6	43.9	49.8	53.7	57.4	61.4
Algeria	56.5	48.6	42.9	37.4	32.5	43.5	51.4	57.1	62.6	67.5
Bahrain	19.5	12.4	7.8	5.6	4.7	80.5	87.6	92.2	94.4	95.3
Comoros	76.8	72.1	66.8	60.6	54.1	23.2	27.9	33.2	39.4	45.9
Djibouti	25.8	19	16	14	12.3	74.2	81	84	86	87.7
Egypt	56.2	56.4	57.3	56	51.8	43.8	43.6	42.7	44	48.2
Iraq	34.5	30.4	32.5	32.3	29.9	65.5	69.6	67.5	67.7	70.1
Jordan	39.8	27.8	21.3	19.9	17.8	60.2	72.2	78.7	80.1	82.2
Kuwait	9.2	5.1	4	3.3	2.9	90.8	94.9	96	96.7	97.1
Lebanon	26.3	15.8	10.3	7.9	6.9	73.7	84.2	89.7	92.1	93.1
Libyan Arab Jamahiriya	30.7	18.2	12.4	10.3	9.1	69.3	81.8	87.6	89.7	90.9
Mauritania	72.3	56	42.3	30.3	23.1	27.7	44	57.7	69.7	76.9
Morocco	58.7	51.6	44.5	38.3	33.3	41.3	48.4	55.5	61.7	66.7
Oman	68.5	37.9	24	19.2	16.1	31.5	62.1	76	80.8	83.9
Palestine	38.9	36	33.2	30	26.5	61.1	64	66.8	70	73.5
Qatar	14.4	10.2	7.3	5.5	4.6	85.6	89.8	92.7	94.5	95.4
Saudi Arabia	34.1	21.8	13.8	10	8.4	65.9	78.2	86.2	90	91.6
Somalia	77.8	75.8	72.5	67.4	60.8	22.2	24.2	27.5	32.6	39.2
Sudan	80	73.4	63.9	55	48.2	20	26.6	36.1	45	51.8
Syrian Arab Republic	53.3	51.1	48.6	44.6	39.4	46.7	48.9	51.4	55.4	60.6
Tunisia	48.5	42.1	34.5	28.7	24.8	51.5	57.9	65.5	71.3	75.2
United Arab Emirates	28.5	19.8	13.3	9.5	7.6	71.5	80.2	86.7	90.5	92.4
Yemen	80.8	77.2	75.3	71.5	65.6	19.2	22.8	24.7	28.5	34.4

Source: Department of Economic and Social Affairs (DESA), World Population Prospects: The 2002 Revision Population Database.

Unlike other regions, the Arab world is one where food price hikes immediately impact the livelihood of the working population. With the exception of Syria and Morocco, the consumed food bundle is nearly all imported and, as such, a rise in food prices can reduce income by the exact proportion of income spent on food. As noted, for half of the population, expenditure on food comprises half of income. Conflict, obviously, has a more devastating impact on the poorer strata as is the case in Gaza and Iraq.⁷⁵ For countries not experiencing balance of payments problems (the Gulf), importing food is not much of an issue since they can afford the import bill. However, the poorer economies, Yemen, in particular, faced additional debt to cover imports of basic food as agricultural production went down. As elsewhere, neoliberal trade treaties undermined domestic agricultural production, food security and national security. Altogether, food consumption per capita in the Arab world declined slightly over the past decade. With conflicts afflicting more countries after the Arab Spring, food shortages and malnutrition have become more pronounced. In Yemen, half a million children die or suffer physical and mental damage as a result of malnutrition.⁷⁶ Problems of caloric intake deficiency and hunger increasingly plague the working population in the poorer and conflict affected countries.

Arab regimes and World Bank policy makers deliberately eroded national agriculture and instilled food dependency in the rural sectors by opening up trade unconditionally, designing macro policy that accentuates unevenness and reducing investment in agriculture (see Table 2). Dependency on food imports is rising throughout the Arab world.⁷⁷ Structural adjustment and liberalised agricultural trade treaties introduced since the early eighties meant an intensification of a process of rural-urban migration and, instead of shifting resources from uncompetitive farming into areas of comparative advantage, as per the neoliberal mantra, they added to unemployment in the urban areas. The national agricultural base is no match for the protected, highly productive, and subsidised agriculture of the North. Depriving people of the independence that comes from self-sufficiency in food production is both necessary to lower wages and wear down any social base for the organisation of labour. In that sense, proletarianisation became inseparable from of the process of socialisation under capitalism or the destruction of forms of petty-private property, which is a requirement for profit-driven accumulation.

Table 3: The Agriculture Sector's Contribution to Employment and GDP (%),
(Selected countries and years)

	Algeria	Egypt	Jordan	Morocco	Syria	Tunisia	West Bank & Gaza
Employment	1977: 31 1995: 12	1976: 47 2000: 30	1979: 11 1993: 6	1971: 58 1999: 44	1970: 50 1991: 28	1975: 39 2001: 22	1980: 23 2000: 14
Value Added	1977: 8 2000: 9	1976: 28 2000: 17	1979: 7 2000: 2	1971: 20 2000: 14	1970: 20 2000: 24*	1975: 18 2000: 12	1987: 19 2000: 8

Source: The World Bank 2004, MENA Development Report, Unlocking the Employment Potential in the Middle East and North Africa: Toward a New Social Contract.

Note: * The decline of the Syrian agricultural sector began as of 2000 with the onset of the second generation of neoliberal reforms introduced by amending law number 10 on investment and the possibility of repatriation of profits by foreign capital.

Table 4: Distribution of Rural and Urban Poverty

Country/territory	Percentage of the poor in urban areas	Percentage of the poor in rural areas	Percentage of rural poor on total
Yemen	21	40	84
Egypt	10	27	78
Iraq	16	39	..
Jordan	12	19	29
Palestine	21	55	67
The Sudan	27	85	81
Syrian Arab Republic	8	15	62

Sources: The World Bank (2008); for Iraq, COSIT and the World Bank (2010); and, for Sudan, IFAD and FAO (2007).

In the past three decades, most Arab countries joined the WTO. This period represents greater openness in agricultural markets and, hence, greater susceptibility to price fluctuations and import surges. An FAO commentary on the impact of this liberal economic climate on developing country agricultural markets maintains that “[as] countries reduce tariffs and bind them at low levels, they become increasingly vulnerable to external agricultural market instability and to import surges that could destroy viable, well established or

nascent production activity.”⁷⁸ Intra-regional Arab trade is at around ten per cent of trade with the rest of the world despite a Generalised Arab Free Trade Agreement (GAFTA). A more interlocked and interdependent Arab food market provides an element to national and inter-Arab security that shifts the power platform making the base of international negotiations tilt towards Arab countries. Neither the Arab comprador-class nor their international partners would support empowering working people in the Arab world with the freedom that comes from food independence. The comprador class and its cross-border allies ensure that Arab joint and developmental treaties are unmonitored for implementation and that all integration efforts remain ineffective.

In the poorer countries of the Arab world (Egypt, Yemen, Sudan, etc., where around forty per cent of the population already suffer problems of malnutrition), the slightest decline in the level of domestic supply runs the risk of being translated into a further reduction of consumption per capita. Over the past twenty years, average consumption per capita declined slightly. Notably for the same period, the production of basic foods per capita exhibited a downward trend, and the slack in the level of domestic supply was covered by higher imports.⁷⁹ It may be argued that higher market integration, lower prices and accessibility to food supplies prevented consumption per capita from falling further, and that under more autarchic conditions, the ever pervasive problem of malnutrition could have been worse. But this leaves open many questions: principally, the question of financing continuously increasing levels of imports under dwindling saving/income circumstances and balance of payments problems. Also, in countries where food staples are subsidised, the higher prices of food of late increase the pressure on the fiscal deficit. As things stand, average growth in GDP per capita in most Arab countries has stagnated (over thirty years and as of 2002 it rose in a highly unequal way, but the overall average is closer to zero per cent) and, more importantly, the incomes of the working population fell progressively. According to the Texas income inequality database, the Arab world exhibits the highest inequality in income globally.⁸⁰ The current account deficit, of which food imports represent a relatively significant portion, has widened for the poorest countries. Together, income inequality and balance of payment vulnerability put the working class in a more precarious position.

Table 5: Developments in Arab Agricultural Trade

(Millions of US dollars)

Year	Exports	Imports
2001-05	28894	32756
2007	15129	52535
2008	18367	65278

Source: Arab Organisation for Agricultural development, Statistical Abstract, No. 29.

Are these declining trends in the domestic agriculture sectors of the Arab countries sustainable? The answer is definitely no, unless the working classes tolerate misery as an irrefutable act of god. A social form of revolutionary consciousness would immediately require a restructuring of ownership rights and redistribution. Seen from a legal perspective, despotic regimes prior to the Arab Spring have expropriated many farmers illegally and restitution is called for. From an economic perspective, growing market openness was supposed to release resources from low productivity sectors and sharpen the comparative advantage edge of better performing economic undertakings. However, the only relevant sector remains oil and Arab countries are still far from reaping the full benefits of trade. The combined impact of declining overall economic performance and balance of payments accounts imply a quasi-permanent dislocation of domestic labour and resources. Labour released from sectors rendered uncompetitive by an imbalanced pricing arrangement, in particular subsistence agriculture, finds itself adding to problems of urban unemployment. This is a problem all too well known in many parts of the developing world, but it assumes a distinctive character in the despotic political environment of the Arab countries.

On the policy side, higher economic growth may represent the target measure par excellence. At one extreme, no matter what the costs of maintaining food consumption and raising caloric intake are, a rise in income commensurate with the rising costs of food imports provides enough leeway to render any food policy successful. But that is a hypothetical case of 'income effect.' Incomes in the Arab world, supported by high oil prices since 2003, rose steadily; yet poverty and malnutrition were also on the rise in the more populated countries.⁸¹ The growth strategy does not tally with the needs and the poverty of the poorer group of food import-dependent Arab countries, e.g. Yemen, Mauritania, Somalia and Sudan. Under more realistic projections, even higher than observed rates of growth may not offset the decline in the domestic food sector without a process that involves social restructuring and more egalitarian distribution.

The anomaly, not only in the Arab world, but also globally is the case of the Gulf States. Notwithstanding the national security aspect of food-import dependency, Gulf countries can import as much food as they desire given their trade surpluses. It is worth noting tangentially that national security in Gulf countries is independent of the governments in the Arabian Peninsula and is handled by the US in relation to its oil control strategy.

Initially, low productivity in Arab agriculture has had historical roots relating to colonial neglect and antiquated technology. Arab countries emerged outside the embryo of an industrial revolution and, apart from the early phase of post-independence reconstruction, they persisted in a path of relative underdevelopment bolstered by lopsided trade treaties. Consequently, their productive capacity suffers from a compounded historical bias (deconstruction and low capitalisation by the comprador classes reinforced by imperial fiat since 1980). What is also disconcerting is that there are indications that food-importing Arab countries, especially the poorer group, are becoming progressively more susceptible to production shortfalls than they were in the past. The possible combination of conflicts and production shortfalls opens the gateway to lower food consumption levels per capita and accentuates the problem of malnutrition. And, although linear trends can only be formally indicative of things to come under unchanging conditions, the trajectories of imports and exports per capita foretell of growing dependency. At around the mid-seventies, domestic basic food production in the poorer Arab group represented more than half of total domestic consumption. At the present rate of decline in output and, under constant conditions, by the year 2020 it will represent less than a quarter of consumption. Maintaining the rate of consumption (food use) at the present level necessarily implies that the volume of imports will have to rise at a slightly higher rate than that in the nineties. In a nutshell, if the poorer working strata are to maintain a steady level of food consumption per capita, more food will need to be imported because the rate of decline in food production is not fully countervailed by the rate of growth in food imports. And when so much of the food bundle is imported, the two-dollar benchmark of poverty becomes meaningless. Food speculated upon and priced in dollars and paid for in the local currency will raise the share of income going to food consumption by the exact proportion of rising food prices in the dollar. That is why subsidies represent an indispensable instrument of stabilisation given that food prices have been subjected to speculation and have been fluctuating so violently of late.

Would it take much to raise per capita consumption and alleviate malnutrition under the existing structural framework? It should not because the hand-out amount represents a small share of the budget. But the amount of cash it takes or the logistics of food delivery that are needed to alleviate hunger and malnutrition are not the reason why these problems are not being solved. Hunger, malnutrition and food intake deficiency are a rudimentary part of the social control structure needed to maintain the labour process tailored for capital accumulation both nationally and globally. A reversal of malnutrition requires a volte-face in development policy and the faulty macroeconomic performance associated therewith. Under more realistic projections, even if poorer Arab countries experience moderate to high rates of growth without balancing and redistributing the growth across social strata, with particular attention paid to the expansion of the basic necessities sector, this will not offset the rate of decline in the domestic food sector and the need for more imports in the intermediate term. Under structural adjustment, economic growth came to be based on yet more unbalanced sectoral performance. Hence, the present structure of these import-led economies is more conducive to food dependency because it tends to favour primary sector exports or cash crops at the expense of the basic food sector.

The net result of these conditions, in addition to forcible expulsion from the land, has been an intensification of the proletarianisation process. This is not a case, however, where migration takes place as a result of an innate characteristic of the system and wherein an individual chooses to move because the accumulation of capital in urban centres necessitates the exchange of commodity for labour services. The primacy in this historical process is that imperialist hegemony, including wars of aggression, necessitates the creation of indigent and dispossessed labour. The principal features of this process insofar as proletarianisation is concerned are the following.

- I. The expansion of capital into the rural areas requires the reproduction of cheapened labour from the Arab rural areas. The extirpation of farm labour is practiced by the imposition of restrictive measures on agriculture, and by the politics of forcible dislocation.
- II. In contrast to the ongoing premise of structuralism, the rural areas are – by the extension of imperialist hegemony articulated with the demands of capital – have undergone significant transformations and are not pre-capitalist.

- III. The relationship of labour transfer to the urban centre came into being as an exchange relationship under imperialist hegemony and contradictory conditions existing separately within each social formation. Cross-sector class alliances and the violence of class politics exacerbated rural abjection.
- IV. The social costs of reproducing the migrant labour force in the rural areas cannot be reimbursed by remuneration. A deepening of the crisis of rural areas and agriculture promises to deepen the very class-based reason of proletarianisation.

XII. Resituating the Concrete

Under the combined assault of dislocation, neoliberalism and a secular trend of growing organic composition of capital, the reserve army of labour has become immense relative to the productively employed working population. The passive gains to the working class resulting from cheaper mass-produced medications and vaccines are prolonging life expectancy in conditions of historically determined poverty for the evicted peasantry. The social repression attendant upon the wage system regulating the quality of life and reproduction of the working class needs not solely accelerate the pauperisation of national labour, it has to cheapen it as well, as a precondition for the creation of value generated by absolute means. Additionally, it has to flaunt the indigent labour of the rent-based Arab formation so as to contribute, by the demonstration effect, to hollowing the power of the proletariat nationally and globally. As evidenced by conditions in war-torn least developed countries, the horrors of a labour process in which the wage system is devoid of labour representation, in rent-based entities, operate at higher intensity through the venue of forced expulsion, violence and dislocation. Furthermore, the share of wages accruing to the working class is reduced by outright repression and the political fragmentation of the labour force. The pauperised working class in turn diminishes the sovereignty of the rent-based state through its insecurity. In the organic totality that is capital, the social mechanism deployed by empire drains not only the social product, but metamorphoses into a self-reinforcing process to which each historical moment contributes to vaunting the ideological construct of capital.

In the Arab world, higher urban wages are not the cause for uprooting labour. There are two potent mechanisms at work displacing labour in the Arab world:

- I. Firstly, the politics of imperialism expressed in the economics of the relative and absolute impoverishment of the peripheral areas; and
- II. Secondly, the nearly complete integration resulting from the imposition of economic union via neoliberalism and open trade treaties.

The urban sector is the sole survival space available after the asphyxiation of rural life. Socialised rural Arab labour, which does not own the means of its own reproduction, experiences misery after displacement to rural areas as well. More importantly, the undercapitalisation of the hinterland, at both the social and infrastructure level, implies a degradation of the rural conditions of life such that remittances in wages can do little to redress the loss. Persistent poverty, uneven development and depletion of labour force from the rural sector are proof that remitted wages do not offset the lost value from the countryside. The low share of income accruing to the rural sector is related to the way this sector was integrated nationally and globally and the class power-rapport behind this integration. On the surface of things, the income of the employed and unemployed of the rural sector falls to such low levels that urban squalor appears better. Below the surface, there were social forces at work undermining rural development at every stage. Policies of rural deprivatisation are pursued to reconstitute the grounds for the creation of indigent labour. Excess labour lowers wages across the board in rural as well as urban sectors. As for the subsidiary wages of the rural industry which is interconnected with the urban sector, they tend to equalise at lower levels by the effect of labour's fragmentation and the common market. These rurally-based industries however are too small to have a far reaching impact on development.

In the midst of encroachment by militarism, mechanisms displacing labour become all the more evident through war or the continual threat of war. In this context, war is the rule rather than the exception. In imperially integrated rent economies, the creation of value does not arise so much from the engagement of labour in production as from its disengagement, weakening and fragmentation. In Arab formations interlocked with global capital via oil rent and the encroachment and militarism side of accumulation, value is generated by raising the oppression attendant upon the labour process: first nationally, through a lower wage share

that allows the comprador class to divest more of the rent abroad; and, secondly, by the rate at which human life is commoditised and made dispensable reducing universal ideological support for global labour. A hungry, dispossessed and disempowered working population cannot negotiate the condition of its livelihood. The terms of power, reflecting class power, which underlie the terms of trade and the grabbing of resources for maintaining the rate of global accumulation are reproduced by all forms of aggression, including war, and the policies of rural pauperisation. Notwithstanding the enforced public to private transfers under neoliberalism, wars act as the ultimate instrument of encroachment by which resources and labour are forcibly engaged in the formation of value.

This displaced labour contributes to value creation not only by value-added work activity, but more so by virtue of its very abjection.⁸² In the historical and organic process of wealth creation, all the moments of the totality, all types of and the very mass of labour, contribute to value directly or indirectly by structurally influencing the production process. That is why despite poverty taking little in monetary terms to eliminate, no effort will be made to end it. On the contrary, the intensification of abjection contributes to wealth creation by forcing wages downwards and determining the rate of surplus necessary for the reproduction of labour under the rule of capital. In a crisis of overproduction where financialisation elevated the snatching of wealth in money form to the ultimate mode of capital-concentration, there is no need to engage excess socialised labour in low-return production efforts; its very presence in the form of excess labour makes it part of ‘the material elements of variable capital.’⁸³

The greater the social wealth, the functioning capital, the extent and energy of its growth, and, therefore, also the absolute mass of the proletariat and the productiveness of its labour, the greater is the industrial reserve army. The same causes which develop the expansive power of capital, develop also the labour power at its disposal. The relative mass of the industrial reserve army increases therefore with the potential energy of wealth. But the greater this reserve army in proportion to the active labour army, the greater is the mass of a consolidated surplus population, whose misery is in inverse ratio to its torment of labour. The more extensive, finally, the Lazarus layers of the working class, and the industrial reserve army, the greater is official pauperism. This is the absolute general law of capitalist accumulation.⁸⁴

The juxtaposition of Arab proletarianisation with English primitive accumulation in the past should not be taken literally. Later developments in theory projected the continuation of primitive accumulation as imperialist encroachment in the colonies. Marx's analysis is nevertheless useful for highlighting the organic interrelation of the release of wage labour into the labour market and the profit-determined production process itself. The further integration of capital through increased financialisation under neoliberalism accelerates the rate at which the operation of the absolute general law of accumulation proceeds. One caveat is called for concerning the raw material-exporting periphery of the Third World. Values generated in peripheral formations are formed by violent social processes and are transformed into prices within a disproportionate class and power context. By tearing apart old ways of maintaining a living, inflating the ranks of the unemployed, snatching Third World resources and driving people into abjection, capital boosts the profit rates, now reported on a quarterly basis in the age of financialisation. The politics of dispossession and imperialist aggression come to mediate the growing rift between private gain and the redistribution of value in a complex global production structure. The more acute the contradictions, the greater would have to be the pauperisation and compromise of securities of developing nations before they are deprived of their national resources. More pertinently, as control of oil becomes more vital to maintaining the imperial stature of the US, aggression against working people in the Arab world is likely to intensify.

XIII. A Short Note on Class

In the state of rural poverty of the Arab world, the concept of 'primacy of politics' acquires more poignancy since these rural formations matter more in how they further imperialist interests through their own immiserisation rather than in how their development might add to value or wealth. This being so, any revalorisation of the rural sectors will require a shift in the balance of forces and a set of expansionary policies financed in relative autonomy and in independence from the shackles of the international financial architecture. In other words, the ruling nationalist classes have to ration their interests by limiting their own integration with world capital. The rate of wealth accumulation of the national bourgeoisie has to be capped by a ceiling which re-circulates much of the social product within the national economy – a constraint which demolishes the very *raison d'être* of a comprador ruling class. Hence, for any rural developmental and anti-imperialist agenda to be put into effect, the class structure of the state will need to be composed of a

domineering labour component or include higher labour representation mediating the aspirations of the working class.

The notion of a working social class in the Arab world, however, is made to appear elusive when it should not be so. In the Marxian definition of classes, there is, to begin with, a prevalence of class relationships over a social class. Social classes cannot exist outside class relationships that tie them together and analysis of class in diverse formations must begin at this point. It is within these relationships that class structures, including their history and evolution, are constituted. What a class is and does depends on where it is situated in relation to other classes, foremost in which, is its relationship to imperialism. The structure of classes, or the set of relationships between classes, is decisive in determining the essence of a social class. In other words, classes are a macro-sociological personification of relations between classes including their subjective, cultural and symbolic dimensions. These relationships between classes are founded upon social relations of production, which are capitalist and will have to be defined in their specificities and development. Here the specificity is the rent-based formation in the Arab world, in which the alliance of the ruling class is composed principally of an alliance that involves subservience of the Arab autocracy to the international financial elites. To the extent that these relationships between classes rest upon relationships of production, they are essentially, but not exclusively, relationships of domination, exploitation and imperialist control. The imperialist assault and control element is a determining moment, holding primacy in view of the ebbing of socialist ideology. In these social relationships of production, owners organise not only their relations to the means of production but also distributional arrangements in relation to the pace of capital accumulation. This is the organised dimension of capital or a political process mediating the growing scope of capital in which state power represents the key articulating moment. Working classes in relation to the dominant class maintain their organisation, anti-imperialist struggles and experience, which influence the cohesion of the working class a whole, including the peasantry.⁸⁵

In a specific Arab context, Shiite/Sunni, Palestinian/Jordanian, Arab/Berber, and historically shifting notions of identity are often presented by the orthodoxy as constituting fundamental divisions crisscrossing classes and other fault lines of bonding and organisation. They are taken as evidence that the cultural/tradition-based determinants of 'class' are more pronounced than economic ones, as if the economic determinants are locked into a competitive game with traditions. Seen by the end that this language serves, one may

discern that social science is purposefully debased to suit imperialist doctrine. This discourse means to divide the working population. However, in these cultural/tradition-based definitions of class, cultural characteristics could easily proxy for genetic differences. Notwithstanding that cultural demarcation lines are arbitrary and set according to shifting ideological forces, individual acquisition of specific economic and cultural qualities would weigh in on matters to decide where one is situated in the class system. In a perverse manner, the atomised approach to class asks not what a class devolves to the individual; it instead queries how the individual through personal endeavour and attainment of certain economic and cultural values would come to belong to one predetermined class or another. Class is operationally turned into a club to which people with similar characteristics belong. Class would then change by the degree of changing individual characteristics to the point where it would cease to exist given the endless demarcation lines that could exist between one set of people and another. Class becomes a concept which is defined in relation to the ideological power of capital. In the state of retrogression in which social ideology in the Arab world and elsewhere finds itself in, the collapse of class into sect and ethnicity appears quasi-permanent.

Class is not the sum of various characteristics common to many people. Class exists in relation to other classes and as a relationship to property in which legal arrangements enact the division of labour by the prevailing balances of the political structure. At a very abstract level, it is the mediation of a particular state of being materialised in the more general political form. These characteristics in their commonalities and differences are the outcome of the degree of cohesion in a class and balance of forces, including ideological ones, within a political structure. Class as a political expression is what constitutes a historical process. It is the dialectical genus in the relationship of capital and a subject of history in which the reproduction of social conditions is *materially* determined. Various attributes and qualities are devolved to social groups in relation to the outcome of class struggle. A class therefore is not the sum of common characteristics; it is the process that divulges the manifold social characters that exist in relation to itself. The repression endured by the working classes in the Arab world in relation to imperial oil control, emerges as a state of disarticulation between social condition and consciousness. A 2007 report by the International Trade Union Confederation, for instance, indicates that ‘workers in the Arab region still have fewer trade union rights than anywhere else in the world.’⁸⁶

Arab formations are oil-rent determined. The classes to which oil is of relevance are world financial capital. The relationship of oil-rent to class is extra-national and construed by a constellation of global powers to ensure the disempowerment of Arab working people. Thus, while working class differentiation under the barrage of the ideology of capital in terms of religion and other cultural categories is pursued everywhere, the rent component and imperial rent control splinter more profoundly the intersection at which the social condition meets political action. But that people in the Arab world do or do not identify politically in terms of a social class, is far from exceptional in a comparative sense. And much like others, they do not exist socially outside the class system as well.

In as much as there are precarious and divided classes, there are also cases of cohesiveness and revolutionary thrust. Just prior to the uprising for instance, strikes by Egyptian El Mahalla Workers and the Tunisian General Labour Union (UGTT) represented poles of resistance around which working class solidarity formed and unified a spectrum of diverse pauperised strata.⁸⁷ Only later did political Islam, which was groomed for the transition, appears as an organised force in the public space. The Islamic political expression in this case was not univocal and it remains contingent upon the available instruments and opportunities which arose in relation to tacit support from imperialist quarters whose aim is to debauch the egalitarian aspects of the revolution. It is not the existence of a social class that should come into question; it is which kind of political action is forming in relation to the assault sustained by working people in the Arab world and, more importantly, in relation to imperialism.

XIV. A Closing Comment

Around a third of inhabitants in Arab cities are newly arrived rural migrants. Most of the migrants engage in informal and poorly paid activity. In the shanty towns, where the social services of the state were cut back, a selected group of NGOs caters to the migrants. These are for the most part civil society institutions of Islamic orientation. With the ebbing of social ideology, the migrants were subjected to the doctrine of political Islam that indicts corrupt individuals but not the context in which these individuals operate, which is capitalism. The security apparatus of Arab regimes, or the only effective state institution, was careful in its choice of malleable civil society operatives. More radical groups were constricted, while those who did

not question the basis of peripheral capitalism were fully operative. In Egypt, for instance, it was Sadat who cohabitated with the more docile elements of the Moslem brothers pursuant to the bread riots of 1977 and, for some time prior to the uprising. Western-compliant sections of the Moslem Brotherhood were fully functional under the auspices of American NGOs. Political Islam eschews the notion that peripheral capitalism develops in severe crisis and that the process of disengagement and expropriation are inherent to it. The peasant property, which was forcibly expropriated and had become the property of the elite, will acquire under democratically elected political Islam a divine right and become sacrosanct. The principal policy tools that would rebalance the demand side of Arab economies, which are redistribution and land reform, have been subjected to a *coup de grace* by 'divine fiat.' A democratic process bereft of economic and social rights has delivered a post-US-invasion-Iraqi-type democratisation. Redressing extirpation of the countryside, therefore, is chiefly and once again, a matter of political struggle.

In view of the organic interlocking of the global economy, apolitical policy prescriptions of a post-Keynesian kind to rebuild Third World agriculture ring hollow. More expansionary fiscal and monetary policies, building linkages between agriculture and non-agricultural sectors, greater investment in research and development (R&D) in agriculture to meet sustainability, increased public investment, public-private partnerships, and integration of regional agricultural policies into national development strategies, and the farcical request to remove OECD agricultural subsidies are meaningless without tipping the balance of power structures and restraining the comprador bourgeoisie. By restraining, we mean allowing its expansion to proceed only in rationed money form denominated in national currency without the capacity to transfer national currency through open capital accounts. Foremost in such policies are multiple exchange, interest rates and partial barter trade to resituate the rules of the game in favour of the distraught sectors of the economy.

What is absurd about the seemingly innocuous Keynesian/post-Keynesian recipe for developing agricultural sector deficiency is the demand to create an international lending mechanism to ease the liquidity constraints on net food-importing developing countries. Notwithstanding its imperialist substance – the West lends money to the poor so that they can buy its agricultural produce, these supposed cures conceal the fact that any form of monetary intermediation with the imperialist centre aims at further social dislocation in the

periphery. It sugar-coats financial relationships, making them appear as if they are some form of benevolent aid and dressing them in second-hand 'pro-poor' sentiments. There is room for reform only insofar as the requirement of global capital accumulation is taken as a totality and does not raise the standards in one corner of the Third World at the expense of another. Reform in this post-Keynesian panacea is possible only when the interests of the poorest countries tally with the outcome of reform in any other middle income country. Thus far, middle income countries are being placated by the extent to which misery and war plague the lowest echelons of the international division of labour (e.g. Yemen, Somalia, Mauritania and Sudan).⁸⁸ Without mention of the centrality of class antagonisms, these post-Keynesian mantras obfuscate and strengthen the ideological hold of capital. They represent a way for the organised dimension of capital to manage accumulation by the extent of repression inflicted upon the *lazarus* sections of Third World labour. In the growing crisis of capital, the national anti-imperialist position is cogent according to the extent to which it tallies with the interests of the *lazarus* layers of Third-World labour.

The socialisation of propertiless peasants entails socialising the labour process and accumulation. This issue is relevant insofar as the structural class transformation dependant on a broad working class alliance may engage this *Lazarus* class into the socialised production process and forms of social property that would generate commitment and high output in the transitional periods. Insofar as the social organisation of the agricultural sector is concerned, two points arise from the foregoing: first, there has to be a reinvention of a price system revalorising labour and capitalising the countryside (with price guarantees and subsidies being part of that); and secondly, through socialising agricultural property in collective or a small-owned farms in such a way as to ensure that the social interest aligns with the private interest (land reform that combines productivity concerns with personal incentives and welfare). At the national level, retaining the social product for recirculation within national borders involves multilayered price engineering that ensures exchange and interest-rates policies locking in resources and an inter-industry price system enhancing output (regulated inter-industry prices). At a subordinate agricultural sector level, guarantees for agricultural output, financing for agriculture at concessionary rates, and integrating agriculture into the economy via increased investment represent the leading indicators that need to be observed.

The fact that commodities can stand above people and dictate the allocation of resources stems from the way use value is valorised by a class structure that pits it against socially necessary labour. When alienated labour power stands above the labourer and rules over him, at a time when superfluous labour is made perennially redundant by new technology, the issue cannot be solved by appealing to humanising the labour process. The labour process in the monopoly phase of capitalism cannot be humanised. And redundant labour contributes to accumulation by its very redundancy. By metabolising man and nature in an organically interrelated process, the reserve army of labour becomes increasingly part and parcel of capital. What has to change therefore is the mode of accumulation, the class structure and the rate of surplus socialisation both at source (initial wealth redistribution) and end product (taxing higher incomes).

The present revolutionary movements in the Arab world have called for no such policies. The same rules governing the accumulation of capital which have created the social calamity prior to the uprising remain in place. Imperialist strategy continues to aim at further deconstructing any food and working class security, hence producing and cheapening landless farm labour. To reverse this requires the elaboration of alternative forms to empower the countryside and agriculture, and to redistribute social property to the dispossessed of the Arab world.

Notes

- * This essay was presented at the Workshop on 'Agriculture and Food Production in the Shadow of the Arab Oil nomy,' Amman, Jordan, 28 January, 2012. The author is indebted to Prof. Martha Mundy for useful comments. The usual caveat applies.
- ¹ These are very conservative estimates based on fixed coefficients of population growth and rates of rural-urban migration. These estimates do not include migration outside the Arab world. A middle-range estimate would put this figure at around one hundred million. The rationale for the calculation has to do with the constancy of certain rural population characteristics. "In most Arab countries, there has been little change in rural fertility in the past and the prospects of its appreciable drop in the next 10 years are remote; despite a fall in infant mortality rates in rural areas, life expectancy is not projected to increase significantly in most rural populations of the region, major declines in both fertility and mortality in Arab countries have been largely limited to urban areas; and in the absence of reliable data, the best and perhaps the safest course for making rural population projections by age is to assume a constant rural population age structure for the period 1980-2015.' Source: United Nations (2008), *The Demographic profile of Arab Countries Ageing Rural Population*.

- ² KILM, ILO, Various years.
- ³ Almouwahad, Ataqir Al-Arabi (2007), Unified Arab Report, League of Arab States.
- ⁴ http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/05/27/00001843_20110601143246/Rendered/PDF/P126506000AWIFS000PID000Concept0Stage.pdf
- ⁵ Fifteen deaths around the bread queues were reported. <http://www.dailystaregypt.com/article.aspx?ArticleID=12537>
http://www.nytimes.com/2008/01/16/world/africa/16iht-bread.4.9271958.html?_r=1
- ⁶ Boudroua, Ahmed (1986), Outlook for Industrialization of the Arab World, *Journal of Asian and African Studies*, Volume 21, No. 1-2, pp. 32-43(12).
- ⁷ ILO, KILM, Various years.
- ⁸ Kadri, A. (2012), 'Unemployment in the Post-revolutionary Arab World', *Real-World Economics Review*, Issue No. 59, March.
- ⁹ The accumulation of capital has an inbuilt tendency through technological improvement to homogenise the returns to labour. Capital must exert counter pressure to fragment labour by creating the social conditions that differentiate the labour force. Marx, K. (1867), *Capital*, Vol. 1. <http://www.marxists.org/archive/marx/works/1867-c1/ch19.htm>
- ¹⁰ Marx, K., *Capital Volume I*, <http://www.marxists.org/archive/marx/works/1867-c1/ch32.htm>
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- ¹² Luxemburg, R. (1913), *The Accumulation of Capital*. <http://www.marxists.org/archive/luxemburg/1913/accumulation-capital/index.htm>
- ¹³ Louise Rouge (2005), Times Staff Writer, June 16, 'Iraqis Endure Worse Conditions than Under Saddam, UN Survey Finds', by Chris Shumway, The Standard, 2005-05-18; and, 'Daily Living Conditions in Iraq Dismal, UN survey Finds', UN News Centre.
- ¹⁴ UNESCWA (2008).
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- ¹⁶ Ababsa, M. (2006), Contre-réforme agraire et conflits fonciers en Jazîra syrienne: 2000-2005, *Revue des mondes musulmans et de la Méditerranée*, No.115-116, *La Syrie au quotidien, Cultures et pratiques du changement*, Décembre, pp. 211-230.
- ¹⁷ Bush, R.C. (2007), 'Poverty and Neoliberalism: Persistence and reproduction in the Global South,' Pluto Press.
- ¹⁸ Egypt: Nearly a Third of Children Malnourished, by IRIN. <http://mrzine.monthlyreview.org/2009/irin081109.html>.
- ¹⁹ According to H. Kishk (National Centre for Social Research, Cairo), less and less of the dietary intake of the peasants in Egypt was produced on the farm. As a higher share of food was to be bought at world market prices, the peasantry, forced by this measure along with other draconian laws de facto dispossessing it from ownership of farming, undertook a gradual exodus from the land. H. Kishk speaking at the 'Agriculture and Food Production in the Shadow of the Arab Oil Economy,' Amman, Jordan, 28 January, 2012.
- ²⁰ Tapinos, G. (1974), *L'économie des migration internationales*. Les presses de la fondation nationale des sciences politiques, Paris, p. 29.
- ²¹ <http://www.marxists.org/archive/marx/works/1867-c1/ch32.htm>
- ²² <http://www.marxists.org/archive/marx/works/1867-c1/ch32.htm>

- ²³ Lewis, W.A. (1954), 'Economic Development with Unlimited Supplies of Labour', Manchester School, and Fei, J. and G. Ranis (1961 and 1963), 'A Theory of Economic Development', *American Economic Review*.
- ²⁴ Todaro, M. (1981), *Economic Development in the Third World*, Longman Inc.
- ²⁵ Lewis, W. A. (1976), *Employment, Income Distribution, and Development Strategy*, Macmillan Press, London, p. 27.
- ²⁶ *Ibid.*, pp. 26-27.
- ²⁷ Todaro, M. (1969), 'A Model of Labour Migration and Urban Unemployment in Less developed Countries', *American Economic Review*, pp. 138-148, March.
- ²⁸ Todaro, M. (1976), Internal migration in Developing Countries, International Labour Office, p. 37.
- ²⁹ Harris, J. and M. Todaro (1970), 'Migration, Unemployment and Development: A Two Sector Analysis', *American Economic Review*, 60, pp. 126-142.
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- ³² Todaro, M. (1976), 'Internal Migration in Developing Countries', International Labour Office, p. 43.
- ³³ Bhagwati and Srinivasan (1974).
- ³⁴ Stiglitz, J. (1982), 'The Structure of Labour Markets and Shadow Prices in LDCs', in *Migration and the Labour Market in Developing Countries*, ed. Sabot, R., Westview, p. 37.
- ³⁵ Fields (1975).
- ³⁶ Sawyer, M.C. (1985), *The Economics of Michal Kalecki*, Macmillan, London.
- ³⁷ Generally, the widow's curse is understood as a case where workers spend what they earn and capitalists earn what they spend.
- ³⁸ Marx, K. (1958), *Marx's Economic Manuscripts of 1861-63*, Part 3, Relative Surplus Value, Formal and Real Subsumption of Labour under Capital, Transitional Forms, *MECW*, Volume 34, pp. 93-121, Progress Publishers.
- ³⁹ Lall S. et al (2006), Rural-urban Migration in Developing Countries: A survey of theoretical predictions and empirical findings, *World Bank Policy Research Working paper*.
- ⁴⁰ C. Mueller was the first to introduce elements of observable and unobservable personal and place attributes into the individual's utility function as explanatory variables, and indeed, finds them to be significant. Mueller, C., *Economics of Labour Migration: A Behavioral Analysis*. In another work by O. Stark the presence of imperfect financial markets in the rural areas may in fact be conducive for an individual to migrate. See O. Stark (1990), *The Migration of Labour*, Basil Blackwell.
- ⁴¹ Tunali, I. (2000), 'Rationality of Migration', *International Economic Review*, 41, 4, 893-920. Zhai, F. and Z. Wang (2002), 'WTO Accession, Rural-labour Migration and Urban Unemployment in China', *Urban Studies*, 39, 12, 2199-2217. Hoddinott J. (1996), 'Wages and Unemployment in an Urban African Labour Market', *Economic Journal*, 106, 1610-1626. Katz E. and O. (1986b), 'Stark Labor Mobility under Asymmetric Information with Moving and Signaling Costs', *Economics Letters*, 21, pp. 89-94.
- ⁴² Sawyer (1985).
- ⁴³ Long, J. and C. Plosser (1983), 'Real Business Cycles', *Journal of Political Economy*, Vol. 91, pp. 1345-1370.

- ⁴⁴ Ollman (2003).
- ⁴⁵ Hegel, G.W.F., [*Shorter Logic*, § 117n], <http://www.marxists.org/reference/archive/hegel/works/sl/slsubjec.htm>.
- ⁴⁶ Hegel, G.W., Part One of the Encyclopedia of Philosophical Sciences: The Logic' <http://www.marxists.org/reference/archive/hegel/works/sl/slsubjec.htm>.
- ⁴⁷ A.K. Davis (1983), lecture series, U. of Alberta,.
- ⁴⁸ For a simplified illustration, see Feldman (1982), p. 190.
- ⁴⁹ On one-sided abstraction I follow Ilyenkov's elaboration of the Marxian definition of the abstract. The abstract is not a trait or a characteristic common to a social condition across time. It is an aspect of the social condition within a determinate historical period. The abstract universal is not a trans-historical aspect or property of the sensuously concrete, but rather the contrary; the sensuous concrete proves to be only an abstract, one-sided 'embodiment' of the universal. 'This inversion, by which the sensibly concrete is regarded as a form of manifestation of the abstract and general, instead of the abstract and general being regarded on the contrary as a property of the concrete, is characteristic of the expression of value. At the same time, it makes the expression of value difficult to understand. If I say: Roman law and German law are both law, which is self-evident. If, on the other hand, I say: the law, which is an abstraction, is realised as such in Roman law and in German law which are concrete laws, the connection between the abstract and the concrete becomes mystical.' (Capital, Vol I, p771). See these two links for illustration: <http://www.marxists.org/glossary/terms/a/b.htm#abstract> <http://www.marxists.org/archive/ilyenkov/works/essays/essay7.htm>
- ⁵⁰ The content is defined as the set of social relations which are particular to a given historical process. The form, originates from the form of thought or idea; but here it means a partitioned historical characteristic and seminal component of content, the mediation of which into content represents the universal law which is common to social formations with different historical processes, e.g. the law of value, wage labour transformation, etc. In Hegel's logic, a law arises when the content becomes transmutable into form and vice versa. This transformation has its equivalent in the concept of becoming, which is the differentiation of the genus. In Marxian terms, it is the *mediation that results from the actual development of an object historically*. See W.T. Stace, *The Philosophy of Hegel*, Double Day, 1984.
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- ⁵² <http://www.marxists.org/archive/marx/works/1867-c1/ch25.htm#S5>
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- ⁵⁷ Althusser L. and E. Balibar (1975), *Reading Capital*, New left Books, pp. 209-216.
- ⁵⁸ Frank (1960).
- ⁵⁹ For a discussion that exposes the shortcomings of dependency, Larrain (1989).
- ⁶⁰ Lewis W.A. (1976), *Employment, Income Distribution, and Development Strategy*, Macmillan Press, London,, p. 27.
- ⁶¹ *Ibid.*, pp. 26 27.
- ⁶² Lewis. *Op cit*, p. 27.

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