

The Loan, the Witch, and the Market

Microfinance and the re-
exploitation of women

A. Cynic

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For Mindy

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Preface

This booklet began as an essay about the microlending website Kiva.org and the interest rates charged to poor borrowers by its financial field partners. It has become my attempt at an introduction to Marxian economics and materialist feminism. In retrospect, the research and writing I put into this essay (over the course of several years) were mostly to the benefit of my own learning as I sought to clarify my position on various controversies. But of course I hope I've put down a few notes of interest to other readers as well. In particular I hope the introductory material is adequately clear so that a reader previously unfamiliar with the topics discussed will be able to go on and read the works listed in [Chapter 4, Further Reading](#) if they desire (as well as the wealth of Marxist and feminist material available elsewhere).

Due to the personal nature of my methodology, the selection of sources throughout the essay follow somewhat haphazardly the whims of my curiosity rather than a systematic exploration of the issues. Although this has resulted in an essay which is clearly polemic in nature, I've tried to engage and synthesize most major positions and relevant academic treatments. Unfortunately, in an attempt to keep things concise, my impressionable voice may have adopted something of a pseudo-scholarly and arcane tone in mimicry of my academic sources. For that reason I feel I should state my main thesis in plain language at least once from the outset, and that is that most of the billions of people in the world today already do too much work, particularly women, especially in the so-called third-world or developing countries, and any scheme which promises to improve life by giving poor women *more* work to do ought to be met and examined with the utmost suspicion.

The good news is that nobody needs to read this entire essay. Each top-level section should be mostly standalone and readable on its own.

Readers only interested in Kiva should instead read my shorter essay ["Some thoughts on Kiva's interest rates"](#)

Readers only interested in an introduction to neoliberalism and Marxian economics should read [Chapter 1, Capitalism](#) but skip the lengthy [Chapter 2, Housework](#). Anyone interested in the debate over socialist markets may also want to read much of [Chapter 3, Alternatives](#).

Readers only interested in an introduction to materialist feminism should read all of [Chapter 1, Capitalism](#) or at least [Chapter 2, Housework](#).

1. Acknowledgements

This essay is less bad than it could have been thanks to Louis Burkhardt, Evan Apel, and Nate Pierce who were kind enough to read early versions of this essay and provide valuable suggestions and corrections.

The canonical version of this essay can be found at https://americancynic.net/log/2018/12/3/kivas_interest_rates/

Chapter 1. Capitalism

1.1. Microfinance as neoliberal financialization

Contemporary capitalism is financialized capitalism, and microfinance is its response to poverty.¹

— Phil Mader *The Political Economy of Microfinance*

Microloans are small, short-term lines of credit given to entrepreneurs who lack access to more traditional financial services. The goal is to improve the quality of life in developing and conflict-torn regions where it is hoped that borrowers can make effective use of even very small, expensive loans. The efficacy of microfinance at alleviating poverty has been a matter of research and debate since [Muhammad Yunus](#) founded the [Grameen Bank](#) in Bangladesh in 1983 (Yunus and the Grameen bank were jointly awarded the Nobel Peace Prize in 2006). The early anecdotal reports of success and the prospect of a business-friendly cure to poverty created an increasing excitement around microfinance for over two decades. But in recent years expectations have sobered.

Most Americans who are familiar with microfinance were likely introduced to it through [Kiva Microfunds](#), a nonprofit organization whose website allows users to provide money toward filling small personal and business loans to individual borrowers around the world. The loans are disbursed by Kiva's field partners called microfinance institutions (MFIs).

¹Philip Mader, [The Political Economy of Microfinance: Financialising Poverty](#) (Palgrave Macmillan: 2015), 1.

Despite its founders' original intention of allowing users to realize gainful returns on their loans, neither Kiva itself nor its users/lenders collect interest on loans which has contributed to the impression that microfinance is a purely philanthropic project.²

But some MFIs have shown themselves to be nothing more than predatory banks, as typified by the 2007 IPO of [Compartamos Banco](#) in Mexico which raised millions of dollars of equity for investors with its business model based on charging groups of women very high interest on microloans.

In October 2010 the microfinance industry in the Indian state of Andhra Pradesh self-destructed in a frenzied lending bubble accompanied by aggressive collection practices.³ Hundreds of suicides in the region have been linked to microfinance debt and harassment at the hands of loan agents. The Associated Press reported the following details about some of the suicides linked to an MFI called SKS:

One woman drank pesticide and died a day after an SKS loan agent told her to prostitute her daughters to pay off her debt. She had been given 150,000 rupees (\$3,000) in loans but only made 600 rupees (\$12) a week.

Another SKS debt collector told a delinquent borrower to drown herself in a pond if she wanted her loan waived. The next day, she did. She left behind four children.

One agent blocked a woman from bringing her young son, weak with diarrhea, to the hospital, demanding payment first. Other borrowers, who could not get any new loans until she paid, told her that if she wanted to die, they would

²For my full criticism of Kiva, see "[Some thoughts on Kiva's interest rates](#)"

³Philip Mader, "[Rise and fall of microfinance in India: The Andhra Pradesh crisis in perspective.](#)" *Strategic Change* 22, no. 1-2 (2013): 47-66.

bring her pesticide. An SKS staff member was there when she drank the poison. She survived.

An 18-year-old girl, pressured until she handed over 150 rupees (\$3)—meant for a school examination fee—also drank pesticide. She left a suicide note: “Work hard and earn money. Do not take loans.”

In all these cases, the report commissioned by SKS concluded that the company’s staff was either directly or indirectly responsible.⁴

A 2012 paper by outspoken microfinance critic Milford Bateman (author of *Why Doesn't Microfinance Work?: The Destructive Rise of Local Neoliberalism*) and influential heterodox Cambridge economist Ha-Joon Chang described the microfinance model as “most likely” a “poverty trap” at the individual and community level, and as a mis-allocation of capital at the national level.⁵

In the past five years or so several rigorous studies which use a randomized method to compare the effects of microfinance on borrowers have appeared in the academic literature. The result of one recent survey of six such studies found that “The studies do not find clear evidence, or even much in the way of suggestive evidence, of reductions in poverty or substantial improvements in living standards. Nor is there robust evidence of improvements in social indicators.” But the same survey also found “little evidence of harmful effects, even with individual lending [...] and even at a high real interest rate.”⁶

⁴Associated Press, [“SKS Under Spotlight in Suicides.”](#) *Wall Street Journal*, Feb. 24, 2012.

⁵Milford Bateman and Ha-Joon Chang, [“Microfinance and the illusion of development: From hubris to nemesis in thirty years.”](#) *World Economic Review* 1 (2012).

⁶Abhijit Banerjee, Dean Karlan, and Jonathan Zinman, [“Six randomized evaluations of microcredit: introduction and further steps.”](#) *American Economic Journal: Applied Economics* 7, no. 1 (2015): 13-14.

An infographic published by Kiva in celebration of its 10th year of operation draws attention to the fact that 75% of borrowers have been women and that nearly 400,000 farmers in the least developed countries have received loans made possible by Kiva.⁷ Both of these groups — women and subsistence farmers — are specifically targeted by Kiva through programs like the dollar-matching [Women's Entrepreneurship Fund](#) (a partnership between Kiva, the US State Department, and the Inter-American Development Bank) and Kiva's ["Financing Agriculture" lab](#) which hopes to use microloans to alleviate the cycles of risk inherent to small-scale farming.

The gender composition of Kiva lenders (users of Kiva.org) skews in the same direction as that of its borrowers: about 67% are women. Most lenders are in wealthy countries: by dollar amount, over 70% of loans are lent by users in the United States, Western Europe, and Canada.⁸ In addition to individual users, Kiva collects donations from institutional partners and corporate sponsors. Among Kiva's corporate sponsors who have given \$1 million or more during the past 30 months, most of them are financial institutions (including Capital One, Deutsche Bank, and Moody's). Among the others are foundations associated with large, multinational corporations (including HP, PepsiCo, and Google).⁹

On one hand these demographic and geographic distributions, wherein sympathetic people in parts of the world with extra money are providing charitable loans to people in parts of the world with not enough money, are not surprising. Those are exactly the sort of relationships Kiva exists to facilitate per its mission statement, after all. But Kiva's entire model of microfinance takes for granted

⁷Talea Miller, ["Celebrating 10 Years of Impact,"](#) *Kiva Blog* (27 October 2015). As of March 2017, Kiva users have lent \$1.13B (<https://www.kiva.org/about>).

⁸"[Kiva Lender Demographics for Kiva Field Partners,](#)" https://fellowsblog.kiva.org/partner_help/kiva_lender_demographics

⁹<https://www.kiva.org/about/finances/supporters/corporations> retrieved July, 2016.

that there are a great number of women and peasants at the developed world's periphery who are in desperate need of financial services without attempting to explain why the world's wealth has become so stratified by lines of geography and gender, and without any introspection into its own role in the greater processes of global capitalism arising from and transforming those lines.

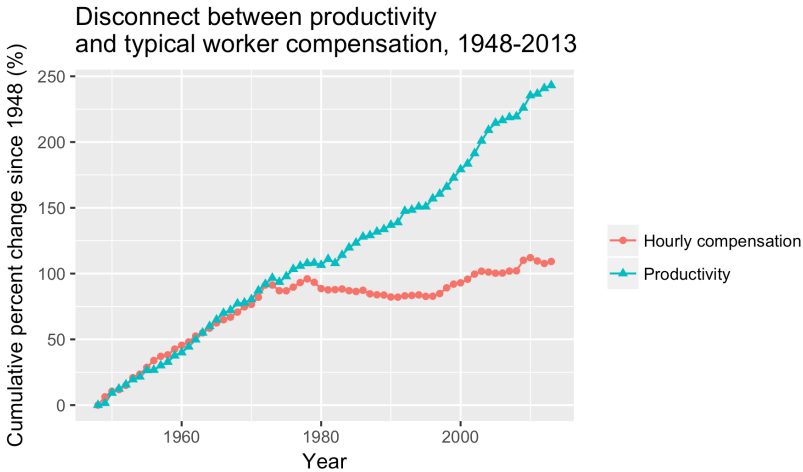
Most academic criticism of microfinance investigates its role as a neoliberal institution. A vague and contentious term, but used too heavily within academic theory to avoid, *neoliberalism* is so-called because it represents an attempt to return to or rescue the "free-market" optimism of classical liberalism from the Keynesian and social democratic trends of the twentieth century. It generally refers to the economic policies that became dominant at the end of the 1970s which seek market creation and uninhibited international trade, financialization (seeking profit in financial markets rather than directly investing in production), and financial imperialism (including the practice of providing credit in exchange for political influence and the imposition of austerity measures in debtor countries).

In his postface to *The Road from Mont Pelerin* (a collection of essays exploring the intellectual origins and development of neoliberalism), Philip Mirowski provides eleven defining traits which together give a description of the neoliberal project "as an authoritarian variant of the liberal tradition," wanting a strong state, sufficiently insulated from democracy, to create and maintain its markets.¹⁰ The successful effects of neoliberal policy in the United States are strikingly illustrated by plotting the change in real hourly wages on top of the changes to net domestic product as in the figure below: since the mid 1970s wealth from increased productivity is going almost entirely to owners rather than to the wage-earners doing the work. (Similar illustrations of the neoliberal break

¹⁰Philip Mirowski, "Defining neoliberalism," in [*The road from Mont Pèlerin: The making of the neoliberal thought collective*](#) (2009): 417-450.

can be seen by examining plots of wealth and income share for the same time period.)

Figure 1.1. Disconnect between productivity and typical worker compensation (1948-2013). Data from the Economic Policy Institute.¹¹



The academic perspective of microfinance as a neoliberal tool considers it as a method by which capital can gain access to and exploit the peripheral poor who were previously outside of the core economic sphere.¹² Microfinance, then, plays a similar role at the frontiers of capitalism as subprime lending plays within the borders of financial centers. As the geographer Katharine Rankin has noted, in the wake of the 2007 financial crisis two seemingly contradictory attitudes toward the populations targeted by these two forms of

¹¹Josh Bivens et al., [Raising America's Pay: Why It's Our Central Economic Policy Challenge](#), Economic Policy Institute's Briefing Paper #378 (2014). The same data is plotted in Figure A of that report.

¹²"microcredit reflects a rescaling of neoliberal debt to integrate the poor and their informal economies into the financial sector." (John Carr et al., "[Kiva's Flat, Flat World: Ten Years of Microcredit in Cyberspace](#)," *Globalizations* 13, no. 2 (2016): 147.)

“poverty finance” emerged. The recipients of subprime loans (variable-rate mortgages and expensive credit cards), mostly racialized minorities in American cities, were “disparaged as irresponsible, risk-embedded subjects,” while the recipients of microcredit, mostly third-world agrarian women, were still “enrolled as responsible, risk-averting subjects” into profitable microfinance schemes.¹³

Despite such different initial reactions, Rankin concludes from the parallel trajectories of both groups that “there is every reason to expect that the latest frontier of speculative arbitrage will expose a widening set of households, neighbourhoods and regions in the Third World to financial shock and to material and socio-emotional forms of dispossession.”¹⁴ It would seem that the 2008 crises in Nicaragua ([Section 3.3, “Debt strike”](#)) and the disastrous 2010 collapse in Andhra Pradesh can be seen as waves of the shock reaching the microfinance sector.

Rankin gives a description of neoliberalized microfinance as a tool of capital expansion that “is dispossessive to the extent that it extracts wealth not through primary exploitation in the realm of production or the direct enclosures of primitive accumulation, but through predation and fraud that turns poor households into new markets for financial instruments.”¹⁵ Rankin’s Marxian terminology brings together several important concepts upon which we can conveniently expand.

¹³Katharine N. Rankin, [“A critical geography of poverty finance.”](#) *Third World Quarterly* 34, no. 4 (2013): 548.

¹⁴Rankin, “A critical geography of poverty finance,” 560

¹⁵Rankin, “A critical geography of poverty finance,” 557-558.

1.2. “Primary exploitation” (wage labour and accumulation)

In the context of macro-economics, *exploitation* refers to the process by which a portion of the surplus produced by a society is taken and used for the benefit of a parasitic group, either a foreign conqueror or an endemic owning class. Each such class society can be characterized by its primary means of exploitation. While history provides a handy menu of legal schemes for implementing exploitative systems (tribute, tax, rent, usury, profit), the primary means of exploitation is determined by the prevailing organization of productive forces. In slave societies, for example, exploitation is naked and workers are often coerced with open force: slaves are made to produce enough to maintain their own meager existence, and then forced to continue to work to maintain much of the rest of society’s needs. In the various serf and sharecropper arrangements, peasants and bonded farmers are allowed to support themselves, but a portion of their harvest is taken by landlords to support the other classes.

In capitalism, exploitation is carried out primarily through a more subtle system of wage labour: when the value created by workers is more than the value of the wages they receive, the difference (what Marx called “surplus-value”) is kept and controlled by business owners and executives. A portion of the surplus-value is consumed by the owning classes (sometimes at lavish levels), but in large projects the majority of surplus-value becomes profit and is re-invested as capital where it can be used to extract even more surplus-value from workers to be re-invested, and so forth. This “self-expanding” process by which capital exploits wage workers to become ever more capital is called the “accumulation of capital.”¹⁶

¹⁶Perhaps a better one-paragraph summary of Marx’s theory of capitalist exploitation is provided by Selma James in her 1972 introduction to *The Power of Women and the Subversion of the Community*: “The commodity

1.3. “Primitive accumulation” (dispossession)

The simplified description of capital accumulation presented above is of a self-contained process which presupposes the existence of capital but doesn't explain how it got started in the first place. In an allusion to a phrase used by Adam Smith, Marx referred to the basis of capitalism, the initial concentration of property and creation of propertyless workers, as “so-called primitive accumulation” which “is nothing else than the historical process of divorcing the producer from the means of production.”¹⁷ “Primitive accumulation” is a rather unfortunate but standard English translation of *ursprünglich Akkumulation*, “original accumulation.”

But as Marx pointed out, the peaceful account of primitive accumulation consisting of frugal industrialists employing liberated peasants told by the bourgeois economists of his time (and ours) is only half of the history. The other half — the story of how peasants are brutally forced off of the lands and out of the homes which provide their sustenance, how skilled artisans are alternately displaced by machines and then used as machines — in short the story of how a sufficient

[women] produce, unlike all other commodities, is unique to capitalism: the living human being - ‘the laborer himself’, Capital’s special way of robbing labor is by paying the worker a wage that is enough to live on (more or less) and to reproduce other workers. But the worker must produce more in the way of commodities than what his wage is worth. The unpaid surplus labor is what the capitalist is in business to accumulate and what gives him increasing power over more and more workers: he pays for some labor to get the rest free so he can command more labor and get even more free, ad infinitum-until we stop him. He buys with wages the right to use the only ‘thing’ the worker has to sell, his or her ability to work. The specific social relation which is capital, then, is the wage relation. And this wage relation can exist only when the ability to work becomes a saleable commodity. Marx calls this commodity labor power.”

¹⁷ Karl Marx, *Capital: A Critique of Political Economy*, trans. Ben Fowkes (London: Penguin Books, 1990), 1:875-876.

workforce for a nascent capitalism can be assembled by so thoroughly stripping individuals of their possessions and their relationships on such a wide scale that it becomes possible to hound them into factories, mines, and farms to work for wages — is left untold. “And this history, the history of their expropriation, is written in the annals of mankind in letters of blood and fire.”¹⁸

1.4. The two-stroke engine of accumulation

To recapitulate: the basic everyday mechanism of capitalist accumulation is wage work which is experienced by most people in capitalist society as the normal workday, by the paycheck stub and the loan statement (or by the stress of unemployment and the loan statement). Normal accumulation is the extraction of profit from those people *already* integrated into the capitalist system. Primitive accumulation, on the other hand, is direct dispossession, usually carried out by state-sponsored violence. Examples of primitive accumulation which are happening somewhere today include peasants and indigenous peoples being forced off of their lands, foreclosures on homes, and asset forfeiture processes (like those enforced as part of America’s racialized “war on drugs”). Primitive accumulation directly extracts wealth through the theft of resources, but more importantly it produces propertyless people who can then be integrated (or further integrated) into the capitalist system of wage work (or prison slave work), or into the debt-bound ranks of the wage-suppressing unemployed.

Some Marxist descriptions of capitalism treat primitive accumulation as a historical process which got capitalism started in a given region but which no longer plays a role in its

¹⁸Marx, *Capital*, 875.

reproduction. Such views reflect the fact that in *Capital* Marx was mostly concerned with critiquing capitalist production on its own terms. Toward that end he theorized the employee-employer relationship itself as a market transaction where the employees' ability to do work is sold to employers as a commodity called "labour-power." From that distinguishing transaction, where the worker's labour-power becomes the unique commodity that can produce more value than it costs, he demonstrated how capitalist exploitation and accumulation takes place even in an ideal (fair and free) market where "all commodities, including labour-power, are bought and sold at their full value"¹⁹ In such an idealized pre-existing market, profit is extracted and re-invested through the normal mechanism of waged exploitation, without the need for further dispossession. Correspondingly, Marx's description of primitive accumulation is largely relegated to the short eighth (and last) part of the first volume of *Capital* (where it deals mainly with England and English enclosures as representative of the "classic" process by which capitalism emerged out of feudalism in Western Europe).

However, trying to describe capitalism without acknowledging the role of ongoing primitive accumulation is like trying to describe the action of a two-stroke engine based on its driven downstroke alone while only vaguely acknowledging that the upstroke, which brings fresh fuel into the cylinder to be compressed, must have occurred some time in the past. In fact the upstroke is not only the prerequisite of the downstroke, it is also its consequent. The piston's own momentum, constrained by the geometry of its linkage to the crankshaft, carries it back up on every cycle causing both strokes to repeat until the supply of fuel is exhausted or a catastrophic mechanical failure occurs.²⁰

¹⁹Marx, *Capital*, 431.

²⁰If we want, the analogy can be made to resemble capitalism's self-expansion even closer by considering a diesel engine which doesn't even require the well-timed input from a spark plug to carry on cycling, only a supply of fuel. It could also be noted, like most two-stroke engines, that capitalism tends to be rather inefficient and produces much pollution. It may also be interesting

The process of capitalist accumulation and expansion, carried on according to its own momentum and constraints, similarly consists of two self-propagating steps:

1. Dispossession
2. Integration & [re-]exploitation

1.5. Crises and fixes

The two-stroke engine of accumulation works so well that it periodically suffers from so-called crises of overaccumulation, a victim of its own success. When the extraction of surplus-value outpaces the demand for the resulting capital, investors have trouble finding profitable investments and existing productive assets lose their value. Likewise, when production of consumer goods outpaces demand, markets become flooded with products which nobody wants or can afford to buy. When investments in technology lead to increased automation at a rate which outpaces growth, the result is more layoffs than new jobs which further exacerbates the problem of overproduction (as unemployed people can afford even fewer commodities).

Taken together, capitalist crises—and the history of capitalism as recorded in the headlines of the popular press is a series of booms followed by gluts, recessions, mass layoffs, market crashes, and depressions—are characterized by investors who have money they can't profitably invest, unemployed workers who can't find work at a wage to live on, and markets full of abundant goods which people don't need or which needy people can't afford.

In *The New Imperialism* David Harvey describes two methods or “fixes” to which investors and policymakers can turn in

to note, apropos our analogy, that all of the loans I have chosen on Kiva so far have been to women wishing to buy motorbikes.

order to temporarily stave off the effects of overaccumulation. A “temporal fix” seeks to maintain profit rates by investing excess capital into long-term (and large scale) projects such as expenditures on social services, education, research & development, and infrastructure. A “spatial fix” seeks a renewed rate of profit by extending geographically: investing in developing parts of the world and gaining access to new markets and pools of cheap workers in parts of the world where people are not already fully integrated into the labour market — often by displacing subsistence farmers and finding ways to extract more surplus-value from the self- or pseudo-employed participants in the informal economies of developing regions.²¹

These spatio-temporal fixes, as Harvey calls them, can be roughly mapped to the two-steps of capitalist accumulation: spatial fixes, by which capitalism extends itself geographically, depend on the availability of a dispossessed workforce to be employed by exported capital and correspond to the first step (“dispossession”); temporal fixes, which are merely instances of usual capitalist exploitation and re-investment intensified in time, correspond to the second step (“exploitation”). Taken together, spatio-temporal fixes allow capitalism to expand through what Harvey calls “accumulation by dispossession,” a term chosen to emphasize the ongoing nature of what Marx called primitive accumulation expanded to include:

“the commodification and privatization of land and the forceful expulsion of peasant populations [...]; conversion of various forms of property rights (common, collective, state, etc.) into exclusive private property rights (most spectacularly represented by China); suppression of rights to the commons; commodification of labour power and the suppression of alternative (indigenous) forms

²¹David Harvey, *The New Imperialism* (New York: Oxford University Press, 2003), Chapter 3.

of production and consumption; colonial, neocolonial, and imperial processes of appropriation of assets (including natural resources); monetization of exchange and taxation, particularly of land; the slave trade (which continues particularly in the sex industry); and usury, the national debt and, most devastating of all, the use of the credit system as a radical means of accumulation by dispossession. The state, with its monopoly of violence and definitions of legality, plays a crucial role in both backing and promoting these processes.”²²

Such a mapping emphasizes an extensive (spatial fixes, dispossession) and intensive (temporal fixes, regular capitalist exploitation) interpretation of the two steps of accumulation which, taken in combination, give rise to the neoliberal forms of primitive accumulation noted by Harvey. Another extensive-intensive pair which can similarly be analyzed in terms of capitalist accumulation is that of globalism and nationalism: the play of transnational corporations, banks, and governing bodies with that of the chauvinism of nation-states. These dynamics define capitalism’s shape at the global scale: imperialism.

²²David Harvey, [*A Brief History of Neoliberalism*](#) (New York: Oxford University Press, 2007), 159. This passage is also present in *The New Imperialism*, but in the copy of that book I am referencing the passage suffers from a catastrophic typographical error. For a good overview and critique which includes a charge that Harvey uses the term “primitive accumulation” too loosely, see Geoff Bailey, [“Accumulation by dispossession: A critical assessment.”](#) *International Socialist Review* 95 (2014).

1.6. Imperialism and war

Marx died in 1883, decades before the Great War of the twentieth century, but he was aware that capitalism's origin in slavery and colonialism meant a future in world war:

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the indigenous population of that continent, the beginnings of the conquest and plunder of India, and the conversion of Africa into a preserve for the commercial hunting of blackskins, are all things which characterize the dawn of the era of capitalist production. These idyllic proceedings are the chief moments of primitive accumulation. Hard on their heels follows the commercial war of the European nations, which has the globe as its battlefield.²³

The first great period of capitalist imperialism, during which the industrial powers extended and divvied up their colonial holdings according to their respective military power, emerged at the end of the Nineteenth century and eventually led to the world wars of the twentieth century. In his influential booklet which summarized several characteristics of the capitalist imperialism of that time, Lenin noted the increasing role of financialization in international relations — “The world has become divided into a handful of usurer states and a vast majority of debtor states” — a trend which was resumed in the 1970s as a characteristic feature of neoliberalism after capital accumulation outgrew the “fixes” provided by the wars and the postwar New Deal.

Lenin called his book *Imperialism, the Highest Stage of Capitalism*, but for Hannah Arendt “Imperialism must be considered the first stage in political rule of the bourgeoisie

²³Marx, *Capital*, 915.

rather than the last stage of capitalism.”²⁴ Unlike classical Marxism, Arendt was not preoccupied with the internal economic laws of capitalism and considered openly-violent primitive accumulation, not the peaceful appearance of wage labour, to be the true ideal toward which capitalism had always striven and which was fulfilled in imperialism:

The bourgeoisie’s empty desire to have money beget money as men beget men had remained an ugly dream so long as money had to go the long way of investment in production; not money had begotten money, but men had made things and money. The secret of the new happy fulfillment was precisely that economic laws no longer stood in the way of the greed of the owning classes. Money could finally beget money because power, with complete disregard for all laws — economic as well as ethical — could appropriate wealth. Only when exported money succeeded in stimulating the export of power could it accomplish its owners’ designs. Only the unlimited accumulation of power could bring about the unlimited accumulation of capital.²⁵

Imperialist adventures allowed capital to escape its cloak of “voluntary” wage work and economic neutrality, at least in the distant lands it conquered, and step to its place as a more effective if naked system of exploitation. Investing in war machines to protect international business concerns (and to pulverize fixed capital in faraway places, which can then be profitably re-built at government-contractor rates) is simultaneously a temporal and spatial fix, hence the continued importance of the military-industrial complex in sustaining capitalist profit.

²⁴Hannah Arendt, [*The Origins of Totalitarianism*](#) (Cleveland, Ohio: Meridian Books, 1962), 138.

²⁵Arendt, *Origins of Totalitarianism*, 137.

“Globalization” (or “globalism”) when used in a positive connotation today is usually a euphemism for neoliberal imperialism which carries with it optimistic visions of lasting trade-facilitated peace among nations, enough credit to smooth over crises, and the cosmopolitan freedom to transcend borders. Similar hopes were attached to the imperialism of the late nineteenth and early twentieth centuries before they disappeared in depression, world wars, and holocaust. Capitalist globalization does not harmonize national interests; it harnesses them for the cause of war. As Arendt noted in her description of imperialism (as a preparatory step toward fascist totalitarianism), “In theory, there is an abyss between nationalism and imperialism; in practice, it can and has been bridged by tribal nationalism and outright racism.”²⁶

The US invasion of Iraq during the Persian Gulf War of 1990-1991 shattered any lingering hopes that the neoliberal version of imperialism could be conducted without the use of direct military force (or at least of ground troops). But of course war and financialization are not at odds with each other — they complement each other, and usurer states pursue their interests with both tools.²⁷

While coalition forces were bombarding military and civilian infrastructure in Iraq, negotiations were already underway between Canada, the United States, and Mexico regarding the North American Free Trade Agreement ([NAFTA](#)), an iconic piece of globalist legislation drafted under the first Bush administration and signed into US law at the beginning of the Clinton administration. As part of its preparations for joining NAFTA, the Mexican government implemented a series of neoliberal reforms including the abolition of protections against the privatization of communal land resulting in the removal of campesinos from their land and into wage work — a clear example of ongoing primitive accumulation.

²⁶Arendt, *Origins of Totalitarianism*, 153.

²⁷For a collection of essays from a leftist perspective on neoliberal wars fought since 1990, see [The Neoliberal Wars](#), pamphlet (Treason Press).

The day NAFTA went into effect on January 1, 1994, a leftist revolutionary group in Chiapas, Mexico, the [Zapatista Army of National Liberation](#), rose up in open insurrection against the government. Over two decades later the Zapatistas still maintain autonomous communities in Chiapas which exist in resistance to the Mexican state and perhaps more emphatically to the incursions of neoliberal globalization. Subcomandante Marcos, the now-retired spokesperson for the Zapatista movement, has described the neoliberal policies of globalization as the Fourth World War (succeeding the Cold War), “a new war for the conquest of territory.” But, he continues, “while neoliberalism is pursuing its war, groups of protesters, kernels of rebels, are forming throughout the planet. The empire of financiers with full pockets confronts the rebellion of pockets of resistance”:

Neoliberalism attempts to subjugate millions of beings, and seeks to rid itself of all those who have no place in its new ordering of the world. But these “disposable” people are in revolt. Women, children, old people, young people, indigenous peoples, ecological militants, homosexuals, lesbians, HIV activists, workers, and all those who upset the ordered progress of the new world system and who organise and are in struggle. Resistance is being woven by those who are excluded from “modernity”.²⁸

Much of the subsequent grassroots opposition to neoliberalism during the 1990s was also from the left. In 1999 during a meeting of the World Trade Organization (WTO) in Seattle, anti-globalization protesters — environmentalists, anarchists, and labour union members — dramatically overwhelmed police to [shut down](#) the meeting and helped to make “WTO” and “globalization” household words in America.

²⁸Subcomandante Marcos, [“The Fourth World War Has Begun,”](#) trans. Ed Emery, *Le Monde Diplomatique* (September 1997).

Some of the rhetoric in Subcomandante Marcos's essay on the Fourth World War (and elsewhere) including his romantic view of culture and national identity, his bemoaning of the European Union as the ruin of European civilization, his warnings about the globalist "new world order," and his resentment of modernity is almost indistinguishable from the anti-globalization talking points of right-wing populism. But leftists, as champions of internationalism, are not literally against globalization in the etymological sense of the word. For that reason many activists prefer labels like "alter-globalization" to "anti-globalization." This distinction has become very important now that right-wing and nationalist movements often predominate the anti-globalization discourse.

Everywhere, but especially in countries being plundered by neoliberal policy, not only are racial and gender hierarchies being reformed to better serve capitalism, but oppressed groups continue to fight for their own liberation. The result is the loss of old local and familial forms of privilege, wealth, and exploitation at both ends—whisked out to financial centers or destroyed by feminists and other progressive reformers. In many of these places the right-wing resistance to globalization—including Islamacist militants, populist demagogues, and a resurgence of various decentralized fascist and far-right revolutionary groups—have displaced leftist movements as the dominant forces challenging the global expansion of capitalism. As one essayist has pointed out, it is an unfortunate fact that today the world's most successful "anti-imperialists" are "a motley assortment of authoritarian regimes, right-wing populists, local capitalists trying to negotiate a piece of the action, religious fundamentalists, warlords and gangsters."²⁹

This resentful patriarchal revolt against globalism and social progress has been slowly building even in Western countries. David Harvey's description of the nationalist backlash to

²⁹bromma, *Exodus and Reconstruction: Working-Class Women at the Heart of Globalization* (Kersplebedeb: 2013).

neoliberalism in America during the 80s and 90s illustrates how the nationalist phenomena that consolidated around President Trump has been forming for decades:

Many elements in the middle classes took to the defence of territory, nation, and tradition as a way to arm themselves against a predatory neoliberal capitalism. They sought to mobilize the territorial logic of power to shield them from the effects of predatory capital. The racism and nationalism that had once bound nation-state and empire together re-emerged at the petty bourgeois and working-class level as a weapon to organize against the cosmopolitanism of finance capital. Since blaming the problems on immigrants was a convenient diversion for elite interests, exclusionary politics based on race, ethnicity, and religion flourished, particularly in Europe where neo-fascist movements began to garner considerable popular support. [...] The prevailing mood of “helplessness and anxiety” was conducive to “the rise of a new brand of populist politician” and this could “easily turn into revolt”.³⁰

Now, nearly twenty-five years after NAFTA and the Zapatista uprising, eighteen years after the Battle in Seattle, fifteen years after the 9/11 terror attacks carried out by anti-Western Islamicists and the invasion of Afghanistan by the United States (a war which has been waged for over 16 years, twice as long as the Vietnam War), thirteen years after the catastrophic second invasion of Iraq by the United States, and ten years after the 2007 financial crises, the racist and nationalist reactions noted by Harvey have re-emerged more clearly than ever. The 2016 Brexit referendum in the UK and the election of Trump in the US signal the arrival to the

³⁰Harvey, *New Imperialism*, 188.

Anglosphere of a forceful right-wing populism driven by a patriarchal reaction against globalization.

Another important distinction, which has been made by J. Sakai, is to clarify that this anti-imperialist brand of fascism “is anti-bourgeois but not anti-capitalist.”³¹ While fascists can (and often do) adopt the language, analysis, and tactics of the left,³² they can only apply them in a superficial manner to the distant elites and liberal billionaires who encroach on what fascists perceive as *their* rightful means of exploitation. The old shallow trope of the good, productive industrial capitalist versus the evil, parasitic financial or merchant capitalist is the extent of the fascist critique of capitalism. Even with slogans couched in anti-capitalist or pro-worker rhetoric most fascists can’t bring themselves to offer an actual economic critique but instead malign the global bourgeoisie in terms of an imagined Jewish conspiracy. Because if fascists were to critique the engine of capitalism itself they would be undermining the very system of exploitation they hope to command.

One way imperialism is bridged to and feeds off of nationalism can be seen at work in the Trump administration which rode to power by fomenting nationalist and racist sentiment and soon shifted toward militarism and likely increased conflict (or outright war) with rival imperialists. Immediately after Trump’s election, the Democratic Party (representing the only viable political opposition to Trump) began a concerted

³¹J. Sakai, [“The Shock of Recognition.”](#) in *Confronting Fascism: discussion documents for a militant movement* (Quebec: Kersplebedeb Publishing, 2002).

³²Most representative of the fascist appropriation of leftist causes, rhetoric, and icons are the various Third Position and “left fascist” tendencies. For a look into one such tendency, national-anarchism, see Spencer Sunshine, [“Rebranding fascism: National-anarchists.”](#) *Public Eye Magazine* 23, no. 4 (2008). Sunshine concludes: “The danger National-Anarchists represent is not in their marginal political strength, but in their potential to show an innovative way that fascist groups can rebrand themselves and reset their project on a new footing.” For a book-length treatment of the history of fascism with an emphasis on red-brown alliances, see Alexander Reid Ross, [Against the Fascist Creep](#) (Ak Press, 2017).

campaign of anti-Russian propaganda using almost every media outlet available in the country. As usual, even during times of potentially great political upheaval, on the issue of imperialism and war the liberal parties are united.

1.7. Migrant work

Capital by its nature drives beyond every spatial barrier. Thus the creation of the physical conditions of exchange—of the means of communication and transport—the annihilation of space by time—becomes an extraordinary necessity for it.

— Karl Marx *Grundrisse*

Owing to the combined efforts of ongoing primitive accumulation and war, one of the chief products of global capitalist accumulation is displaced people. The number of international migrants was estimated to be 258 million people in 2017 (up from 173 million in 2000), over 10% of whom are refugees or asylum seekers.³³ As climate change threatens to exacerbate wars and famines, the near future may dwarf the already unprecedented number of refugees seeking temporary shelter and new homes today.

The Syrian Civil War is currently the most active proxy theatre for the conflict between the United States and Russia (as rival imperialists), but it is also the center of the global conflict between extreme right-wing anti-globalization militants like ISIS and socialist revolutionaries defending Rojava. (This situation is reminiscent in many ways of the [Spanish Civil War](#), a proxy war between the USSR and Nazi Germany and also between Spanish fascists and the socialist revolutionaries in Catalonia.) Since 2011, over 6 million people have fled Syria

³³United Nations Department of Economic and Social Affairs, [The International Migration Report 2017 \(Highlights\)](#) (New York: 2017).

as refugees, and another 6 million are displaced (many living in camps) within its borders.³⁴

In terms of scale, nothing in human history compares to the mass migration of peasants triggered by the ongoing industrialization and urbanization of China. The liberalization of China's economy under Deng Xiaoping occurred contemporaneously with the rise of Western neoliberalism with similar aims and effects. A 2016 survey by China's National Bureau of Statistics puts the number of long-distance migrant workers, typically rural villagers looking for jobs in cities, at over 168 million (about 45% of whom have migrated to a new province).³⁵ A recent report indicates that the national government's urbanization plan includes the relocation, forced if necessary, of a further 250 million rural residents to cities by 2025.³⁶

The neoliberal and NAFTA-related reforms in Mexico not only allowed traditionally communal plots of land (*ejidos*) to be privatized, but they also flooded the Mexican markets with subsidized corn and pork from the United States. The result was the demise of much of the country's small-scale farm industry sending millions of rural Mexicans north to find work in the sprawling maquiladora factories near the border or to seek agricultural and domestic work in the United States. Between 1990 and 2007 (net migration has stabilized near zero following the recession) a net total of more than 8 million Mexicans migrated to the United States (almost 75% crossing the border without authorization).³⁷ Between 1998 and 2013

³⁴Piilip Connor, "[Most displaced Syrians are in the Middle East, and about a million are in Europe.](#)" Pew Research Center (29 January 2018).

³⁵[2016年农民工监测调查报告 \(Monitoring report on migrant workers\)](#), 28 April 2017. For a press release in English based on the 2014 report see China Labour Bulletin, "[Migrant workers and their children.](#)"

³⁶Ian Johnson, "[China's Great Uprooting: Moving 250 Million Into Cities.](#)" *New York Times* (15 June 2013).

³⁷Based on estimates by Pew Research. See Ana Gonzalez-Barrera, "[More Mexicans Leaving Than Coming to the U.S.](#)" Pew Research Center (19 November 2015), specifically tables A1 and A2 in the appendix for absolute migration numbers, and Jeffrey S. Passel and D'Vera Cohn, "[Overall Number](#)

a total of 6,029 deceased migrants were found near the Mexican border by the United States Border Patrol (with close to 300 bodies being found per year since the year 2000). The actual number of migrants who die crossing the US-Mexico border is likely much higher, as the Border Patrol does not count deaths that occur on the Mexican side of the border, nor do the numbers reflect remains which go undiscovered in the desert.³⁸

The Arizona-based humanitarian group called [No More Deaths](#), which works to raise awareness of the dangers faced by migrants as well as to provide direct aid to migrants and document abuses by law enforcement, has identified several practices of the Border Patrol (whose official motto is “Honor First”) which “further increase the risk of death in the desert.” Those practices include: intentionally funneling migrants to deadly regions, impeding volunteer search and rescue operations, and vandalizing food and water drops left on migrant trails. No More Deaths has also documented abuse of migrants in Border Patrol custody, concluding in a report based on thousands of interviews with detainees, “It is clear that instances of mistreatment and abuse in Border Patrol custody are not aberrational. Rather, they reflect common practice for an agency that is part of the largest federal law enforcement body in the country. Many of them plainly meet the definition of torture under international law.”³⁹

[of U.S. Unauthorized Immigrants Holds Steady Since 2009,](#) Pew Research Center (20 September 2016), for numbers of unauthorized migrants.

³⁸International Organization for Migration, [Fatal Journeys: Tracking Lives Lost During Migration](#), ed. Tara Brian and Frank Laczko (Geneva: 2014), Chapter 2.

³⁹No More Deaths, [A Culture of Cruelty: Abuse and Impunity in Short-Term U.S. Border Patrol Custody](#) (2011); La Coalición de Derechos Humanos and No More Deaths, [Disappeared: How the US Border Enforcement Agencies are Fueling a Missing Persons Crisis](#), Part II: Interference With Humanitarian Aid (<http://www.thedisappearedreport.org>). Some of these abuses are corroborated by allegations from a Border Patrol agent who spoke with the *Intercept* (John Washington, [“Kick Ass, Ask Questions Later’: A Border Patrol Whistleblower Speaks Out About Culture of Abuse Against Migrants,”](#) *The Intercept* (20 September 2018)).

Two reports based on Freedom of Information Act requests were published in 2018 which corroborate much of the No More Deaths interviews alleging widespread abuse of detainees held by the Obama-era Department of Homeland Security agencies (Customs and Border Protection (CBP) & Immigration and Customs Enforcement (ICE)). One report on mistreatment faced by unaccompanied minor migrants based on thousands of pages of reports obtained by the American Civil Liberties Union from the Department of Homeland Security Office for Civil Rights and Civil Liberties (CRCL) found that “CBP officials regularly use force on children when such force is not objectively reasonable or necessary,” including the unnecessary use of Tasers as well as verbal abuse including death threats. The report concludes that “The abuse is not limited to one state, sector, station, or group of officials— rather, the CRCL documents reflect misconduct throughout the southwest, from California to Texas, at ports of entry and in the interior of the United States, by CBP and by Border Patrol.”⁴⁰

The second report, by *The Intercept*, examined 1,224 complaints of sexual abuse filed between 2010 and September 2017 by detainees in ICE custody which “suggest that sexual assault and harassment in immigration detention are not only widespread but systemic, and enabled by an agency that regularly fails to hold itself accountable.” In over 70 percent of the complaints, an officer was alleged to be the perpetrator and/or a witness. The Department of Homeland Security was only able to provide documentation of 43 investigations (an investigation rate of less than 4 percent).⁴¹ I have found no reports of Homeland Security officials who have been indicted for crimes committed against children or other detainees in their care, but several volunteers with No More Deaths have been arrested and charged with federal crimes

⁴⁰International Human Rights Clinic at the University of Chicago Law School and the American Civil Liberties Union, [*Neglect & Abuse of Unaccompanied Children by U.S. Customs and Border Protection*](#) (23 May 2018), 11, 36.

⁴¹Alice Speri, [*“Detained, Then Violated.”*](#) *The Intercept* (11 April 2018).

related to providing food, water, and shelter to undocumented immigrants.⁴²

The Trump administration seems intent on continuing the inhumane immigration enforcement against refugees and other migrants at the southern border. Shortly after Trump took office, ICE and federal prosecutors began bringing more criminal charges against parents who entered the country without authorization, resulting in hundreds of children being taken into state custody.⁴³ In April 2018, Attorney General Jeff Sessions ordered ICE to implement a “zero tolerance” policy, institutionalizing the revanchist [family separation policy](#) — reportedly architected by senior Trump policy advisor Stephen Miller⁴⁴ — as a means to punish and dissuade migrant families (including asylum seekers). Within months, reports and photographs of the thousands of children separated from their families and herded into chain-link cages in internment camps mobilized a broad-based [protest movement](#) nationally and internationally, with some protesters utilizing [occupy-style tactics to blockade ICE offices](#) in several major American cities. Because of the public outrage, Trump was forced to sign an executive order that requires “detaining alien families together where appropriate and consistent with law and available resources.”⁴⁵

The maquiladora system in Mexico consists of over 5,000 factories owned by multinational corporations in special economic zones (mostly near the United States border) where raw materials are imported duty-free (often from the United States), processed by nearly two million Mexican workers (historically, mostly young women) earning low wages (easily

⁴²Carrot Quinn, [“Why was this man arrested for giving water to migrants crossing the border?”](#) *The Guardian* (26 January 2018); Ryan Devereaux, [“Bodies in the Borderlands,”](#) *The Intercept* (4 May 2019).

⁴³Caitlin Dickerson, [“Hundreds of Immigrant Children Have Been Taken From Parents at U.S. Border.”](#) *The New York Times* (20 April 2018).

⁴⁴Julie Hirschfeld Davis and Michael D. Shear, [“How Trump Came to Enforce a Practice of Separating Migrant Families,”](#) *The New York Times* (16 June 2018).

⁴⁵[Exec. Order No. 13841](#), 83 Red. Reg. 29435 (25 June 2018).

a tenth of the cost of American workers) in stressful and dangerous working conditions. The finished products are exported under reduced tariffs back to the United States.⁴⁶

In short, the maquiladoras are desert sites of industrial wage slavery which hold millions of Mexican families in poverty, daily grinding them in production lines to extract another ten hours of their lives to be packaged up and shipped as profits back to wealthy shareholders in the United States, Europe, and Japan. The entire system, from the primitive accumulation of indigenous farmlands to the exploitation of urban labour in the factories, provides several convenient fixes for the overaccumulation of American capital:

- the export of excess agricultural goods and raw industrial products to Mexican markets
- the export of excess capital as investments in maquiladora plants

⁴⁶Data on maquiladoras is available from the Instituto Nacional de Estadística y Geografía (INEGI)'s Banco de Información Económica website, <http://www.inegi.org.mx/sistemas/bie/default.aspx> (accessed November 28, 2017). The August 2017 data series gives 5,114 export factories employing 1,740,223 production employees (plus hundreds of thousands of contractors and administrative employees) who worked 350,445,000 hours that month (an average of 47 hours per week for each employee) and paid 9,046 pesos in direct real wages to each employee (in terms of 2010 pesos) which is about 45 pesos/hour or, assuming a conversion rate of 12.5 pesos/USD, about \$3.60 per hour on average for all export factories. The Mexican government stopped reporting separate compensation cost information for workers in foreign-owned export factories in 2006. At that time the average compensation for a production worker in a foreign-owned maquiladora was \$2.64 per hour (up from \$0.80 per hour in 1986) which includes all wages as well as direct and indirect benefits (see the Bureau of Labor Statistics, "[Mexico: Hourly Compensation Costs for Workers in Maquiladora Manufacturing Export Industries, 1975-2006](#)," Table 1). The actual take-home pay could be much less. For brief overview and accounts of some of the unsafe and oppressive conditions faced by maquiladora workers, see Esteban Flores, "[Misery in the Maquiladoras](#)," *Harvard International Review*, 38 (2017): 10; Stephanie Navarro, "[Inside Mexico's Maquiladoras: Manufacturing Health Disparities](#)"; and Todd Chretien and Jessie Muldoon, "[Misery of the maquiladoras](#)," *Socialist Worker* (9 June 2000).

- the import of wage-suppressing and easily exploitable labour to the American workforce
- the import of cheap finished products for American consumers

A secondary benefit to the United States' capitalist class is achieved through what No More Deaths calls dispossession through deportation: migrants who are captured by U.S. border enforcement agents often have their belongings (including money) confiscated (in 5% of observed cases via direct theft by individual agents) before they are deported. This is not only a source of direct accumulation (“When Department of Homeland Security protocols are followed, much of the money goes to a CBP suspense account then eventually ends up in the U.S. Treasury fund. Many others also siphon money along the way including MoneyGram, prison profiteers such as prepaid debit card companies like NUMI Financial, and individual agents, as illustrated by cases of direct theft”), but more significantly works as an engine of primitive accumulation producing an ever more propertyless and desperate population vulnerable to a predatory economic system.⁴⁷

It is worth noting that for decades nativists and wage-jealous white workers in the United States have loudly complained about the porous southern border, but their concerns were rarely reflected in policy which instead maintained whatever level of control at the border was deemed necessary to steer wages and keep illegal immigrants simultaneously abundant and vulnerable for the benefit of employers. It was not until recent years, when net migration from Mexico has been zero or negative, conditions which make controlling unauthorized immigration much less important to economic interests, that the strict anti-immigrant proponents (as typified by the Trump presidency) have gained influence. This dynamic demonstrates that, in the United States, racism remains

⁴⁷No More Deaths, [*Shakedown: How Deportation Robs Immigrants of Their Money and Belongings*](#) (2014).

subservient to and must wait its turn behind the needs of capital.

Unlike what its apologists claim, neoliberal globalization does not provide greater freedom to travel for most people. “This is a travesty of globalization — a world without borders to everything and everyone except for working people.”⁴⁸ Capital is free to cross borders in search of cheaper labour to exploit, but people are stopped, questioned, searched, detained, interned, enslaved, turned back, smuggled, drowned, lost, starved, shot, hunted down, rounded up, deported, “and to crown all, mocked, ridiculed, derided, outraged, dishonored.”

As the rise of microcredit at the periphery was mirrored by aggressive subprime lending in the urban centers, so is migration in the periphery mirrored by thousands of homeless people living in the urban centers of capitalism. The refugee camp at the border has a counterpart in the homeless camp in the city park. One study in the United States counted 564,708 people sleeping outside, in emergency shelters, or in transitional housing on a winter night in 2015. About 15% of those counted were chronically homeless, including over 13,000 members of chronically homeless families.⁴⁹

Like migrant workers, homeless workers (including the unemployed) are harassed and herded by police. An increasing number of cities in the United States have passed legislation making it illegal for homeless people, who have nowhere else to be, to perform life-sustaining acts — eating, sleeping, urinating, defecating, sheltering — in public.⁵⁰ The epigraph to this section has Marx describing

⁴⁸John Smith, “[Imperialism in the Twenty-First Century](#),” *Monthly Review* 67, no. 3 (2015), 82.

⁴⁹National Alliance to End Homelessness, [The State of Homelessness in America 2016: An examination of trends in homelessness, homeless assistance, and at-risk populations at the national and state levels](#) (Washington, DC: 2016).

⁵⁰National Law Center on Homelessness and Poverty, [Housing Not Handcuffs: Ending the Criminalization of Homelessness in U.S. Cities](#).

advances in technology which connect people over ever further geographic distances as “the annihilation of space by time.” The radical geographer Don Mitchell has described the criminalization of homelessness as an example of another way in which capitalism annihilates space:

In city after city concerned with “livability,” with, in other words, making urban centers attractive to both footloose capital and to the footloose middle classes, politicians and managers of the new economy in the late 1980s and early 1990s have turned to what could be called “the annihilation of space by law.” That is, they have turned to a legal remedy that seeks to cleanse the streets of those left behind by globalization and other secular changes in the economy by simply erasing the spaces in which they must live.⁵¹

The short-sighted interests of capitalism and capitalists are best served by the propertyless workers it produces when those workers are relatively immobile and stuck competing for low wages. The policing, border regimes, and other mechanisms of control set around migrants and vagrants to keep them simultaneously homeless yet constrained work to satisfy those interests.

John Smith, author of *Imperialism in the Twenty-First Century*, has argued that driving wages even below the free-market value dealt with by Marx’s theory of exploitation—what Smith therefore refers to as “super exploitation”—through the dislocation and control of workers in developing countries has become the predominant method of increasing the surplus-value extracted from workers under global capitalism. “By uprooting hundreds of millions of workers and farmers in southern nations from their

⁵¹Don Mitchell, [“The Annihilation of Space by Law: The Roots and Implications of Anti-Homeless Laws in the United States,”](#) *Antipode*, 29 (1997): 305.

ties to the land and their jobs in protected national industries, neoliberal capitalism has accelerated the expansion of a vast pool of super-exploitable labor.”⁵²

But while the scale of the global proletariat in the twenty-first century may be unprecedented, capitalism has never operated according to the free labour market it has imagined for itself. As the anthropologist David Graeber has noted:

the history of capitalism has been a series of attempts to solve the problem of worker mobility—hence the endless elaboration of institutions like indenture, slavery, coolie systems, contract workers, guest workers, innumerable forms of border control—since, if the system ever really came close to its own fantasy version of itself, in which workers were free to hire on and quit their work wherever and whenever they wanted, the entire system would collapse. It’s for precisely this reason that the one most consistent demand put forward by the radical elements in the globalization movement—from the Italian Autonomists to North American anarchists—has always been global freedom of movement, “real globalization,” the destruction of borders, a general tearing down of walls.⁵³

Marxists (following Marx himself) tend to view capitalism as a progressive development, as a powerful force of socialization and production. The effects of this stance can be seen in the Leninist and Stalinist industrialization programs conducted in the USSR and elsewhere which intentionally initiated processes of primitive accumulation and succeeded in reproducing, within a compressed time frame, both the

⁵²Smith, “Imperialism in the Twenty-First Century.”

⁵³David Graeber, *Fragments of an anarchist anthropology* (Prickly Paradigm Press: 2004), 61. He is paraphrasing the economist Yann Moulier Boutang here, who I have not read.

horrors and the advances in technology which accompanied the more organic rise of capitalism in sixteenth-century Europe. Under this Marxist influence, *socialism* is sometimes reduced to a program of development, following Lenin's own rather caricatured formulation that "Communism is Soviet power plus the electrification of the whole country."⁵⁴ In the struggles against neoliberal capitalism, Marxists as advocates of progressive primitive accumulation have sometimes found themselves opposed to indigenous groups and other anti-capitalists who are often more concerned with preserving tradition and livelihoods in the face of the encroaching threat of capitalist development than with accelerating their own obsolescence.

David Harvey does an admirable job of describing and attempting to navigate these complications in *The New Imperialism*.⁵⁵ However, he narrowly skirts the longstanding Marxist predilection of presenting capitalism as a more beneficial force than it is. In his attempt at distinguishing between progressive and destructive forms of accumulation by dispossession, he notes that the position of women has been enhanced by factory work and that "Faced with the choice of sticking with industrial labour or returning to rural impoverishment, many within the new proletariat seem to express a strong preference for the former."⁵⁶ Similar sentiment, formulated less carefully and more crassly as something like "sweatshops are good for the poor," expresses a frequent talking point of neoliberal apologists. Even if it were true, it would only be true by an implicit assumption that there is no alternative to capitalism (a literal Thatcherite

⁵⁴Vladimir I Lenin, "[Report On The Work Of The Council Of People's Commissars,](#)" in the marxists.org copy of *Collected Works*, 4th English ed., trans. Julius Katzer (Progress Publishers, Moscow: 1965), Volume 31, pages 461-534.

⁵⁵See "Struggles over Accumulation by Dispossession" beginning on page 162.

⁵⁶Harvey, *New Imperialism*, 164.

slogan) or by jumping from “best possible” option to “good” option without justification, a naturalistic fallacy.⁵⁷

Factories are not completely lacking in social benefits, and the capitalist patriarchy of the factory can offer opportunities for independence many girls (especially) are not given in the feudal patriarchy of their villages. But it is likely not true in general that people prefer industrial impoverishment to rural impoverishment, at least not until rural subsistence becomes an impossibility due to privatization and the ensuing pressure to buy commodities, pay rent, and make credit payments. A recent randomized study conducted in Ethiopia which provided industrial jobs to participants (mostly young women who had expressed interest in such work) and then tracked them over the course of one year found that 77% quit their jobs and returned to informal work within that time: “these young people used low-skill industrial jobs more as a safety net than a long-term job, and [...] self-employment and informal work were typically preferred to, and more profitable than, industrial jobs, at least when people had access to capital.”⁵⁸ That young women do not prefer to leave their family life to work unpleasant, dangerous, degrading, alienating, low-paying industrial jobs with long hours would be surprising only to a liberal (or perhaps Marxist) economist, but it is such unlikely preferences that are nevertheless repeatedly claimed in defense of industrialization.

The study also found that people with the means to become self-employed were usually successful at avoiding industrial work, which shines a hopeful light on microfinance and its entrepreneurial aims. But the threat remains for microfinanced work-from-home schemes (often targeted at housewives who need ‘supplemental’ income) to become

⁵⁷See also my essay [“Sweatshops Are Good for the Poor.”](#) *American Cynic* (9 June 2012).

⁵⁸Christopher Blattman and Stefan Dercon, [“Occupational Choice in Early Industrializing Societies: Experimental Evidence on the Income and Health Effects of Industrial and Entrepreneurial Work.”](#) *Working Paper No. 22683: National Bureau of Economic Research* (2016).

simply cheaper ways to [super]exploit rural poor without the overhead of a factory. An important detail when considering the Ethiopia study is that it was evidently conducted at a time when industrial wages in Ethiopia were not yet competitive with the informal sector, which explains why the participants were able to quit their jobs so easily. In the report, the researchers who conducted the study naively wonder why the firms they worked with did not try to combat turnover by paying higher wages. But of course factory owners know enough about maximizing profit to rely on subsidized non-market, coercive forces whenever they can. And as we've seen, the politics of global capitalism are characterized by policies that allow and encourage accumulation by dispossession — enclosing and privatizing traditional farmland, crushing informal local markets with cheap imported goods, saddling the under-employed with expensive debt, erecting border controls to prevent migrants from finding better conditions elsewhere. Factory owners in places like Ethiopia can count these policies to provide continued and increasingly reliable access to cheap labour *without* needing to pay a reasonable wage (and when workers then “choose” those jobs rather than starving in the rubble of the traditional and informal economies, we will hear again about how sweatshops are actually feminist social programs which are good for the poor).

The orthodox Marxist optimism toward capitalism and its violence is not shared by more libertarian socialist traditions. The anarchists and autonomist Marxists mentioned by Graeber in the above quotation, for example, view capitalism as the failure to abolish earlier class societies rather than as a necessary step toward that goal.⁵⁹ Especially relevant

⁵⁹Silvia Federici says it well: “Capitalism was the counter-revolution that destroyed the possibilities that had emerged from the anti-feudal struggle — possibilities which, if realized, might have spared us the immense destruction of lives and the natural environment that has marked the advance of capitalist relations worldwide. This much must be stressed, for the belief that capitalism ‘evolved’ from feudalism and represents a higher form of

to this essay are the autonomist critiques, with roots in the feminist struggles of the 1970s, which expand Marxian categories beyond the factory to provide a class-conscious understanding of housework and reproduction. As Silvia Federici wrote in the introduction to *Caliban and the Witch*, her book exploring the role and persecution of women during the rise of capitalism, “Marx could never have presumed that capitalism paves the way to human liberation had he looked at its history from the viewpoint of women.”⁶⁰

social life has not yet been dispelled.” (Silvia Federici, *Caliban and the Witch* (New York: Autonomedia, 2004), 21-22.)

⁶⁰Silvia Federici, *Caliban and the Witch* (New York: Autonomedia, 2004), 13.

Chapter 2. Housework

One could, even, start from the belated recognition of the importance of women's labor to reimagine Marxist categories in general, to recognize that what we call "domestic" or even "reproductive" labor, the labor of creating people and social relations, has always been the most important form of human endeavor in any society, and that the creation of wheat, socks, and petrochemicals always merely a means to that end, and that—what's more—most human societies have been perfectly well aware of this. One of the more peculiar features of capitalism is that it is not—that as an ideology, it encourages us to see the production of commodities as the primary business of human existence, and the mutual fashioning of human beings as somehow secondary.

— David Graeber [*"The Sadness of Post-Workerism"*](#)

2.1. Genesis

The *capital* in *capitalism* derives from the Latin root *caput*, meaning "head" as in "head of livestock." The words *cattle* and *chattel* share that etymology and were once also used as general terms for movable property or wealth. The derivation makes sense: The important attribute of animals as a type of property is that they are productive: barring a catastrophe, an owner of livestock can expect the number of heads they own to increase with time as the animals reproduce; and since the rate of births will be roughly proportional to the total number of animals, the rate of increase will be exponential.

From an investor's point-of-view, modern capital is a generalization of livestock which works on identical principles. An investor makes an investment, their invested money goes forth and produces additional value (as if reproducing on its own), and it then returns to the investor along with their share of the increase. But things are very different from the workers' point-of-view from whence capital does nothing productive on its own. It is only by applying human labour that capital can be made to produce wealth. And that capital, in the form of tools and other material inputs, was itself created or mined by workers. In turn, much of the newly created value will be taken by owners and re-invested into more capital to be worked. "Capital is dead labour which, vampire-like, lives only by sucking living labour, and lives the more, the more labour it sucks."¹

Capital does not reproduce autonomously like livestock, but people do. All economic wealth is the result of human labour, and all labourers are the result of the arduous work of human reproduction. Tracing this relation backwards reveals a motive for some of the most horrific organizing forces in our species' history: to control humans is to control the production of wealth, and to control young women is to control future, exponentially increasing wealth. From these two dynamics derive the various forms of exploitation and patriarchy as they've been invented and adapted by societies around the planet over the millennia.

The ancient Israelites had a myth about the origin of civilization: when the first human couple first disobeyed God, they were expelled from paradise to live a life characterized by wearing clothes, agriculture, the enduring anxiety of death, moral knowledge, separation from the divine, and most significantly to our current discussion, the sexual division of labour. In the version of the narrative recorded in Genesis 3, God says to the man:

cursed is the ground because of you;

¹Marx, *Capital*, 342.

in toil you shall eat of it all the days of your life;
[...]
By the sweat of your face
you shall eat bread

Class societies which are built on some form of economic exploitation have discovered a partial “solution” to this curse: make most people do extra work so that a small parasitic class may have bread for free. In pre-capitalist societies, these class distinctions are clear: everyone knows the master appropriates what the slave produces. Capitalism doesn’t change the fact that economic wealth is created by human labour, of course, or that bread must be bought with *somebody’s* sweat. But the extraordinary thing about capitalism is the degree to which it manages to obscure such a basic fact. The great innovation of wage labour is that it hides the underlying exploitation with the illusion of a voluntary and equal exchange of work for money.² The idea that it is money rather than work that produces wealth or that investors play a role equal (or even primary) to workers in the production process is always current in the ideology of capitalist societies. It wasn’t until Marx articulated his theories in the middle of the nineteenth century that philosophy could even offer a clear look behind the appearances of the wage system to reveal how profit is the result of paying workers less than what they produce, a tax cleverly hidden and extracted by paying as wages what labour costs rather than the full value it produces.

But to the woman in the myth, God gave this curse:

I will greatly increase your pangs in childbearing;
in pain you shall bring forth children,
yet your desire shall be for your husband,

²“This phenomenal form, which makes the actual relation invisible, and, indeed, shows the direct opposite of that relation, forms the basis of all the juridical notions of both labourer and capitalist, of all the mystifications of the capitalistic mode of production, of all its illusions as to liberty, of all the apologetic shifts of the vulgar economists.” (Marx, *Capital*, 680).

and he shall rule over you.

The Hebrew word rendered in the above passages as both “toil” for the man and “pangs” for the woman is *'itstsabown* (עצבון) meaning “worrysomeness, i.e. labor or pain: sorrow, toil.”³ A translation which preserves the repeated word and so the generalization across the division of labour would have been to use in both verses the English word *labour* which has historically been used to describe specifically both the pain of tilling the ground and of childbirth. But *'itstsabown* seems to be even more general than *labour*, indicating mental anguish as well as physical pain and is specific to neither manual labour nor childbirth. The word rendered “pain” in the next part of the line directed to the woman (“in pain you shall bring forth children”) is *'etseb* (עצב), from the same root as *'itstsabown* and with an almost synonymous meaning (in modern Hebrew it means “sadness”).⁴

A translation of the first lines which follows the underlying Hebrew more literally than most other English versions (taking the above and other lexical considerations into account) is provided by biblical scholar and archaeologist Carol Meyers:

I will greatly increase your toil and your pregnancies;
(Along) with travail you shall give birth to children.⁵

Meyers uses this translation to argue her thesis that the pronouncement is fitting to the conditions of an emerging Israelite civilization during the early Iron Age (around

³[Strong's #6093](#)

⁴Strong's Concordance gives grievous, idol, labor, and sorrow as synonyms (#6089). The Septuagint gives the same word for pain, *lupé* (λύπη), wherever the Hebrew text gives *'itstsabown* or *'etseb* in these verses.

⁵Carol L. Meyers, [“The Genesis Paradigms for Female Roles, Part II: Genesis 3:16”](#) in [Discovering Eve](#) (New York: Oxford University Press, 1991) which is a variation of her earlier translation given in “Gender Roles and Genesis 3:16 Revisited” in [The Word of the Lord Shall Go Forth: Essays in Honor of David Noel Freedman in Celebration of His Sixtieth Birthday](#) (Indiana: Eisenbrauns, 1983), 337-354.

1200 BCE) when maintaining an existence in the thorny Canaan highlands would have given rise to an anxiety about underpopulation and the demand for women to contribute significantly to both food production as well as to caring for children. She also observes that though the division of labour and balance of power between the sexes varies greatly across societies, “The continuum of possible relative contributions of males and females to societal chores can be correlated with the status of women. [...] Within certain parameters, societies in which women enjoy relatively high status are those in which women bear a quantitatively large portion of the roles which comprise the productive labor of the community.”⁶

In other words, according to the anthropological model espoused by Meyers, when women as a class perform both their maternal duties *and* contribute significantly to food production they enjoy a higher social status. However, because women are preoccupied with their pregnancies and domestic chores, they can never contribute to the material needs of society as much as men can (Meyers gives a maximum estimate of 60%:40% man:woman balance of contributions) so “women are never valued as a class more than men.”⁷

But as myth the etiological insight offered by the Genesis account is far more general than the specific circumstances in which it may have been developed. The Biblical account of woman’s daily suffering, especially clear in Meyers’ translation, is linked to her biological specialization for childbirth beyond its specific, periodic pains. Among the general pains of childbirth is the domestic work it entails according to cultural norms. In most societies this work has included not only giving birth and caring for infants, but washing, preparing food, healing, making clothing, and gardening for the entire family. As a corollary, because women are tied to the home by their work, the tasks that must be done in the distant fields and forests — including farming, hunting,

⁶Meyers, “Gender Roles and Genesis 3:16 Revisited,” 339.

⁷Meyers, “Gender Roles and Genesis 3:16 Revisited,” 339-340.

and fighting — traditionally fell to men for which toiling in the cursed land of the myth is a stand-in.

As in the case of the man's plight to work the ground (which, as noted, can be seen as a consequent of the woman's own plight), the general trajectory of human civilization has evolved from the configuration described in the myth — in which women suffer the pain of child birth and the bulk of the subsequent care work upon which all societies depend while at the same time being rendered subservient to their husbands — to develop versions which further intensify and mystify the suffering. This basic pattern in which women work twice and are valued less, a cross-cultural fact of modern societies and described by the early Hebrews as an originating characteristic of civilization, is the ancient foundation upon which today's capitalism has been built.

Nineteenth-century anthropologists developed their own myths of the origins of family and women's oppression. For several decades into the twentieth century, the ideas of Lewis Henry Morgan, a pioneering American ethnologist, became current in both America and the United Kingdom. Through his studies of the matrilineally-organized Iroquois tribes in New York, especially their kinship terminology which he believed held clues to their prehistoric kinship system, Morgan developed a theory of social evolution in which he attempted to reconstruct the universal family forms adopted by human societies as they advanced through historical stages of technological development. Morgan published the most complete version of his theory in 1877 as *Ancient Society*.

Marx and Engels considered *Ancient Society* to be an independent development and confirmation of their own materialist conception of history including the origin of class antagonism itself: "The first class opposition that appears in history coincides with the development of the antagonism between man and woman in monogamous marriage, and the first class oppression coincides with that of the female sex by the male. [...] It is the cellular form of civilized society in

which the nature of the oppositions and contradictions fully active in that society can be already studied.”⁸ After Marx’s death, Engels set out to write a book to summarize Morgan’s findings and synthesize them with Marx’s economic social theory which was published in 1884 as *The Origin of the Family, Private Property and the State*.

The most salient feature of Morgan’s conjectured history of kinship groups, as summarized by Engels, is that early societies were built around matrilineal families and matrilineal, communal households where women enjoyed high social status due to their important reproductive role and could count on the solidarity of their sisters and brothers in any dispute with a visiting husband. But then the gradual fall from this pre-pastoral Eden: With “the introduction of cattle breeding, metalworking, weaving and, lastly, agriculture,” it became possible to produce a sizable surplus of wealth.⁹ These new methods of production, generally controlled by men, allowed old forms of social obligation to be replaced by purchase, made slavery useful on a wide scale and war profitable for the first time, and provided an impulse to convert the clan’s wealth into private property of the family while replacing matrilineal with patrilineal reckoning of descent.

The success of this patriarchal revolution dissolved the primitive communism of the matrilineal clans and gave rise to varying degrees of what Engels called the monogamous family which “is based on the supremacy of the man,” who alone has the right to divorce. The express aim of the monogamous family is “to produce children of undisputed paternity; such paternity is demanded because these children are later to come into their father’s property as his natural

⁸Frederich Engels, *The Origin of the Family, Private Property, and the State*, trans. Alick West, rev. ed. (Lawrence & Wishart, 1972; New York: Penguin Classics, 2010), Chapter II.

⁹Engels, *Origin*, Chapter II. Note that today it is known that agriculture was developed alongside of or *before* the large-scale domestication of herd animals.

heirs." The shift to a society composed of monogamous families was, in Engels' famous words, "the world-historical defeat of the female sex."¹⁰

Some modern anthropologists accept matrilineal primacy and primitive communism, but other particulars are now known to be incorrect and the overall Morgan-Engels scheme is challenged on several grounds.¹¹ Still, Engels's account remains compelling if only because it is an attempt to find the historical origins of the subordination of women within families and public society. It is easier to confront and undo a historically constituted arrangement than one that is presented as eternal or unchangeably "natural". And whereas anthropologists have only interpreted culture, in various ways, the point is to change it.¹²

Morgan and Engels's work on the family can be read in part as an attempt to provide a scientific explanation of the myths of prehistoric matriarchy found in many cultures (they both drew on Johann Jakob Bachofen's very popular, at the time, *Mother Right*, which read those myths as history). But there is another, more sinister, interpretation of those myths which doesn't rely on fragile anthropological evidence and, in fact, describes a process that can be observed to take place every day all over the world and for thousands of

¹⁰Engels, *Origin*, Chapter II.

¹¹Including on grounds of methodology (it extrapolates from a few pieces of evidence from linguistics and isolated social groups), philosophy (its nineteenth century evolutionism which imagined an innate engine of progress within humans), evidence (the huge amounts of anthropological, archaeological, and primatological evidence collected since the days of Morgan and Engels do not fit neatly into their universal theory), and ideology (some twentieth century anthropologists attacked Morgan's work in order to protect the nuclear family from investigation). Chris Knight and other members of the [Radical Anthropology Group](#) in London have defended the major points of Engels in recent years including Knight's "[Early Human Kinship Was Matrilineal](#)" in *Early Human Kinship*, eds. N. J. Allen et. al. (Oxford: Blackwell, 2008), 61-82. For an in-depth look at the history of kinship studies which takes a sceptical view toward the existence of any identifiable "primitive society" see Adam Kuper, [The reinvention of primitive society: transformations of a myth](#) (Routledge, 2005).

¹²sorry.

years. That is that myths of matriarchy, and male initiation rites which fulfill a similar role, are repeated narrations of the transition from the mother-dominated world of boyhood in the home to patriarchal manhood in public society. In this interpretation, myths of matriarchy work as a tool of education and socialization to help reproduce patriarchy and its existing sexual division of labour. "The myth of matriarchy is but the tool used to keep woman bound to her place. To free her, we need to destroy the myth."¹³

Whatever their actual prehistory, patriarchal relations — including the control of and ownership rights to women and their fertility — are the prototypical organization for class societies and have been adapted quite well to serve the reproduction of capitalism and its workers. When factory production is thrust upon a population, the gender composition of its employed workforce follows a pattern of development in which the first employees tend to be (sometimes almost entirely) female, followed by a period of de-feminization, and finally, at least as observed in progressive capitalist republics, the re-entrance of women to the wider workforce at rates, in roles, and earning wages on a slow trajectory toward parity with men. The first two phases are especially pronounced in modern export-oriented manufacturing regions, made possible by global capital, where sweatshops on opposite sides of the planet must compete as sites of low wages.

The maquiladora system in Mexico, for example, began with an overwhelmingly female workforce. In the late 1960s, 90% to 95% of production workers were women, while supervisors and higher-paid technicians were mostly American men sent over from the parent companies. As late as 1975, women still made up 78% of the production line workforce (and almost 93% in border maquilas), but only 57% by 1998. Supervisory and technician jobs were increasingly filled by

¹³Joan Bamberger, "[The myth of matriarchy: why men rule in primitive society](#)" in *Woman, Culture and Society*, ed. M. Z. Rosaldo, L. Lamphere, & J. Bamberger (Stanford University Press: 1974): 263-280.

Mexican workers, but were more often given to men; if those positions are counted then the ratio of women to men drops to about 52% in 1998. By 2005 women accounted for only 44% of all maquiladora jobs (with new male hires still going disproportionately to supervisory and technician roles).¹⁴ Similar trends can be seen among the “factory girls” of China’s Pearl River Delta and other Asian manufacturing zones.

Marx was aware of the first stage of this trend in industrializing Europe, which he explained by pointing to mechanized factories which allow the employment of “workers of slight muscular strength” so that the “labour of women and children was therefore the first result of the capitalist application of machinery!”¹⁵ While that might explain why capitalists *could* employ women and children on a large scale,¹⁶ the reason they *did*, and did so eagerly, was because women and children made up a vulnerable segment of the population which could be more intensively and reliably exploited. Men not only had more pride, education, and political clout, they were also more likely to already be organized into labour associations which opposed the reduction of wages accompanying automation. Marx also noted this latter point, that women were found by capitalists in a more exploitable position. As an example he quoted the testimony of a member of parliament regarding an owner

¹⁴Kathryn Kopinak, [*Desert Capitalism: North America’s Western Industrial Corridor*](#) (Tucson: University of Arizona Press, 1996), 8-9; Susan Fleck, [“A gender perspective on maquila employment and wages in Mexico”](#) in *The Economics of Gender in Mexico: Work, Family, State, and Market* (Washington, D.C.: The World Bank, 2001), 133-173, Table 4.3; Luis Bernardo Torres Ruiz, [“Mexican maquiladoras: Evidence from plant-level panel data,”](#) *Economics Graduate Theses & Dissertations* (PhD diss., University of Colorado at Boulder, 2011), Paper 18, Tables 1 & 4.

¹⁵Marx, *Capital*, 517.

¹⁶But even here the explanation is deficient, because the lowest paid factory work, where women tend to predominate, is often labour-intensive assembly and precision work requiring no heavy machinery. In the case of the maquiladoras, it was the automated “second wave” maquilas that tended to hire unionized men as opposed to cheaper female labour (Kopinak, *Desert Capitalism*, 19).

of power looms who employed exclusively women and girls and who gave “a decided preference to married females, especially those who have families at home dependent on them for support; they are attentive, docile, more so than unmarried females, and are compelled to use their utmost exertions to procure the necessaries of life. Thus are the virtues, the peculiar virtues of the female character to be perverted to her injury—thus all that is most dutiful and tender in her nature is made a means of her bondage and suffering.”¹⁷

While the idea that women have “peculiar virtues” which can be used against them persists, most sweatshop owners are not as forthright as the Victorian power loom employer quoted above. From the textile factories of Southeast Asia to the assembly lines of Mexican maquiladoras, employers almost always justify their preference for vulnerable women in the rhetoric of naturalization rather than acknowledging the desperate financial situation of the girls they hire: women (and children) make good factory workers because they have “nimble fingers” or are naturally “dexterous” and “diligent,” etc.

But Marx thought the effect of mechanized factories preying on women and children would be the destruction of the working-class family. What happened instead was that men began to make up more of the unskilled industrial workforce while women were relegated back to the informal/service sectors and unpaid domestic work. Thus industrial society—in nineteenth-century Europe as well as its subsequent expansions driven by ongoing rounds of primitive accumulation—swings from extensively exploiting women as the cheapest available labour to a norm in which women are excluded from the factory and are “relegated to a condition of isolation, enclosed within the family cell,

¹⁷[*Ten Hours' Factory Bill: The Speech of Lord Ashley*](#) quoted in Marx, *Capital*, 526 note 60.

dependent in every aspect on men.”¹⁸ It has never actually been the case that most women could afford to do only housework, but that was nonetheless the ideal during the periods in which capitalism claimed to offer a “family wage”. The economic conditions which produce these swings include growth outpacing the supply of women — especially as the initial population of women and children are worn out and used up while the survivors begin demanding more respect and legal protection — and the reduction of real wages in the higher-paying sectors making factory work more attractive to unemployed men. Political and moral movements also activate to combat the erosion of family values by industry.

The first phase, feminization of industry, works to destroy whatever is left of pre-capitalist family livelihood, while the second, housewifization, then works to integrate proletarianized women into roles as reproducers of the capitalist workforce. The arrangement resulting from housewifization protects women and children from the abuse of factory life, protects the wages of men and their privileged position in the home as the breadwinner, and perhaps most importantly protects the family as an effective means of producing children, vessels of future labour-power, and therefore of reproducing capitalist society. The fact that this arrangement preserves traditional male privileges, a tacit compromise with working-class men who are rewarded with a “family wage” and the possibility of a captive housekeeper, suggests the possibility that men, even Marxists and militant labour activists, might choose a symbiotic relationship with capital in favor of housewifization and other patriarchal perks. As Heidi Hartmann remarked in noting this pitfall of relying on men to lead the fight against capitalism and the oppression of women: “Men have more to lose than their chains.”¹⁹

¹⁸Mariarosa Dalla Costa and Selma James, [*The Power of Women and the Subversion of the Community*](#), 3rd ed. (Bristol: Falling Wall Press, 1975), 29.

¹⁹Heidi I. Hartmann, [“The Unhappy Marriage of Marxism and Feminism: Towards a More Progressive Union,”](#) *Capital & Class* 3, no. 2 (1979): 24.

The workforces of modern developed capitalist societies are still deeply structured by gender, age, race, and physical ability — in fact, labour markets (especially those in countries like the United States which don't have a history of strong social democratic movements) are downright sexist, ageist, and ableist, felt most acutely by those without the disposition or experience to insist on whatever legal rights have been nominally afforded to them — but they fall somewhere between the two extremes of working families to death and shutting women away in private homes as dependents of their husbands. In the United States, women's labour force participation rate remains less than that of men by about 12 percentage points (56.8% to 69.2% in 2016), and that gap more than doubles when considering full-time year-round work which is engaged in by about 34.9% of women and 59.2% of men. The labour force participation rate (including part-time and temporary work) of all women with minor children, though, is about 70 percent. However, while most women including mothers engage in at least part-time work outside the house, it is significant to note that the jobs they find are often centered around care work. The top twenty-five most common occupations for full-time women include teachers, nurses, secretaries, receptionists, maids and housekeeping cleaners, personal care aides, and social workers. In all of those fields, women make up at least 75% of the workforce. Among management positions, which women are less likely to occupy, women predominate in human resources, social services, and education administrators.²⁰

Working-class women in core capitalist countries, then, have been rescued first from factory work, then from an isolated existence of housework, so that today more women than ever, no longer only the poorest, are free to do much of the childcare and housework in their own homes and *also* to earn a wage — often by taking care of other people's families for money.

²⁰Bureau of Labor Statistics, [Women in the labor force: a databook](#) (November 2017).

2.2. Productive reproductive work?

At the resurgence of feminist movements in the 1960s, the world still didn't look much different to women of the developed world than it did to the working-class Victorian wife, whose plight was described by Engels in these terms: "if she carries out her duties in the private service of her family, she remains excluded from public production and unable to earn; and if she wants to take part in public production and earn independently, she cannot carry out family duties. And the wife's position in the factory is the position of women in all branches of business, right up to medicine and the law. The modern individual family is founded on the open or concealed domestic slavery of the wife, and modern society is a mass composed of these individual families as its molecules."²¹

So it was this society, or its twentieth-century consumerist descendant, that became the object of inquiry for second-wave feminist theorists who sought to understand not only the phenomenological and psychological experiences of the women living within it but also to understand and resist the material conditions which create and maintain it. Most theorists located the source of women's subordination as arising somehow from the division of labour between men and women, and especially in the unpaid child bearing, child rearing, and housework done mostly by women. But the exact nature of those divisions and work became a matter of some contention. Particularly at issue in the economic debates of the 1970s was how to apply Marxian analytic categories to unpaid domestic work, specifically in what sense the work of raising future workers is "productive".

In Marxian terms, "productive work" under capitalism (or it might be better to say "from the viewpoint of capital") is work which directly produces surplus-value; it is wage work which contributes directly to commodity production. Contrariwise, "unproductive work" is work which is seen as an expense

²¹Engels, *Origin*, Chapter II

from the viewpoint of capital. In the course of doing business, capitalists hire both kinds of labour, and both are necessary, but it is only in productive workers that owners can hope to find a source of profit. "To be a productive worker is therefore not a piece of luck, but a misfortune."²²

These are simple but confusing categories for three reasons. The first is that they define mutually exclusive sets so it is tempting to try to categorize all kinds of work as one or the other, but the label "productive" applies only to purely capitalist relations of production. In other words, it is not applicable to all possible work arrangements that take place in our nominally capitalist world: some work is neither productive nor unproductive in the Marxian sense. The second is that whether work is productive or unproductive has nothing necessarily to do with the nature of the work itself, but only with the relationship between the worker and whoever is paying for the work to be done. Third, despite being technical economic terms, "productive" and "unproductive" evoke moral connotations as if they mean "useful" and "not useful".

An unemployed mother, for example, who does work in the house is neither productive nor unproductive—those categories only apply to paid work. The living costs of non-

²²"The only worker who is productive is one who produces surplus-value for the capitalist, or in other words contributes towards the self-valorization of capital. If we may take an example from outside the sphere of material production, a school-master is productive worker when, in addition to belabouring the heads of his pupils, he works himself into the ground to enrich the owner of the school. That the latter has laid out his capital in a teaching factory, instead of a sausage factory, makes no difference to the relation. The concept of a productive worker therefore implies not merely a relation between the activity of work and its useful effect, between the worker and the product of his work, but also a specifically social relation of production, a relation with a historical origin which stamps the worker as capital's direct means of valorization. To be a productive worker is therefore not a piece of luck, but a misfortune." (Marx, *Capital*, 644). For a convenient summary of everything Marx wrote about productive and unproductive labour, see Ian Gough, "[Productive and unproductive labour in Marx](#)," *New Left Review* 76 (1972): 47.

working family members including housewives and children are presumed to be reflected in the breadwinner's wages. It is this traditional arrangement that has often been identified as a major source of women's subordination under capitalism. Not only is the housewife's work not socially recognized as work, but because her costs of living are paid as a wage to her husband, she often has little direct control over how her own material needs are met and becomes dependent on his whims and his distribution of household funds. "The figure of the boss is concealed behind that of the husband."²³

A nanny who is paid by a family to care for their children, on the other hand, is an unproductive worker: her wages are an expense to the family rather than a direct source of profit. It is also possible to view such a self-employed nanny as productive to and exploited by herself as both capitalist and worker. But Marx considered self-employment to be an anomaly which offers "a favourable field for outpourings of drivel about productive and unproductive labour." To avoid such paradoxes it is best not to try to analyze self-employment in terms of purely capitalist categories. A nanny who works for an agency, which keeps a portion of her earnings, is clearly a productive worker making a profit for the owners of the nanny agency (but from the viewpoint of the patron family, hiring the nanny through the agency is still an unproductive expense).

In 1912 Rosa Luxembourgh provided this clarifying example noting the poetic crudeness of how the economic definition of "productive" devalues so much work done by women:

The women of the proletariat [...] are engaged in productive work for society just as the men are. Not in the sense that they help the men by their housework, scraping out a daily living and raising children for meagre compensation. This work is not productive within the meaning of the present economic system of capitalism, even though it entails an immense expenditure

²³Dalla Costa, *Subversion*, 35.

of energy and self-sacrifice in a thousand little tasks. This is only the private concern of the proletarians, their blessing and felicity, and precisely for this reason nothing but empty air as far as modern society is concerned. Only that work is productive which produces surplus value and yields capitalist profit—as long as the rule of capital and the wage system still exists. From this standpoint the dancer in a cafe, who makes a profit for her employer with her legs, is a productive working-woman, while all the toil of the woman and mothers of the proletariat within the four walls of the home is considered unproductive work. This sounds crude and crazy but it is an accurate expression of the crudeness and craziness of today's capitalist economic order²⁴

The so-called domestic-labour debates recorded in the feminist literature of the 1970s and 1980s produced three general approaches to trying to understand domestic work's role within capitalism despite that work not fitting into existing Marxian categories: ignore the categories and treat social and private production separately, extend the categories to include domestic work, or simply [mis]use the categories as they are.²⁵

²⁴Rosa Luxemburg, [“Women’s Suffrage and Class Struggle.”](#) in Hal Draper and Anne G. Lipow, “Marxist women versus bourgeois feminism,” *Socialist Register* no. 13 (1976). I first found this quotation in Nancy Holmstrom, [““Women’s Work,” the Family and Capitalism.”](#) *Science & Society* (1981): 186-211.

²⁵For another overview of the domestic-labour debate see Chapters 1-3 in Lise Vogel, [Marxism and the Oppression of Women](#) (Rutgers University Press, 1983; Brill, 2013). Some “post-Marxists” view the domestic-labour debate to be the beginning of the end of Marxism as a coherent, universalizing approach to liberation. As Ronald Aronson put it, “Feminism destroyed Marxism” (Ronald Aronson, “The Marxist-Feminist Encounter” in *After Marxism* (New York: The Guilford Press, 1995), 124-140). But some theorists fear the cultural turn toward identity-based movements has played into the hands of capitalism’s own neoliberal turn and that a return to a materialist understanding of care work is needed (Nancy Fraser, [“How feminism became](#)

Taking the inapplicability of Marx's analytical categories to unpaid work at face value, "dual system" theories don't try to stretch Marx's theories to understand the oppression of women nor do they try to explain economic exploitation as an effect of patriarchy. Instead they hold that both systems contribute to the oppression of women. Dual systems theories tend to emphasize the trans-historic and cross-class nature of patriarchy—women of all classes and in most societies experience some economic and political subordination to men, so it is clearly not specific to capitalism—and warn that Marxism and "class-first" attitudes to social liberation threaten to sideline specifically feminist issues. In "The Unhappy Marriage of Marxism and Feminism: Towards a More Progressive Union" (1979), one of the most articulate essays associated with the dual systems approach, Heidi Hartmann complains that Marxist feminists have "subsumed the feminist struggle into the struggle against capital."²⁶ When expanded to include racism and other axes of oppression, the dual systems approach is a precursor to the intersectional analyses which have become influential in recent decades.

A contrasting approach, a response to dual systems theories which nonetheless also attempts to avoid the economism of reducing women's oppression to class or work, is to seek a unifying theory by extending Marxian analytic categories to include domestic labour (and social reproduction more generally, even outside of private kin-based families). Lise Vogel's *Marxism and the Oppression of Women: Toward a Unitary Theory* (1987) expands directly on concepts in *Capital* to include the work of daily and generational reproduction more fully into a Marxist framework. Vogel's short book has recently been reprinted (2013) and is considered a

[capitalism's handmaiden - and how to reclaim it,](#) *The Guardian*, 14 October 2013.)

²⁶Hartmann, "Unhappy Marriage," 5.

foundational text of what is now being called “social reproduction theory.”²⁷

Finally, though chronologically it preceded and influenced the dual and unitary approaches, one way to understand the importance of unpaid domestic work to capitalism in Marxian terms is to reason as follows: because domestic work produces labour-power, and labour-power is the source of all surplus-value, then domestic work is productive of surplus-value. This is the line taken by Mariarosa Dalla Costa in her influential “Women and the Subversion of the Community” (1972) where she wrote that “domestic work produces not merely use values, but is essential to the production of surplus value” and clarified in a footnote that “What we meant precisely is that housework as work is productive in the Marxian sense, that is, is producing surplus value.”²⁸

All three approaches have produced valuable (and often very similar) insights and criticisms; they differ more in their subtle theoretical emphases than their substance. All socialist feminists, for example, likely agree with Vogel that “So long as capitalism survives, domestic labour will be required for its reproduction, disproportionately performed by women and most likely accompanied by a system of male supremacy.”²⁹ But even such a minor difference as how to apply an obscure Marxian category can and has led to discernible differences in political outlook and strategy.

From Engels’s “the first condition for the liberation of the wife is to bring the whole female sex back into public industry”³⁰ to latter-day feminist champions of careerism and the two-income family, one unfortunate position both Marxist and

²⁷For an overview of social reproduction theory see Sharon Smith, “[Domestic labor and women’s oppression](#),” *International Socialist Review* 88 (2013).

²⁸Dalla Costa, *Subversion*, 33.

²⁹Vogel, *Marxism*, 176.

³⁰Engels, *Origin*, Chapter II. Or again: “The emancipation of woman will only be possible when woman can take part in production on a large, social scale, and domestic work no longer claims anything but an insignificant amount of her time” (Chapter IX).

liberal feminisms tend to hold is that women's liberation is to be found in doing *more* work.

By these views "work will set you free," and it is little more convincing in the long run than the same slogan set in slave-wrought iron above the entrances to Nazi death camps. They would have us believe that leaning in to systems of oppression and exploitation will somehow dismantle them: That if on top of the disproportionate amount of subsistence and care work women have done for millennia and continue to do under capitalism, they would only sacrifice more of their lives every week, every day, to keep other people's middle-class homes clean or make some investors somewhere a little bit wealthier, then equality of economic distribution, political rights, and social recognition would finally be at hand.

It is true that these pro-work reformers intend for women to do social, remunerated work *instead* of so much isolated, unpaid housework, and that the work-focused movements of the twentieth century have contributed to opening up economic opportunities and cultural freedom to many women (although the case might be made that much of the success of these movements is attributable to women adapting to the needs of capital rather than the other way around). But the reality for most women is that getting [another] job means more work (and more bosses), not more freedom.

While *freedom to work* may be a prerequisite, the ultimate power and hope for members of subservient classes lies in (and corresponds in degree to) their ability to *refuse* work. Among the approaches developed by second-wave theorists, the one that most successfully avoids the work trap, I think, is Dalla Costa's assertion that domestic work is productive of surplus-value. Such an assertion, as we've seen above, is an abuse of Marxian categories,³¹ but it is rhetorically a

³¹As Marxists have not tired of pointing out for nearly half a century. For a relatively recent critique from a classical Marxist position see Gilles Dauvé's review of *Caliban and the Witch*: "[Federici versus Marx](#)," *troploin*, November 2015. I think these sentences from his conclusion, aimed at the autonomist

very effective abuse: instead of burdening women with more work, the point is to recognize the important, hidden work already disproportionately done by women at the root of the capitalist system. Dalla Costa herself explicitly rejected more work as an emancipatory path, writing that “Work is still work, whether inside or outside the home,” and, “Those who advocate that the liberation of the working-class woman lies in her getting a job outside the home are part of the problem, not the solution.”³²

2.3. Women’s work

In general, the mystification of the exploitation of women’s work is accomplished by concealing it as a so-called natural aspect of femininity. We noted earlier how factory owners rely on the naturalization of low-paid industrial work to justify their exploitation of women (because they have “nimble fingers” or somesuch). An emphasis in Dalla Costa’s approach is to show how domestic work is also justified as “natural” to women, and thereby expose the ways in which women’s work remains unrecognized. An example of this naturalization is present in the last lines God speaks to the woman in our myth: “yet your desire shall be for your husband, and he shall rule over you.” Here the ancient myth tellers (whose oral tradition likely predates the Levant Iron Age) already locate the woman’s subordination in her own intrinsic desires. This subordination is deftly extended from mothers to wives to all individuals perceived as women, whether or not they ever marry or give birth, an essentializing process of creeping

movement in general, are worth reproducing and keeping in mind: “Instead of a critique of work, we are offered its generalisation, as if extending the status of worker to everyone could blow the whole system apart. The practical inability to undertake a critique of the factory resulted in the factory being theoretically expanded to the home.”

³²Dalla Costa, *Subversion*, 35.

subjugation underlying a long tradition of justifying the oppression of women by appeals to biological determinism.

Just as the exploitation of wage workers in capitalist societies (traditionally men) is obscured by the wage system, the even more fundamental exploitation of mothers and domestic workers (traditionally women who are often *also* wage workers) is obscured as housework which women do "naturally," and so as not-really-work. This was a key insight of the Wages for Housework groups that formed out of the theorizing by Dalla Costa and other Italian feminists in the 1970s. Silvia Federici's 1974 "Wages Against Housework" served as the de facto manifesto of that movement, which she helped bring to the United States, and includes this description of the further naturalization of housework as unwaged women's work in capitalist societies:

The wage gives the impression of a fair deal: you work and you get paid, hence you and your boss are equal; while in reality the wage, rather than paying for the work you do, hides all the unpaid work that goes into profit. But the wage at least recognizes that you are a worker [...] To have a wage means to be part of a social contract, and there is no doubt concerning its meaning: you work, not because you like it, or because it comes naturally to you, but because it is the only condition under which you are allowed to live. [...]

But in the case of housework the situation is qualitatively different. The difference lies in the fact that not only has housework been imposed on women, but it has been transformed into a natural attribute of our female physique and personality, an internal need, an aspiration, supposedly coming from the depth of our female character. Housework had to be transformed into a natural attribute

rather than be recognized as a social contract because from the beginning of capital's scheme for women this work was destined to be unwaged. Capital had to convince us that it is a natural, unavoidable and even fulfilling activity to make us accept our unwaged work. In its turn, the unwaged condition of housework has been the most powerful weapon in reinforcing the common assumption that housework is not work, thus preventing women from struggling against it, except in the privatized kitchen-bedroom quarrel that all society agrees to ridicule, thereby further reducing the protagonist of a struggle. We are seen as nagging bitches, not workers in struggle.³³

In *Patriarchy and Accumulation On A World Scale*, the German scholar Maria Mies, writing in the same vein as her Italian colleagues, noted the ideological biases which ascribe different qualities to the two spheres created by the sexual division of labour whereby men's work is associated with conscious action and history-making while women's work is relegated to the passive and natural:

Thus, women's household and child-care work are seen as an extension of their physiology, of the fact that they give birth to children, of the fact that "nature" has provided them with a uterus. All the labour that goes into the production of life, including the labour of giving birth to a child, is not seen as the conscious interaction of a human being *with* nature, that is, a truly human activity, but rather as an activity *of* nature, which produces plants and

³³Silvia Federici, [*Wages Against Housework*](#) (Bristol: Falling Wall Press, 1975), 2-3.

animals unconsciously and has no control over this process.³⁴

To combat these views which naturalize (undervalued and unpaid) domestic and subsistence work as women's burden, Mies (like Dalla Costa) insists on a broader understanding of "productive labour" than the narrow Marxian category. Because women's "*production of life* is the perennial precondition of all other historical forms of productive labour, including that under conditions of capitalist accumulation, it has to be defined as *work* and not as unconscious 'natural' activity."³⁵ Capitalism — specifically its ongoing processes of primitive accumulation, that spirit of Capitalism ever rushing over the face of the formless earth seeking out new sources of surplus value — depends on unwaged subsistence work. In agreement with the theory of ongoing primitive accumulation, Mies views these unwaged forms of labour as necessary to understanding global capitalist accumulation (as opposed to the classical Marxian distinction which views those forms of exploitation as preceding and outside of capitalist relations): "In contrast to Marx I consider the capitalist production process as one which comprises both: the *superexploitation* of non-wage labourers (women, colonies, peasants) upon which wage labour exploitation then is possible."³⁶

When child bearing and domestic work are viewed in this light, the idea that men's social dominance arises from their greater economic contribution fades. Unlike so many explanations of how women's subordination is brought about by the sexual division of labour (recall, for example, Carol

³⁴Maria Mies, [*Patriarchy and Accumulation On A World Scale: Women in the International Division of Labour*](#), 3rd ed. (London: Zed Books, 2014), 45. Emphases in original.

³⁵Mies, *Patriarchy*, 47. Emphasis in original. Or: "the activity of women in bearing and rearing children has to be understood as *work*. It is one of the greatest obstacles to women's liberation, that is, humanization, that these activities are still interpreted as purely physiological functions, comparable to those of other mammals and lying outside the sphere of conscious human influence." (Mies, *Patriarchy*, 53-54.)

³⁶Mies, *Patriarchy*, 48. Emphasis in original.

Meyers's theory that women haven't historically enjoyed equality with men because they only ever have time to contribute 40% of society's productive work or the similar assertion by Engels and many feminists since that women need jobs before they can hope for equality), Mies points to anthropological evidence that women have always performed the bulk of subsistence labour (and continue to do so in many pre-industrial societies), usually in the form of planting and gathering, as opposed to men's highly valued but less reliable procurement of hunted meat. She offers an alternative theory of the subjugation of women through technological rather than direct economic means. With the invention of ranged weapons capable of killing large mammals, which were controlled by the men who specialized in hunting, she posits that a predatory mode of production became possible (though this possibility would not be fully realized until the rise of pastoral societies):

In the last analysis, we can attribute the asymmetric division of labour between women and men to this predatory mode of production, or rather appropriation, which is based on the male monopoly over means of coercion, that is, arms, and on direct violence by means of which permanent relations of exploitation and dominance between the sexes were created and maintained.³⁷

The authors of *Women's Work, Men's Property*, a 1986 inquiry into the origins of women's subordination in the tradition of Engels's theory of a fall from matrilineality, recognize that women's labour is devalued *despite* its majority contribution to food production, but they don't uniformly agree that male supremacy can be traced directly to men's monopoly over weapons. Stephanie Coontz and Peta Henderson de-emphasize the role of technology, and instead see women's subordination as a gradual, non-conscious outcome of

³⁷Mies, *Patriarchy*, 65.

social dynamics, whereas Nicole Chevillard and Sébastien Leconte find it “highly significant that men in lineage societies are adamant that women should be disarmed.” (“Lineage societies” are the pre-state “primitive” societies anthropologists love to pretend hold clues to prehistoric society.) Chevillard and Leconte agree generally with Engels that the transition to patriarchal society was a sudden, revolutionary, and intentional development. “It is well known that differential access to arms always reflects class relations. [...] in all historical periods women have been subjected to a set of class relations whose essential nature is betrayed by the fact that they invariably prevent women from bearing arms.”³⁸

The monopoly-on-arms theory of male domination has the advantage that it is simple compared to theories like those of Morgan and Engels, and it has fewer fragile dependencies on anthropological findings. And even if the direction of its causality is unclear (might men have greater access to weapons *because* of their social or political dominance?), it provides an explanation which maintains continuity from prehistory to the present day. In the United States today, with a strikingly well-armed and violent populace compared to other wealthy democracies, women are still less likely to own a gun (39% of adult men and 22% of adult women in the USA own at least one gun). Only about 15% of active duty U.S. Army soldiers and 12% of American police officers are women.³⁹ Furthermore, according to a Pew Research survey, among those Americans who do own guns, women are much less likely to keep one loaded and nearby, less likely to

³⁸Nicole Chevillard and Sébastien Leconte, “The Dawn of Lineage Societies: The Origins of Women’s Oppression,” in *Women’s work, men’s property: the origins of gender and class*, ed. Stephanie Coontz and Peta Henderson (London: Verso Books, 1986). Editorial note in brackets my own.

³⁹Office of Army Demographics, [Army Demographics: FY16 Army Profile infographic](#); FBI Criminal Justice Information Services Division, [“Police Employee Data,”](#) Table 74.

regularly practice shooting, and even among Republicans are much more likely to support stricter gun-control policy.⁴⁰

By locating the origin of class formation (and preservation) in the differential ability to carry out violence, thus in the ability to appropriate rather than produce, materialist feminist theories like those of Mies and Federici also avoid the self-contradictory idea that reward in class societies is proportional to contribution. It's an idea that constitutes a sacred pillar of capitalist ideology and persistently dogs anthropological thinking, but if it were true that wealth and power were awarded according to work and risk, then slaves, wage workers, and women would be the most well-off members of any society. As Coontz and Henderson ask, "What kinds of work did slave owners or family patriarchs do that justified their power and prestige vis à vis slaves, wives, and junior men? Why did women have low status in slave societies, such as fifth-century Athens, where free men took few risks and did little work?"⁴¹

As an aside, for a demonstration of how prevalent the inversion of the actual work-and-reward relationship remains in the capitalist imaginary, it is probably sufficient to ask a liberal friend their opinion of Henry Ford, Steve Jobs, Elon Musk, or whoever is the celebrity captain of industry *du jour*, and witness an outpouring of praise for these men at the top of our oppressive economic, racial, and gender hierarchies reaping the material and social fruits of labour and other suffering done by others. Hence the importance of the socialist slogan "To each according to their contribution," a demand which most socialists would deem insufficient (looking forward to an economy which provides instead for

⁴⁰["America's Complex Relationship With Guns."](#) Pew Research Center, Washington, D.C. (June 22, 2017), accessed January 17, 2018.

⁴¹Stephanie Coontz and Peta Henderson, "['Explanations' of Male Dominance](#)," in *Women's work, men's property: the origins of gender and class* (London: Verso Books, 1986).

“each according to their need”) but necessary to confront both the injustice and the false promises of capitalism.⁴²

2.4. Witch hunts as primitive accumulation

The degree to which capitalism was made possible by violence targeted at women, in particular, has been underemphasized in many accounts of primitive accumulation. The transition from feudalism to capitalism in Western Europe (from the late fifteenth through the seventeenth centuries) was accompanied by the Scientific Revolution’s transformation of the natural sciences and humanity’s understanding of its place in the cosmos. Francis Bacon, father of empiricism and the inductive scientific method, gave a philosophical grounding to the new sciences. Baconian science was not so much a rejection of alchemy and the old occultic arts, but their de-mystification, systemization, and professionalization. Nature was feminized by the rhetoric of the new philosophy of science as a subject to be systematically dominated: constrained, explored, penetrated, exploited, and its secrets and wealth extracted by machines (with the courtroom, the operating theater, and the alchemists’ laboratory as the prototypes for such domination).⁴³ By an analogous and concurrent process, women and their fertility were naturalized as fundamental but unacknowledged inputs to the production of profit for capital owners. It is then perhaps unsurprising that women played prominent roles (as Federici points out) in many of the peasant uprisings and heretical

⁴²For an account of the slogan and its variations used by socialists, see Wikipedia contributors, [“To each according to his contribution,”](#) *Wikipedia, The Free Encyclopedia* (accessed January 16, 2018).

⁴³Carolyn Merchant, [“The Violence of Impediments: Francis Bacon and the Origins of Experimentation,”](#) *Isis* 99, no. 4 (2008): 731-760.

religious cults that rose in rebellion against both the old aristocratic and new bourgeois orders.

In her 1979 book *The Death of Nature: Women, Ecology, and the Scientific Revolution*, Carolyn Merchant drew a connection between the new sciences (and Bacon's rhetoric), the rise of capitalist mechanized industry, and the European witch hunts:

The interrogation of witches as symbol for the interrogation of nature, the courtroom as model for its inquisition, and torture through mechanical devices as a tool for the subjugation of disorder were fundamental to the scientific method as power.⁴⁴

Merchant's work informed both Mies and especially Federici whose *Caliban and the Witch* explores the connection in detail. The European witch trials were sporadic in both time and place, with few commonalities shared by accused witches other than the fact that they tended to be older, poor women (the same demographic and at a similar gender ratio, incidentally, as recipients of Kiva's microfinancial services). Mies emphasized simple dispossession as a motive for the witch hunts, a means for magistrates and enterprising witch hunters to collect fees from the community and confiscate the property of condemned witches. But Federici, noting that most victims were very poor, rejects such direct greed as a significant factor in the early modern witch hunts (though she does give the seizure of land from old, non-productive community members as a driving force of witch accusations in Africa today). Instead, she sees the witch hunts as "class war carried out by other means," targeting older women in part because those women were survivors of earlier peasant uprisings who harbored resistance to the local elites and to the expropriation of primitive accumulation.⁴⁵

⁴⁴Carolyn Merchant, *The Death of Nature* (San Francisco: Harper & Row, 1983), 172, as quoted in Mies, *Patriarchy*, 88.

⁴⁵Federici, *Caliban*, 176.

One caveat to be aware of regarding the work of Mies and Federici is that they both overestimate the impact of the witch hunts. Mies puts the upper bound on the number of people executed as witches at ten million, repeating a then-current trope among feminists that the witch hunts were similar in scale to the holocaust perpetrated by Nazi Germany. Such high estimates, it turns out, were based almost purely on polemical speculation rather than actual documentary evidence. Federici is much more conservative, claiming “hundreds of thousands of women were burned, hanged, and tortured in less than two centuries,” citing in a footnote the conclusion of Anne L. Barstow (author of *Witchcraze: A New History of the European Witch Hunts*) “that at least 100,000 women were killed.” But even that figure is beyond the high end of most scholarship, which estimates the death toll closer to 50,000.⁴⁶ Of course the arrest, torture, and execution of witches even at the revised scale was traumatizing to the regions they affected and demand some explanation. But instead of treating witch hunts as the predominant process of primitive accumulation by which women were disciplined, degraded, and made to serve capitalist production, as Federici does, it is better to think of them as a striking example of such processes.

The witch hunts terrorized Europe during times when a fledgling capitalism demanded workers, but food was scarce (with crop failures and unusual weather associated with the Little Ice Age affecting Northern hemispheric climate) and population was on the brink of collapse. The most consistent theme underlying the panics is connected to anxiety about fertility and witches' ability to make crops, animals, and humans unproductive. As Lyndal Roper

⁴⁶Jenny Gibbons, “[Recent Developments in the Study of the Great European Witch Hunt](#),” *Pomegranate* 5 (1998): 2-16. For a note and discussion on the accuracy of Federici’s figure see Joseph Kay, “[Witch-hunts and the transition to capitalism?](#)” *libcom.org* (20 December 2011). Lyndal Roper says “upwards of perhaps 50,000 people died” in the witch hunts, half of whom were killed in Germany (Lyndal Roper, *Witch Craze: Terror and Fantasy in Baroque Germany* (Yale University Press, 2006), electronic edition, Prologue).

discovered by studying the witch craze in Germany, “the fears that surrounded witches were not just about the deaths of infants and the early weeks of motherhood, but featured animals and crops, in short, fertility itself. These terrors were credible because of the realities of life in a precarious economy.”⁴⁷ And the primary themes which shaped the violence “turned on motherhood, the bodies of ageing women, and fertility.”⁴⁸ One way these thematic anxieties were expressed was as a distrust of women and the control they have over reproduction: a fear that witches consort with the devil (instead of productively with men?), cause miscarriages, kill and consume children, and generally that they “hinder men from generating and women from conceiving.”⁴⁹

Federici hypothesizes that “the witch-hunt was, at least in part, an attempt to criminalize birth control and place the female body, the uterus, at the service of population increase and the production and accumulation of labour-power.”⁵⁰ Significant in light of this hypothesis is the defeminization of obstetrics corresponding with the witch hunts. Female midwives, who exercised a great deal of control over reproduction as experts not only in delivery but in contraceptives and abortion, were specifically denounced by demonologists. Following the height of the witch craze, midwifery was progressively displaced by the state-regulated, male-dominated medical profession. “Just as the Enclosures expropriated the peasantry from the communal land, so the witch-hunt expropriated women from their bodies, which were thus ‘liberated’ from any impediment preventing them to function as machines for the production of labour.”⁵¹

The German economists Gunnar Heinsohn and Otto Steiger arrived at a similar understanding of the witch hunts through

⁴⁷Roper, *Witch Craze*, Preface.

⁴⁸Roper, *Witch Craze*, Prologue.

⁴⁹From the Bull of Innocent VIII (1484), giving Papal permission to punish witches for making crops, animals, and people infertile. Quoted in Federici, *Caliban*, 180.

⁵⁰Federici, *Caliban*, 181.

⁵¹Federici, *Caliban*, 184.

their reading of Jean Bodin's infamous *Démonomanie*. In the *Démonomanie*, Bodin, who was probably the most influential French political theorist at the end of the seventeenth century, sought to justify the torture and extermination of witches, saying of witchcraft that "there are no crimes which are nearly so vile as this one, or which deserve more serious penalties." Heinsohn and Steiger explain the puzzle of how such a scientific thinker as Bodin could also be completely obsessed with rooting out witchcraft by arguing that what Bodin meant by witchcraft can be reduced to birth control, motivated by his mercantilist anxiety about underpopulation. They believe this theory fills a gap in the historical accounts which fail to adequately explain the timing, content, and target of the witch hunts:

The first enigma we explain as the most ruthless method in Early Modern Times to suppress the traditional and highly sophisticated means of birth-control [...] by eliminating its best experts, the midwives [...] regarded as the most serious obstacle to the repopulation of Europe after its economic devastation by the Population Catastrophe.⁵²

But while midwives were frequently the targets of demonologists' rhetoric, and they were the center of some witch hunts and included among the victims of a few high-profile executions, in practice they seem to have made poor scapegoats. As demanded by their practice, midwives tended to be integral members of their communities: trusted, respected, and depended upon. David Harley's investigation into the phenomena of the midwife-witch turned up little evidence that midwives were disproportionately accused or convicted of witchcraft: "The midwife-witch is a stereotype

⁵²Gunnar Heinsohn and Otto Steiger, "[Inflation and Witchcraft or the Birth of Political Economy: The Case of Jean Bodin Reconsidered](#)," Univ., Inst. für Konjunktur-und Strukturforshung, 1997, 54. Later published in abridged form as "Birth control: The political-economic rationale behind Jean Bodin's *Demonomanie*," *History of political economy* 31, no. 3 (1999): 423-448.

that has passed straight from the works of the demonologists into the works of historians with barely a glancing impact on the lives of real midwives.”⁵³

The brunt of the violence fell instead on women far more marginalized than the typical midwife. Witches were not only, or even primarily, women who posed a threat to reproduction through their control over their bodies and their children, but men and women whose very existence was a monument to sterility and impediments to a productive future. Especially susceptible to the fears and violent hatred of barrenness were widowed or never married women who had outlived their usefulness as [potential] mothers, did not work common land, were not employed, and if they kept animals at all they were for companionship rather than for food or increase. Many of the 20% or so of accused witches who were men were also viewed as unproductive, “mostly drawn from the ranks of the vagabonds, beggars, itinerant laborers, as well as the gypsies and lower-class priests.”⁵⁴ Men, in other words, who did not fit neatly into the changing sexual division of labour or population control demanded by the emerging capitalist order. In the case of Russia, which was transitioning from a system of slavery to full serfdom, 75% of accused witches were men; a correspondingly large subset of Russian witches were vagrants (“wanderers, minstrels, seasonal laborers, freed slaves, defrocked or self-proclaimed monks, priests, and nuns, and the evocatively named *vol’nye liudi*, ‘free people,’ people subject only to their own will, a term of sharpest opprobrium in a society that valued stability and hierarchy”).⁵⁵

⁵³David Harley, [“Historians as Demonologists: The Myth of the Midwife-Witch,”](#) *Social History of Medicine* 3, no. 1 (1990): 1-26.

⁵⁴Federici, *Caliban*, 179.

⁵⁵Valerie A. Kivelson, [“Male witches and gendered categories in seventeenth-century Russia,”](#) *Comparative Studies in Society and History* 45, no. 3 (2003): 618-619.

2.5. Neoliberal echoes of early modern witch hunts

According to Federici, “A return of the most violent aspects of primitive accumulation has accompanied every phase of capitalist globalization, including the present one, demonstrating that the continuous expulsion of farmers from the land, war and plunder on a world scale, and the degradation of women are necessary conditions for the existence of capitalism in all times.”⁵⁶ If the link between witch hunts and capitalist primitive accumulation she theorized is real, we might expect to see the rise of similar phenomena accompanying the intense bouts of ongoing primitive accumulation characterizing neoliberal globalization since the late 1970s. And indeed Federici has noted several examples of the resurgence of witch hunts in Africa, India, Latin America, Papua New Guinea, and elsewhere during the 1980s and 1990s (leading to the execution or other punishment of accused witches, and often the confiscation of their property).⁵⁷

Some of the parallels between recent witch cases and the old witch crazes are striking. For example the case of Fawza Falih Muhammad Ali in Saudi Arabia which made Western headlines. She was found guilty of witchcraft in 2006 and sentenced to death by beheading. The most serious among the slew of supernatural crimes she is supposed to have committed, and confessed after being beaten, is making a man impotent.⁵⁸ She died in 2010 while still languishing in prison. But as anxieties have shifted, for example from fears

⁵⁶Federici, *Caliban*, 12-13.

⁵⁷Silvia Federici, [“Witch-hunting, globalization, and feminist solidarity in Africa today.”](#) *Journal of International Women’s Studies* 10, no. 1 (2008): 21-35; Silvia Federici, [“Women, witch-hunting and enclosures in Africa today.”](#) *Sozial.Geschichte Online* 3 (2010), 10-27.

⁵⁸[“Letter to HRH King Abdullah bin Abd al-‘Aziz Al Saud on ‘Witchcraft’ Case,”](#) Human Rights Watch (13 February 2008).

of underpopulation to overpopulation (and back again in some places), so too we should expect to see the violence of fear, resentment, and economic restructuring take new forms.

Summarized below are six examples of neoliberal violence and mass delusion which reflect various qualities of those early modern panics — femicide, torture, and fears of child-sacrificing Devil worship. Some witch hunts work to help uproot society in order to discipline women, enforce gender roles, squash dissent, and to shape society and its reproduction in ways suitable for expanded capitalist accumulation; others appear to be a mirrored effect: an uprooted society exposing its marginal members to unrestrained collective fear and hatred.

2.5.1. Maquiladora Murders

The disintegration of society along the US-Mexican border following industrialization and the rise to power of drug cartels has exposed the already vulnerable to deadly violence. According to Amnesty International, more than 370 young women and girls were murdered between 1993 and 2005 in the cities of Ciudad Juárez and Chihuahua, their bodies left in the surrounding deserts, ditches, garbage dumps, or deserted streets.⁵⁹ Approximately one third of the recovered bodies exhibit signs of sexual violence, torture, or mutilation. With the intensification of the war on drugs, the rate of murders has accelerated. In the next five years, between 2005 and 2010, more than 500 women and girls were murdered.⁶⁰ Many victims were found with their factory work uniforms still on their bodies or dumped nearby. Despite the “maquiladora murders” moniker the Juárez femicide has gained for itself,

⁵⁹[“Mexico: Intolerable Killings: Ten years of abductions and murders of women in Ciudad Juárez and Chihuahua.”](#) Amnesty International (November 2003).

⁶⁰Julia Monárrez Frago and Luís Ernesto Cervera Gómez, [“Actualización y georreferenciación del feminicidio en Ciudad Juárez \(1993-2010\).”](#) in *Geografía de la violencia en Ciudad Juárez, Chihuahua* (Tijuana, Mexico: El Colegio de la Frontera Norte, 2013): 80.

less than 10% of identified victims worked in manufacturing. As a symbol for the devaluation of female labour and lives, which presaged the dehumanization of entire cities, however, the name remains apt:

The feminicides demonstrated a violence and lawlessness linked to Juárez's position as a space of neoliberal exception. This lawlessness was linked to the dehumanization of female maquila workers, many of whom were denounced as prostitutes whose life was not worthy of recompense. As the military and the federal police entered the fray, the drug war created a similar type of dehumanized person—the drug trafficker. Murders went unpunished, and the violence and lawlessness previously restricted to the female factory workers became part of the fabric of the city. Killings between the cartels, killings by the military and police, and killings by kids on the street corner all became normalized and dehumanized under the banner of the “drug war.”⁶¹

The maquiladora murders have a counterpart at the fringes of capitalist society near the USA's northern border, most famously along the [Highway of Tears](#) in British Columbia, where hundreds or thousands of indigenous women and girls have been murdered or disappeared since the 1970s.⁶²

⁶¹Stephen Eisenhammer, [“Bare life in Ciudad Juárez: violence in a space of exclusion,”](#) *Latin American Perspectives* 41, no. 2 (2014): 99-109.

⁶²Amnesty International's [No More Stolen Sisters campaign](#) has helped raise awareness of the murders, releasing reports in 2004 and 2009 on the scope and some of the causes of violence underlying the murders (<https://www.amnesty.ca/our-work/campaigns/no-more-stolen-sisters/resources>). In 2016 the Canadian government announced it was launching an independent [National Inquiry into Missing and Murdered Indigenous Women and Girls](#) to gather information from survivors and families of victims and to make policy recommendations (<http://www.mmiwg-ffada.ca>). The [final report](#) was released in June 2019.

2.5.2. Bride Burning

In the Indian dowry system, the bride's family pays a dowry to the groom's family (taking on loans or promising future payments if they can't afford the demanded amount immediately). Through this system, young women become a direct source of commodities for men — a more practical form of wealth than children in a highly populated society. Once the family of the bride is unable to provide further dowry payments, the bride is in danger of becoming disposable to her husband or his family; in the classic form of an Indian dowry murder she is burned to death in her kitchen by her husband who is then free to remarry.

Mies describes the phenomenon of bride burning in *Patriarchy and Accumulation*:

Either the husband or his mother or other in-laws of the bride begin to harass her to extract more dowry from her father or brothers. Apart from these demands, she is often subjected to all kinds of humiliations and brutalities. If she cannot bring more dowry, one day — as in many of the dowry cases — she is found dead. The in-laws usually inform the public that the woman either committed suicide by burning herself, or that an accident occurred while she was cooking. By the method of burning the women to death all evidence is usually destroyed so that hardly any of the dowry-death cases is taken up by the police and the law courts.⁶³

Despite increasing activist and state efforts to put an end to bride burning since the 1960s, the practice remains rampant with thousands of women per year being burned to

⁶³Mies, *Patriarchy*, 147.

death — one woman is burned in a dowry-related death nearly every hour in India.⁶⁴

2.5.3. Terrorist Entrapment

Federici has noted that charges of witchcraft performed a similar function to the crime of High Treason during the same years, and to the charge of “terrorism” today. “The very vagueness of the charge — the fact that it was impossible to prove it, while at the same time it evoked the maximum of horror — meant that it could be used to punish any form of protest and to generate suspicion even towards the most ordinary aspects of daily life.”⁶⁵

Since the September 11 attacks, the FBI has developed a pattern of sting operations in which they invent a terror plot, hire an informant to convince a young Muslim man (particularly targeting emotionally unwell men, or those otherwise struggling with life) to carry it out, then swoop in and save the day. The convicted “terrorist” is then sentenced to prison for decades, suffering harsh treatment sometimes including solitary confinement or other tortures.

A report by Human Rights Watch takes an in-depth look at 27 federal terrorism cases that involved 77 total defendants.⁶⁶ In the 13 cases involving an informant, “the defendants do not appear to have been involved in terrorist plotting or financing at the time the government began to investigate them.”⁶⁷ Like the witch inquisitors who first told suspected witches what they were guilty of and then found confirmation in their torture-induced confessions, the FBI provides the suspected terrorist with ideological motivation, weapons and materials, and then the suspect’s guilt is confirmed when he is finally

⁶⁴The Indian government reported 7,621 dowry deaths in 2016 (National Records Crime Bureau, [Crime in India 2016: Statistics](#), 10 October 2017.)

⁶⁵Federici, *Caliban*, 170.

⁶⁶Human Rights Watch, [Illusions of Justice: Human Rights Abuses in US Terrorism Prosecutions](#) (21 July 2014).

⁶⁷Human Rights Watch, *Illusions of Justice*, 13-14.

convinced by the informant to go along with the plan. “In this way, the FBI may have created terrorists out of law-abiding individuals.”⁶⁸ That report also points out that about half of the 500 federal counterterrorism convictions since 2001 involve an informant, and that all but one of the foiled high-profile terror plots were actually sting operations devised by the FBI. The *New York Times* reported in 2016 that the FBI has sharply increased its use of sting operations to entrap young Muslim men who might be attracted by the messaging of the Islamic State.⁶⁹

2.5.4. Enhanced Interrogation

As part of America’s imperial War on Terror during the Bush administration, an extensive torture (“[enhanced interrogation](#)”) program was designed by the CIA and deployed in conjunction with various parts of the US military at black sites around the world. At those covert prisons, suspected terrorists were subjected to brutal physical abuse (including waterboarding, confinement to small boxes, exposure to cold and heat, beating, violent forced anal feedings) and inhumane conditions and psychological treatment (including sleep and sensory deprivation, sexual humiliation, and threats toward detainees’ family members). In lieu of demonologists, the CIA outsourced the design of the torture methods to two American psychologists, [James Mitchell](#) and [Bruce Jessen](#), who were paid \$81 million over the course of the program.

Of the approximately 100 terrorist detainees known to have died while in U.S. custody between August 2002 and the end of 2005, at least a third are known to have been the result of homicide, and at least 8 of those deaths were

⁶⁸Human Rights Watch, *Illusions of Justice*, 22.

⁶⁹Eric Lichtblau, “[F.B.I. Steps Up Use of Stings in ISIS Cases](#),” *New York Times*, 7 June 2016.

the result of torture.⁷⁰ No CIA officers or interrogators have faced criminal charges by the United States related to the torture or deaths of detainees, but [John Kiriakou](#), former Chief of Counterterrorist Operations in Pakistan, was arrested for blowing the whistle during a televised interview on the CIA's use of waterboarding. For that admission the Obama administration's Justice Department charged him with espionage and finally had him convicted and sentenced to 30 months of prison on a lesser charge.

While the full extent of the horrors carried out by the CIA and its contractors against suspected terrorists will likely never be known because of efforts to destroy and falsify records, a report by the Senate Select Committee on Intelligence⁷¹ and efforts by journalists and watchdog organizations⁷² have revealed the main features of the torture program (which officially ended in 2009).

The very first finding made by the Senate Intelligence Committee report is that "The CIA's use of its enhanced interrogation techniques was not an effective means of acquiring intelligence or gaining cooperation from detainees." The brutal program did not produce any actionable information about future terror attacks (but several detainees did, unsurprisingly, fabricate information under the duress), and appears to have been designed to punish rather than to interrogate, an observation made more disturbing by the revelation that 26 of the detainees were "wrongfully held" according to the CIA's own criteria. Included among the 26 wrongfully held are at least 2

⁷⁰Hina Shamsi ed. Deborah Pearlstein, [Command's Responsibility: Detainee Deaths in U.S. Custody in Iraq and Afghanistan](#) (Human Rights First: 2006).

⁷¹The full 6,700 page report is still classified, but a 500-page summary has been released to the public (United States Senate Select Committee on Intelligence, ["Committee Study of the Central Intelligence Agency's Detention and Interrogation Program."](#) 3 December 2014); The Wikipedia entry contains a useful summary (Wikipedia contributors, ["Senate Intelligence Committee report on CIA torture,"](#) *Wikipedia, The Free Encyclopedia*, accessed March 30, 2018.)

⁷²See, for example, the ACLU's [Torture Report](#) and [Torture Database](#)

detainees who were implicated by testimony fabricated during torture,⁷³ the same highly effective method witch inquisitors used to “discover” more witches.

2.5.5. Satanic Panic and the McMartin Preschool Case

Old fashioned moral panics of the Devil-worshipping variety roared back to the centers of capitalism along with the dark forces of neoliberal de-industrialization by 1980. Starting in the United States and then spreading to other developed countries, fantastic rumors that satanists had infiltrated small towns and the suburbs and were regularly sacrificing and sexually abusing children and animals during their rituals and orgies made their way from the anxious minds of frightened parents to psychotherapists, social workers, and courtrooms aided by sensationalized headlines.⁷⁴

In her recounting of the satanic scares of the 80s, Mary de Young located the source of the bizarre conspiracy theories in the interaction between family life and the market economy: “Coincident with that concern about the protection of children was another one about their daily care.” The intensifying tensions between these two spheres of social life “made that most innocuous of social institutions, the local day care center, the target of a moral panic.”⁷⁵ Between 1983 and 1991 over 100 day care centers were investigated for satanic ritual abuse, but the most well-known of the sexual abuse scandals, and in many ways the epicenter of the whole panic, was the McMartin preschool in Manhattan Beach, California.

⁷³Scott Shane, [“Amid Details on Torture, Data on 26 Who Were Held in Error.”](#) *The New York Times* (12 December 2014).

⁷⁴A concise overview of the 1980s satanic panics is provided by Jeffrey Victor, [“Satanic cult rumors as contemporary legend.”](#) *Western Folklore* 49, no. 1 (1990): 51-81.

⁷⁵Mary de Young, [“Another look at moral panics: The case of satanic day care centers.”](#) *Deviant Behavior* 19.3 (1998): 260.

Police and prosecutors spent seven years investigating and prosecuting two of the day care workers, Peggy McMartin Buckey and her son Raymond Buckey, on dozens of charges of child-molestation (the longest and most expensive criminal trial in American history at that point). The children the Buckeys are supposed to have abused (at least one of whom has since publicly recanted and apologized⁷⁶) described, among other incredible acts (such as Ray flying around like a witch):

the ritualistic ingestion of urine, feces, blood, semen, and human flesh; the disinterment and mutilation of corpses; the sacrifices of infants; and orgies with their day care providers, costumed as devils and witches, in classrooms, tunnels under the center, and in car washes, airplanes, mansions, cemeteries, hotels, ranches, neighborhood stores, local gyms, churches, and hot air balloons. In the accusatorial atmosphere of this nascent moral panic, they named not only the seven McMartin day care providers as their satanic abusers, but local business people and city officials, world leaders, television and film stars, and even their own family members.⁷⁷

The children were coached in their testimony (comprising almost all of the evidence presented by the prosecution) by parents and social workers who would persistently ask leading questions until the children had learned the sorts of things they were supposed to say to first create and then confirm the satanic ritual abuse narrative.

Peggy, who had spent two years in jail during the investigation, was acquitted of all charges. Ray was acquitted

⁷⁶Kyle Zirpolo and Debbie Nathan, "[I'm Sorry: A long-delayed apology from one of the accusers in the notorious McMartin Pre-School molestation case.](#)" *Los Angeles Times* (30 October 2005).

⁷⁷De Young, "Another look at moral panics," 261.

on all but 13 counts for which the jury was hung (11 vs. 2 jurors in favor of acquittal). He was tried a second time, also resulting in a hung jury, before the panic had subsided and the prosecution lost interest in the case. During his trials Ray spent five years in jail without ever having been convicted of a crime.

The Buckeys were literally accused of being witches by the children in their care. Peggy and her 75-year-old-mother (who was also originally indicted in the case along with several other workers), as women in charge of other people's children during a time of economic uncertainty, and Ray as a man in the same position fulfilling an untraditional gender role, fit the profiles of their seventeenth-century predecessors who were also often accused by children (most famously in the case of the Salem witch trials).

De Young noted that "In a sample of 35 major satanic day care center cases, 30 (49%) of the 61 criminally charged day care providers were male," and that one of the lasting effects of the panic was the near-total refeminization of day care work as men were driven out of the profession. The accusation of witchcraft, in this incarnation of the old libel, worked to restore a familiar division of labour in a changing world in which "the primary responsibility for the care and socialization of young children was placed on the shoulders of low-paid women" who now work under stricter state regulation.⁷⁸

2.5.6. Pizzagate

The resurgence of right-wing populism in 2016 brought with it an internet-fueled mini revival of the satanic abuse conspiracies. Most notable is "[Pizzagate](#)," so dubbed because it revolves around a pizzeria in Washington, DC, called Comet Ping Pong. The Pizzagate conspiracy

⁷⁸Mary de Young, "[The devil goes to day care: McMartin and the making of a moral panic.](#)" *The Journal of American Culture* 20, no. 1 (1997): 24.

holds that Comet Ping Pong and other area restaurants are used as dungeons for child sex rings operated by Hillary Clinton and other high-ranking Democratic Party officials. The rumors, which developed to include “kill rooms, underground tunnels, satanism and even cannibalism,”⁷⁹ got started when conspiracy theorists, deploying a finely developed hermeneutic of delusion, found hidden references to pedophilia in leaked emails from John Podesta, Hillary Clinton’s campaign manager, and then discovered satanic symbols hidden in the Comet Ping Pong logo.

In contrast to the panics of the 1980s which were widely believed in the communities they affected and were sometimes encouraged by broadcast media, social workers, police officers, and local politicians, the Pizzagate conspiracy theories propagate mostly via pseudonymous online discussion forums, amplified by conspiracy-laden faux news outlets like infowars.com (whose host, Alex Jones, has made inflammatory claims including that “Hillary Clinton has personally murdered and chopped up and raped” many children). But the pizzeria panic has not been without some effect on the real world. One poll found that 46% of Trump voters (and 17% of Clinton voters) believed the Podesta emails talked about pedophilia and human trafficking.⁸⁰ Edgar Maddison Welch, the father of two young daughters, believed the rumors so sincerely that on December 4, 2016, he drove from his home in North Carolina to Comet Ping Pong on a mission to free the non-existent child sex slaves in the non-existent basement and secret tunnels under the restaurant. He entered the pizzeria with an AR-15 style rifle and a revolver, and as frightened diners fled the scene, he fired at walls and a closet door in search of secret passages. He discovered none and was arrested without further incident.⁸¹

⁷⁹Gregor Aisch, Jon Huang, and Cecilia Kang, [“Dissecting the #PizzaGate Conspiracy Theories.”](#) *New York Times*, 10 December 2016.

⁸⁰Kathy Frankovic, [“Belief in conspiracies largely depends on political identity.”](#) YouGov/Economist Poll (27 December 2016).

⁸¹Marc Fisher, John Woodrow Cox, and Peter Hermann, [“Pizzagate: From rumor, to hashtag, to gunfire in D.C.”](#) *Washington Post*, 6 December 2016.

In his work on the earlier satanic scares, Jeffrey Victor wrote that rumor panics,

most commonly arise when people do not trust “official” sources of news, or when people have little confidence in the authorities whose job it is to provide information. When people lose faith in their authorities, they will regard bizarre and frightening rumor stories as plausible, such as those about satanic cults, because it might seem dangerous to simply disregard them.⁸²

This is an accurate description of the political moment that produced Donald Trump and his unique style of “alternative facts.”⁸³ During his campaign rallies, Trump would sometimes lead the crowds in chants of “Lock her up!” referring to Hillary Clinton. The person of Clinton — as a member of the hated elite, a politician strongly associated with American neoliberal globalization policy, and perhaps most damning of all as a woman poised to become the first female president of the United States forever breaking a gender barrier at the highest level of the state — became the natural target for a confluence of anxieties and resentments.

One notable feature of Pizzagate is that its mob-like threats are aimed almost exclusively upward, at national politicians and property owners, rather than downward on marginalized women (though the culture from which the theory germinated is replete with more generic misogynistic tendencies, with some continuity with the earlier [Gamergate](#) controversy, a prolonged anti-feminist campaign of online harassment targeting women involved in the video game industry). This populism, which reflects an environment saturated with a mistrust of mainstream media and of a political elite who

⁸²Jeffrey Victor, [“Satanic cult rumors as contemporary legend,”](#) 58.

⁸³For more thoughts on the paradox of Trump’s rhetoric, see my essay [“He tells it like it is \(a note on Trumpist propaganda\),”](#) *American Cynic* (13 February 2017).

represent less than ever the economic well-being or social values of much of America, has a counterpart in the early modern witch hunts which would occasionally turn on elites and even inquisitors who would become fatally embroiled in accusations themselves.

The most extreme expression of anti-elitist conspiracy theory might be the baffling reversal in the belief of many in the Alex Jones milieu that events such as the [Sandy Hook Elementary School shooting](#), where children actually *were* targeted and murdered, was staged by the government using crisis actors. In both cases, whether by inventing victims of supposed elite pedophile rings, or by refusing to accept real, horrific, but difficult to understand violence against innocents, fear is redirected up to mysterious government or “globalist” agendas.

The Pizzagate claims have been widely debunked in the media, the pizzagate subreddit has been shut down, Edgar Welch apologized as part of his sentencing, and Alex Jones has apologized at the behest of attorneys representing the owner of Comet Ping Pong. But its premise lives on in morphed forms, most preeminently as a conspiracy theory known as “[The Storm](#),” promulgated by an 8chan user named QAnon and endorsed by actress Roseanne Barr, which claims President Trump is secretly working to take down a global ring of elite (usually members of the Democratic Party) cannibalistic satanic pedophiles.⁸⁴

2.6. Non-feminist perspectives

Before finally returning from this long diversion to the part played by microfinance, there are two important points, which don’t fit easily into a feminist narrative, that should

⁸⁴Luke Darby, “[Roseanne Barr and the New, Dumb Conspiracy Theory We Have to Hear About Now](#),” GQ (31 March 2018).

be acknowledged. The first is the invisible male victims of patriarchy: male casualties are often ignored as “natural” victims of deadly violence, even as feminist critiques work successfully to draw attention to and de-naturalize violence against women.

Several examples of the elision of male victims can already be found in this essay. Twenty percent or more of the witches condemned during the early modern European hunts were men, and in some places (including Iceland and Normandy) over 90% of witches were men. Yet in some scholarship those men are often glossed over to preserve a simplistic model of witch hunting as woman hunting. As Lara Apps and Andrew Gow stated in their attempt to bring some gender balance to witchcraft studies, “there is something disturbing, on several levels, about an act of historiographical revenge that replicates, by inversion, the past neglect of women as historical subjects.”⁸⁵ Another example is the case of the Maquiladora Murders. While the grisly rape and murder of young women in Juárez has rightly garnered a great deal of attention, the fact that men and boys are killed in the same city at ten times the rate (one statistical model of homicides in border cities including Juárez found that “the only variable that explains femicide rates [...] is male homicide rate”⁸⁶) has not generated an equivalent gender-specific alarm from activists or academia.⁸⁷

[Warren Farrell](#)'s influential *The Myth of Male Power* (1993) engagingly draws attention to the facts that men are overwhelmingly more likely to be used as cannon fodder, be murdered, become homeless, to commit suicide, to be

⁸⁵Lara Apps and Andrew Gow, [Male witches in early modern Europe](#) (Manchester University Press: 2010), 31.

⁸⁶Pedro H. Albuquerque and Prasad R. Vemala, [“A statistical evaluation of femicide rates in Mexican cities along the US-Mexico border.” SSRN eLibrary](#) (2008). This is an archived preprint, and as far as I can find it was never published in a peer-reviewed journal.

⁸⁷But for a defense of the “femicide” label against revisionist approaches see Steven S. Volk, [“The Historiography of Femicide in Ciudad Juárez: Critical and Revisionist Approaches.” FAIR](#) 8, no. 3 (September 2015): 20-45.

imprisoned, and that men have an overall shorter life expectancy than women, in support of his claim that men belong to the “disposable sex.”⁸⁸ Farrell, considered one of the founding authors of the modern men’s movement, began his career as a celebrated feminist speaker and three-time board member of the New York chapter of National Organization for Women and adapted that liberal feminist methodology to men’s issues. The main theme in his work is that feminism can and should be just as liberating for men as it is for women, premised on the assumption that patriarchal institutions affect men and women in different but equally oppressive ways. Unfortunately Farrell has the habit of undermining his own statistics and anecdotes in *The Myth of Male Power* (which might otherwise stand on their own) with his own commentary, speculations, and attempts at analogy or argument. In one egregious example he understandably complains about the trivialization caused by the broadening definition of rape, but then elsewhere claims that when a man is fired from his job it is the “psychological equivalent” to rape for a woman. The book’s most convincing lesson, though I think it is one the author provides unintentionally, is that society and its gender roles — from its families to its political institutions — are even more dysfunctional than most feminists have imagined.

Farrell’s conception of symmetrically oppressed genders leaves him unable to identify the fundamental role the oppression of women plays in the reproduction of class society. But if feminist scholars and activists continue to fail to engage with the legitimate causes of the men’s movement, the conversation around those issues will be increasingly dominated by the anti-feminist (and sometimes bitterly misogynistic) resentment of reactionary men’s rights movements.⁸⁹

⁸⁸Warren Farrell, *The myth of male power: Why men are the disposable sex*, Fourth Estate (London: 1993).

⁸⁹For a good account on the rise and disappearance of the men’s liberation movement in the 1970s and the emergence of the men’s rights movement which has seen a recent resurgence, including a critique of Farrell’s work,

The other counterpoint worth noting is the assertion that women's work is not (or no longer) uniquely exploited as the basis of modern economies. This assertion is given weight by findings that women in developed countries do not do more work than men — and that any gender differences that do remain in the workforce are mostly the result of women's own preferences rather than of patriarchal social structures. The sociologist [Catherine Hakim](#) takes this position in *Key Issues in Women's Work* (1996) backed with a great deal of data from workforce studies conducted mostly in the United Kingdom but also from Europe and North America. Hakim found that the amount of total paid and unpaid work done by men and women is converging (especially if commute times are counted) and that although women continue to do most of the domestic work, "There is little evidence that wives generally, or full-time housewives, are exploited in the sense of working longer hours in total than men."⁹⁰

Hakim is skeptical toward second-wave feminism, at one point dismissively speculating that the only reason its theories on housework are treated with importance "is that women feel the status of the housewife has diminished; they therefore seek a revaluation of their role and status by underlining the marginal market work done by women and the productive element in their domestic work."⁹¹ She goes on,

It is said that women's work is invisible in industrial society because women are family helpers, do home-based work, work in the informal economy, do voluntary work. All of this is true. The lie is the unstated implication that women are distinctive in engaging in these activities; that their important contribution is

see Michael A. Messner, "[The Limits of 'The Male Sex Role': An Analysis of the Men's Liberation and Men's Rights Movements' Discourse](#)," *Gender & Society* 12, no. 3 (1998): 255-276.

⁹⁰Catherine Hakim, *Key Issues in Women's Work: Female Heterogeneity and the Polarisation of Women's Employment* (London: Athlone, 1996), 51.

⁹¹Hakim, *Key Issues*, 53.

hidden from sight by not being recorded in national statistical surveys; that the activities are devalued by being excluded from the definition of economic activity. All of these conclusions are untrue [...] men do many more hours of market work than women, *in addition* to all their other informal work activities."⁹²

Hakim (like some liberal feminist policy wonks) takes such a data-oriented approach that she mistakes the charge of invisibility brought by feminists against women's work to mean "unrecorded in national statistical surveys" rather than its intended meaning as a description of tasks considered "naturally" to be done by women without the social recognition of a wage. She also links exploitation merely to share (quantity) of work rather than to the quality of much of women's unpaid work as fundamentally vital to the reproduction of the capitalist workforce. Pointing out that men make up for their lackluster share of housework by spending more time at paid jobs only restates rather than refutes the feminist claim. These misunderstandings are somewhat surprising considering earlier in the book she makes claims similar to those of socialist feminists when she refers to women as a "crypto-servant" class and writes that "The great achievement of Western capitalism has been to persuade women that housework and homemaking are an expression of their femininity."⁹³

To reinforce the point that the materialist feminist analysis is still useful even in developed capitalist countries today, Colin C. Williams noted in 2005 (using UK data) that "women still spend well over twice the amount of time as men on subsistence work. Non-exchanged work, therefore, remains chiefly women's realm, even if there appears to be a slight

⁹²Hakim, *Key Issues*, 203.

⁹³Hakim, *Key Issues*, 50.

redistribution of this work towards men as the decades have rolled on.”⁹⁴

2.7. Integration: The triple day and the role of microfinance

Today, as a juggernaut of mutant capitalism finally acts to pulverize the world’s “peasantry” and to drive working-class women directly into gigantic transnational industries, the exploitation of women’s labor is being dramatically reconfigured. Women are being busted out of traditional rural and urban patriarchal families to serve capitalism better.

— bromma *Exodus and Reconstruction*

You work three jobs? Uniquely American, isn’t it? I mean, that is fantastic that you’re doing that.

— President George W. Bush to a divorced mother of three [Omaha, Nebraska, Feb. 4, 2005](#)

The lengthy previous sections are just to say that one of the main functions microfinance performs in global capitalism is to draw previously underexploited labour into the field of capitalist accumulation. The answer to the questions evoked by Kiva’s celebratory “10 Years of Impact” infographic — “Why women? Why small-scale farmers?” — is that those are the groups with the greatest potential to be further integrated into capitalist production through financial services.

⁹⁴Colin C. Williams, [A commodified world?: Mapping the limits of capitalism](#) (Zed Books, 2005), 140.

There is a tension in the effect encroaching neoliberal capitalism has on rural women. On one side is the uprooting force described by bromma which frees young women from their homes en masse and sends them to urban centers as factory or service workers. But Stephen Young, drawing on his field work in Andhra Pradesh, India, notes that microfinance programs tend to limit the mobility of women as they put an emphasis “on disciplining women to be ‘good mothers’, responsible for the everyday work of social reproduction. These dual responsibilities mean that their entrepreneurial activities must usually be located in or close to the home.”⁹⁵ The ambiguity is resolved if both effects occur: women who can be ushered into factories are, and those left behind are instead re-integrated by means of microfinance.

But bromma provides an important reminder:

Let’s be clear: the process we are witnessing is not “changing rural women into workers.” [...] These women have been working as agricultural labourers, either on large capitalist farms or as unpaid labour on family farms owned and controlled by men serving capitalism. They have been working in family businesses and performing the endless hours of domestic and care work that made rural capitalism possible.

This is why I use the language of “re-exploitation” and “re-integration” to describe the process of financing marginal workers: it provides an opportunity to tap *again* the labour of women and peasants for profit. Feminists often speak of the “double day” done by women who are both employed in a formal job and do the bulk of unpaid domestic work. Microfinance brings with it the possibility of a triple day for the world’s poorest women who can do the work needed at home, do work for a boss or sell goods in the informal

⁹⁵Stephen Young, [“Gender, Mobility and the Financialisation of development.”](#) *Geopolitics* 15, no. 3 (2010): 608.

economy, *and* take on responsibility for debt payments as an entrepreneur (even if the loans she receives are only used to buy consumer goods).

It is also important not to mistake financial capitalism as a fundamentally new method of exploitation. Debt is simply generalized wage labour, a convenience for a segment of the capitalist class who is freed from the hassle and risk of doing the actual hiring and management of employees. It is an especially impersonal and cruel employer, for that matter, as indebted workers are responsible for finding ways to earn money and make payments (or simply make payments, sinking ever more hopelessly into debt) on their own. Phil Mader has made this point well in his book:

Microfinance thus makes entrepoyee-type capital-labour relationships possible even with the denizens of slums and villages in the global South — a truly astonishing innovation. This form of surplus extraction is plainly more congruent with financialized capitalism than traditional employment, and it may be understood as part of a fundamental ongoing transformation in how labour power is made amenable to capital accumulation in many different spaces.⁹⁶

As we've briefly outlined earlier, the existing (and growing) body of evidence suggests that microfinance is not an effective means of poverty reduction, and it sometimes results in extreme tragedy. But how effective is it at its more clandestine role of re-integrating the world's self-employed women and peasants into exploitable schemes of finance? Researchers have estimated (using MFI's own self-reported data) that between 2003 and 2010 the microfinance industry extracted \$124.6 billion (USD) from borrowers. Clearly, "microfinance has the capacity to extract payments (and thereby resources) from borrowers in *significant* quantities,

⁹⁶Mader, *The Political Economy of Microfinance*, 106.

adding value to the portfolios of financial actors through the economic activities of the poor.”⁹⁷

One question that remains is why women are so much more likely than men to contribute to Kiva loans. I don't have much insight to offer other than the observation that risk is often quite gendered, with men feeling a responsibility for “risky investments” and perhaps women more attracted to “social investments”.⁹⁸ It may also have something to do with the liberal feminist discourse which renders Western women as liberated economic agents who are in a position to empower the poor women of the global south, who are in turn rendered as potential heroes capable of raising entire households and countries out of poverty if given the slightest opportunity. “This heroic woman narrative explains why the microfinance agenda is so appealing to educated, critical activists, including feminists. The new woman that microfinance promises to create is not simply *empowered* and thus ‘modern,’ but also *independent* and inspiring to many liberal feminists.”⁹⁹

Maria Mies has explored links between “First World” and “Third World” women which may get to some of the underlying hopes and fears which motivate the connection. Considering the process of “flexibilization” of labour during the 1980s (today sometimes called the “gig economy” creating a class of “precariat” workers) in which women were pushed out of the formal sector and re-integrated into part-time service jobs, contract work, or informal work-from-home type schemes, she wrote “Thus, we can say that the way in which Third World women are at

⁹⁷Maren Duvendack and Philip Mader, “Poverty Reduction or Financialization of Poverty?” in *Seduced and Betrayed: Exposing the Contemporary Microfinance Phenomenon*, 41 (emphasis in original).

⁹⁸For a much more sophisticated take on the gendering of risk within the context of Kiva see Megan Moodie, “[Microfinance and the gender of risk: The case of Kiva.org.](#)” *Signs: Journal of Women in Culture and Society* 38, no. 2 (2013): 279-302.

⁹⁹Meena Khandelwal and Carla Freeman, “Pop Development and the Uses of Feminism,” in *Seduced and Betrayed*, 62 (emphasis in original).

present integrated into capitalist development is the model also for the reorganization of labour in the centres of capitalism.”¹⁰⁰ She observed that white women in capitalist centers were encouraged to consume commodities and produce children, while non-white women in the periphery were made to produce commodities and encouraged not to become mothers. “The new wave of racism which we encounter today in the West has its deepest roots in this contradiction, and in the growing fear of an increasing number of marginalized people in the rich countries that they might all become as expendable as women in Third World countries.”¹⁰¹

¹⁰⁰Mies, *Patriarchy*, 125.

¹⁰¹Mies, *Patriarchy*, 127.

Chapter 3. Alternatives

Expanded super-exploitation of new, youthful, and female proletarians of low-wage countries rescued capitalism from the hole in which it found itself in the 1970s. Now, together with workers in the imperialist countries, it is their mission to dig another hole—the grave in which to bury capitalism and thereby secure the future of human civilization.

— John Smith *“Imperialism in the Twenty-First Century”*

What the bourgeoisie therefore produces, above all, are its own gravediggers.

— Engels and Marx *Manifesto of the Communist Party*

In what is probably the most often quoted line from her *Economic Philosophy* (1962), the economist Joan Robinson quipped that “the misery of being exploited by capitalists is nothing compared to the misery of not being exploited at all.”¹ In its original context she was referring to the plight of workers in nominally Socialist countries who didn’t even have the luxury of calling their exploitation by name. But it applies just as well to the misery of unemployment, or to those rural poor with increasing need for commodities but with inadequate access to financial services. Because whatever evils may be inherent to the microcredit model, and I believe that in many cases it exists merely as (yet another) institution for robbing the poor, MFIs (like loan sharks) would not find so many willing customers if their services weren’t in demand. Even putting questions of profit and exploitation aside by assuming that MFIs operate efficiently and at some optimal balance between charity and sustainability, the question

¹Joan Robinson, [*Economic Philosophy*](#) (Middlesex, England: Pelican Books, 1964), 46.

which remains and confronts the Kiva user is whether giving poor women in impoverished neighborhoods expensive debt is a good way to help them — and if it is not, then what else can someone on their computer in a rich Western country do to help?

Finding ways to escape Robinson's dilemma — that is, escaping the misery of being included within capitalism without the misery of remaining excluded from capitalism — has been the essential task of the socialist project since the early nineteenth century. Most attempts have centered around building alternative economic structures which eliminate or minimize profit, rent, and interest through cooperative workplaces (which are owned and managed by the workers who democratically allocate surplus, rather than being owned by investors and managed by bosses beholden to those investors), redistribution of real estate (away from landlords and to the people who actually use and live on the land), and interest-free mutual credit (which is most relevant as an alternative to microcredit, and we will look at a few examples below).

3.1. Socialist markets?

We are convinced that liberty without socialism is privilege, injustice; and that socialism without liberty is slavery and brutality.

— Mikhail Bakunin

The modern socialist movements got their start with the classical political economy of Adam Smith and David Ricardo who in their defenses of the emerging capitalist class against landlords let slip that labour, as a unique factor of production, is the source (or ultimate cost) of all economic value. These labour theories of value were quickly adopted by socialists and used against capitalists themselves. As Robinson once described this turn of events:

Ricardo was followed by two able and well-trained pupils — Marx and Marshall. Meanwhile English history had gone right round the corner, and landlords were not any longer the question. Now it was capitalists. Marx turned Ricardo's argument round this way: Capitalists are very much like landlords. And Marshall turned it round the other way: Landlords are very much like capitalists. Just round the corner in English history you see two bicycles of the very same make — one being ridden off to the left and the other to the right.²

But before Marx and Marshall learned to ride their bicycles, breathing new life into the labour theory of value as a critique of political economy and synthesizing the marginalist and classical schools, respectively, Ricardian socialists and vulgar economists had already fought several rounds: socialists holding that profit was the result of unfair labour markets, and economists insisting that capital was productive on its own and so capitalists were deserving of their fair share expressed as profit.

During the 1840s and 1850s, socialists found a champion in Pierre-Joseph Proudhon, a popular French social theorist who tried to find a synthesis between what he considered to be property's tyranny of the strong over the weak and communism's tyranny of the weak over the strong. As the first modern European socialist to have adopted the label for himself, Proudhon is sometimes referred to as the "father of anarchism," though he described his social and economic prescriptions as *mutualism* (a term he borrowed from worker cooperatives in Lyon). Not only did Proudhon put forth influential arguments that property owners had no right to profit or to claims of surplus beyond their actual expenses (hence his famous pronouncement that "property is theft"),

²Joan Robinson, "[Open letter from a Keynesian to a Marxist,](#)" in *Collected economic papers, Volume IV*, quoted in Mike Beggs, "Joan Robinson's 'Open letter from a Keynesian to a Marxist,'" *Jacobin* (17 July 2011).

he anticipated Marx by pointing out that capitalists exploit workers even in ideally fair labour markets by unjustly appropriating the result of collective force.³

Proudhon also came close to a basic formulation of Marx's more complete account of capitalist exploitation with his proposition that the "laborer retains, even after he has received his wages, a natural right of property in the thing which he has produced." It was by violating this principle, Proudhon thought, that capitalists appropriated what they had not earned ("the labor of the workers has created a value; now this value is their property. But they have neither sold nor exchanged it; and you, capitalist, you have not earned it").⁴ It's there, where labour-power and its products are separated into two commodities both owned but only one paid for by the capitalist, that Marx would later locate the secret to the capitalist extraction of surplus value (as we briefly summarized in the first few subsections of [Chapter 1, Capitalism](#)).

Proudhon's writing had a profound effect on Marx who formulated important parts of his own theories explicitly or implicitly against the shortcomings he saw in utopian and "petite bourgeois" socialisms (he'd classify Proudhon as the latter) and those tendencies' attendant hopes that capitalism could be either worked-around or out-competed within the

³"Collective force" is the increased productivity which results when people work together. A team of ten people working together on a project can produce more than ten individuals working alone, but the capitalist who hires the team still pays them as individuals and pockets the result of their collective force. In Proudhon's words: "A force of one thousand men working twenty days has been paid the same wages that one would be paid for working fifty-five years; but this force of one thousand has done in twenty days what a single man could not have accomplished, though he had labored for a million centuries. Is the exchange an equitable one? Once more, no; when you have paid all the individual forces, the collective force still remains to be paid. Consequently, there remains always a right of collective property which you have not acquired, and which you enjoy unjustly." (Pierre-Joseph Proudhon, [What is Property?: An Inquiry into the Principle of Right and of Government](#), Chapter III § 5.)

⁴Proudhon, *What is Property?*, Chapter III § 5.

realm of commodity production itself. The tensions between Marx and Proudhon, and those which lead to the historic 1872 split between Marxists and anarchists in the International Workingmen's Association, still underlie many of the divisions among today's socialists. The theoretical divisions become most apparent over issues of how to use, subvert, subordinate, or abolish the market and the state. While anarchists and Marxists (or mutualists and communists, etc.) differ on these issues, socialists in general do not hold the naive liberal view that the institutions of "the market" (at least in its capitalist, exploitative forms) and "the state" are opposed to each other as alternative means of economic distribution. Instead, socialists of all stripes tend to view both as interrelated forces which confront and dominate individuals. Proudhon and Marx both emphasized free association as an alternative to a society organized by coercive and alienating forces. David McNally explains the concept of "free association" as:

the idea that a socialist society will be self-regulating, a form of society in which there is no need for an external agency (the state) which stands over and against individuals. Indeed, Marx's hostility to the capitalist market is internally related to his hostility to the state: both express modes of social alienation in which human beings are unable to regulate and govern their economic and political affairs democratically, and in which institutions and mechanisms outside their control dominate and direct their life activities.⁵

The role of the current state institutions in achieving a society of free association, however, is contested among socialists. On one side the so-called "state socialists" (including orthodox Marxists) advocate seizing the coercive tools of the state to suppress exploitation; on the other, the "libertarian socialists" (including anarchists) advocate negation of the state to

⁵David McNally, *Against the Market: Political Economy, Market Socialism and the Marxist Critique* (Verso, 1993), 186.

undermine exploitation and to take the bite out of all kinds of oppression. To Marxists, the propensity for capitalism to lead to monopoly and centralization provides the very possibility for democratic control over the whole of the economy and the tool by which the capitalist system is to be overcome; for anarchists, it is monopoly and the concentrations of power which are at the root of many of the evils of capitalism. State and libertarian socialists therefore often find themselves working at odds toward the same ends. Libertarians work to build a new world in the shell of the old, while state socialists work to create the conditions within which the old world can be smashed and a new world can flourish.

Phil Gasper has written concisely against the idea (sometimes associated with the libertarian approach) that economic initiatives alone are sufficient for a lasting socialism:

Economic democracy and workers' self-management [...] can only be permanently established by adopting a strategy aimed at dismantling the power of the capitalist state and expropriating the expropriators. In other words a *political* strategy, not one focused primarily on attempting to create alternative economic models within existing capitalist society.⁶

A hundred years ago Lenin elucidated this Marxist strategy in *The State and Revolution*:

Marx expressly emphasized the “revolutionary and transient form” of the state which the proletariat needs. The proletariat needs the state only temporarily. We do not after all differ with the anarchists on the question of the abolition of the state as the aim. We maintain that, to achieve this aim, we must temporarily

⁶Phil Gasper [“Are worker’s cooperatives the alternative to capitalism?”](#) *International Socialist Review* 93 (2014).

make use of the instruments, resources, and methods of state power against the exploiters, just as the temporary dictatorship of the oppressed class is necessary for the abolition of classes.⁷

But it is the Marxists' supposedly-temporary "dictatorship of the oppressed class", made up of self-appointed representatives of the people, that anarchists mistrusted from the beginning. Mikhail Bakunin, Marx's primary anarchist antagonist in the International Workingmen's Association, saw the two approaches to establishing socialism as nearly diametrically opposed:

Between the Marxian policy and the Bismarckian policy there no doubt exists a very appreciable difference, but between the Marxians and ourselves, there is an abyss. They are Governmentalists, we are out and out Anarchists. [...] Indeed, between these two tendencies no conciliation to-day is possible.⁸

[Camillo Berneri](#), writing from Spain in 1936 where he was fighting together with other Italian anti-fascists against Franco's forces in the civil war, responded directly to Lenin's formulation to express the anarchist suspicion that the Marxian use of the state would not be as transitory as its theorists implied:

Lenin was disguising the facts. The Marxists "do not have the complete destruction of the State in mind," but they foresee the natural disappearance of the State as a consequence of the destruction of the classes by the means of "the dictatorship of the proletariat", that is to say State Socialism, whereas the Anarchists

⁷V.I. Lenin, [The State and Revolution](#) 2nd ed. (1918), Chapter 1.

⁸Mikhail Bakunin, [Marxism, Freedom and the State](#), trans. K.J. Kenafick (London: Freedom Press, 1950; marxists.org, 1999), Chapter IV.

desire the destruction of the classes by means of a social revolution which eliminates, with the classes, the State.⁹

A few months after Berneri published the short article in which the above quote appears, he was murdered by Stalinist soldiers while walking in Barcelona.¹⁰ With the historic trajectory of the Bolshevik revolution to its final disintegration in Stalinism now fully in hindsight, the reluctance of the anarchists to seize state power has been given greater weight.

Many libertarian socialists point to the lack of competition and the high barriers to entrepreneurship as causes for the divergence in the price of labour-power and the price of labour's products. Employers have access to legal privileges and capital, so most people have no choice but to find employment and accept whatever wages they can get, a situation pithily summarized by GK Chesterton with his quip that "Too much capitalism does not mean too many capitalists, but too few capitalists."¹¹ These [free-market anti-capitalists](#),¹² heavily influenced by Proudhon and skeptical that the state's coercive organs are useful for anything

⁹Camillo Berneri, "[Dictatorship of the Proletariat and State Socialism](#)," *The Cienfuegos Press Anarchist Review* 4 (1978). The original appeared in *Guerra di Class* 4 (1936).

¹⁰For a brief biography of Berneri see Toni "[Berneri, Luigi Camillo, 1897-1937](#)," trans. David Short, *libcom.org* (September 2004), retrieved 12 May 2018.

¹¹GK Chesterton, [The Superstition of Divorce](#), Chapter III. Chesterton was an advocate of a program of Catholic petite bourgeois socialism called [Distributism](#). In one of his main works dealing with his economic system he gives this classical definition of capitalism: "what we call Capitalism ought to be called Proletarianism. The point of it is not that some people have capital, but that most people only have wages because they do not have capital" (GK Chesterton, [The Outline of Sanity](#), Chapter I).

¹²For a reader with selections of free-market anti-capitalist thought from the nineteenth to the twenty-first century, see Gary Chartier and Charles W. Johnson, eds., [Markets Not Capitalism: Individualist Anarchism Against Bosses, Inequality, Corporate Power, and Structural Poverty](#) (Minor Compositions, 2011). For a defense of the labour theory of value from a free-market anti-capitalist perspective, see Kevin A. Carson, [Studies in Mutualist Political Economy](#) (2007).

other than protecting privilege and injustice, have thus sought to minimize exploitation in economic relations by establishing cooperatives, attacking wage-suppressing and interest-maintaining monopoly, and agreeing to normative just prices so that everything is bought and sold at cost without profit as if in a perfectly competitive market. Exemplary of the last item is the American utopian Individualist, Josiah Warren, regarded by many as the first American anarchist, who advocated for economic relations based on [“cost the limit of price”](#) as a precept aimed at eliminating profit and usury. As an experiment in his normative mutualist economics (what he called [“equitable commerce”](#)), Warren opened and successfully operated for several years the [Cincinnati Time Store](#) where users could buy and sell goods and services using labour notes (promises to perform a certain number of hours of work).

The strongest nineteenth-century case for free-market anti-capitalism was made by the individualist [Boston anarchists](#) centered around Benjamin Tucker and his journal *Liberty*. In a pamphlet he wrote in the summer after the 1886 [Haymarket affair](#), Tucker presents state and libertarian socialism as diametrically opposed (“there is no half-way house between State Socialism and Anarchism”). Tucker’s pamphlet remains an eloquent introduction to individualist anarchism, but his dichotomy is constructed on a market fundamentalism not representative of the wider anarchist movement. Writing from his retirement in France for the 1911 edition of the essay, he added a postscript in which he expressed a loss of hope that capitalism and its monopolies can be overcome by purely economic means (arriving at what was Marx’s position from the outset) and stated instead that it “must be grappled with for a time solely by forces political or revolutionary.” He became resigned that his vision of a practical free-market anarchism must wait until after “measures of forcible

confiscation, through the State or in defiance of it, shall have abolished the concentrations that monopoly has created.”¹³

Although Marx himself was optimistic about worker cooperatives and some forms of labour notes, viewing them as prefiguring a socialist economy and even as a sufficient transitory stage on the route to communism,¹⁴ his theory (and the politics arising from it) is generally very pessimistic toward markets as a socialist tool. Not only does the model presented by Marx in *Capital* allow profit to be extracted *even in a competitive market*, but his theory of prices relies on the cost of labour-power being determined at market. The implication, that it is impossible to eliminate the labour market (and thus alienation if not exploitation) without undermining the price system generally, gives rise to an interesting bifurcation of arguments, almost like Robinson’s two bicycles riding in different directions from Ricardo’s critique of rent. To the right, Marx has anticipated the core arguments articulated by the Austrian economists Ludwig von Mises and Friedrich Hayek now often used *against* Marxism and economic planning (the so-called “economic calculation problem” which holds that without a market to determine prices, it is infeasible to rationally allocate resources). To the left, Marx’s analysis can be used as an argument against the possibility of a socialist market as done, for example, by David McNally in *Against the Market*:

by accepting market relations (commodities, prices and wage-labour), market socialists must logically accept the inevitable consequences of these relations — exploitation, class inequality and economic crises. But market socialists fail to see this because they do not understand that without the market in

¹³Benjamin Tucker, [*State Socialism and Anarchism: How Far They Agree & Wherein They Differ*](#) (London: A. C. Fifield, 1911), 5-6, 30.

¹⁴Bruno Jossa, [*“Marx, Marxism and the Cooperative Movement,”*](#) *Cambridge Journal of Economics* 29, no. 1 (2005): 3-18.

human labour-power there is no generalized commodity exchange. [...]

The elimination of exploitation and class inequality is impossible without the abolition of the labour market. And this can only mean the *demarketization* of economic life. A consistent socialism can only be unrelentingly hostile to the market as regulator of economic relations.¹⁵

Furthermore, even if cooperatives manage to minimize exploitation by placing surplus under the control of worker-managed firms, those cooperatives still must compete with each other at market. In other words, cooperatives remain subject to market forces and are pressured to re-invest surplus rather than use it toward more socially desirable ends, hardly a full escape from capitalism. Marxist critics of the cooperative movement would say that workers at worker-owned businesses which compete on the market become their own capitalists. McNally recognizes this as the “key issue” with a cooperative-based economy:

Workers' control is not possible, in other words, in a situation in which groups of workers continue to relate their labour and its products to those of other workers by means of the market. So long as acts of concrete labour are connected only through the market, society's means of production will obey the competitive imperative to accumulation as an end in itself and will thus continue to evade the control of the direct producers — which is to say that they will remain a form of capital.¹⁶

Putting these complaints about markets together, we see that the Marxist critique of market socialism is threefold: 1) even

¹⁵McNally, *Against the Market*, 169.

¹⁶McNally, *Against the Market*, 182.

competitive markets allow for capitalist exploitation via the wage system, 2) without market-determined wages markets become useless at allocating other resources, and 3) even cooperative firms are slaves to capitalist accumulation. It's remarkable that after 150 years of attempts by bourgeois economists to defend capitalist exploitation by discrediting socialism, it is still Marx, an anti-capitalist himself, whose theories (formulated in basic algebra without even the use of calculus) pose the most formidable theoretical hurdle to most socialist projects.

That said, all three objections to socialist uses of markets tend to be overstated. To the first criticism, it is true that *within* Marx's model exploitation goes on without any coercion. But that model is intentionally unrealistic (by not incorporating primitive accumulation) in order to reveal the working of capitalist accumulation in its own terms. In reality a great deal of coercion goes in to creating and maintaining labour markets, and classical socialists and mutualists are justified in pointing to monopoly and state intervention as ultimate sources of profit, rent, and interest. As Kevin Carson summarized the process of primitive accumulation in *Studies in Mutualist Political Economy*, his book defending free-market anti-capitalism against marginalist attacks:

without the state to rob the peasantry of their land, to terrorize the urban proletariat out of organizing, and to legally proscribe alternative working class forms of self-organized credit, this propertyless condition of the working class arguably would never have come about.¹⁷

The second and third criticisms, that any commodity market implies a labour market (and thus the exploitation and alienation of workers) even if the actors in those markets are worker-owned cooperatives, are only insurmountable if we assume that the way markets work within capitalism reflects some eternal nature of market exchange. But such

¹⁷Carson, *Studies in Mutualist Political Economy*, 95.

an assumption is idealistic and uncritical (in contravention of the methodology Marxists usually pride themselves on). Markets are not irresistible forces visited upon human society as some divine curse; they are social institutions created by humans, which can be re-created and subverted by humans. In confronting this ambiguity—or outright contradiction—existing between the principled rejection of commodity production and a liberatory path consistent with Marxist methodology, the late [Michael Harrington](#) (a founding member of the [Democratic Socialists of America](#)) defended socialist markets as a matter of practicality over dogma:

even though Marx in one persona clearly rejected markets altogether, his methodology allows room for the assumption that the markets of a socialist future need not be anything like the markets of the capitalist past. And, much more important, his basic political values, his commitment to freedom and human emancipation, are simply at odds with the consequences that follow from his own analysis of socialism as a centrally planned society or a progressive monopoly.

[...]

Piety about an ambiguous tradition should not, then, keep socialists from seeing that markets can, and must, play a role in the transition to a humane future. All one needs to do is to choose the libertarian Marx over the centralist Marx and then confront reality instead of texts.¹⁸

Marxist warnings about the alienating effect of production for exchange should not be ignored, but the reforms put forth by most socialists who advocate for the use of markets

¹⁸Michael Harrington, “Markets and Plans: Is the Market Necessarily Capitalist?” in Frank Roosevelt and David Belkin, eds., [Why Market Socialism?: Voices from Dissent](#) (New York: M. E. Sharpe, 1994).

(via federated worker cooperatives, for example) — including the tactic of revolutionary syndicalism advocated by many anarchists and democratic socialists — are not meant to preserve markets as they exist, but to intentionally take control of, transform, and whenever beneficial to transcend them. Markets are a familiar social institution which sometimes already prefigure mutually beneficial social and economic interactions and reach to the heart of capitalist production — in short, they present themselves as the ideal shovels for the gravediggers of capitalism.

An anti-market path is less clear. McNally provides a short description of an alternative society based around a computer-aided, democratically planned economy which goes to some lengths to reproduce many features provided elegantly by markets (individual preference in consumer goods, individual trade, the ability to do extra work in exchange for luxuries). His sketch also allows, or even relies on, limited auxiliary markets to provision non-necessity goods and services (including such mundane items as haircuts).¹⁹ A rather anticlimactic conclusion to a Marxist takedown of markets.²⁰ Marx himself is not much help here. In the first volume of *Capital* he gave some space to sketching primitive accumulation and capitalism's pre-history, but he gives almost none to what a post-capitalist future would look like or how to get there. The few paragraphs he did devote to the topic mostly reinforce his caricature as an economic determinist:

The centralization of the means of production and the socialization of labour reach a point at which they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

¹⁹McNally, *Against the Market*, 205.

²⁰McNally is opposed to a society *regulated* by markets and wage labour, not necessarily to mere market mechanisms; but the line between market regulation and the use of market mechanisms does not always appear clear to me in his denunciations and acceptance of various market forms.

[...] capitalist production begets, with the inexorability of a natural process, its own negation. This is the negation of the negation. It does not re-establish private property, but it does indeed establish individual property on the basis of the achievements of the capitalist era: namely co-operation and the possession in common of the land and the means of production produced by labour itself.²¹

Marx's "individual property", made possible by the historic synthesis of capitalist private property and socialist production for use, sounds a lot like the individual property of the anarchists. But how to achieve such an expropriation of the hitherto expropriators is left as an exercise for the reader.²²

Some libertarian and left communists are hopeful that a transitory stage of state or market socialism can be bypassed altogether via a process of direct [communization](#). The Russian anarcho-communist [Peter Kropotkin](#) argued that even if we wanted to distribute wealth fairly, based on relative contribution of work, it is impossible to determine what that distribution should be. So a more sensible solution, which would still be preferable even if "to each according to contribution" were possible, is represented by his slogan "All is for all!"²³

If mutual market exchanges can minimize exploitation and approach this communist ideal, if they can approach "to each

²¹Marx, *Capital*, 929.

²²The most influential of the few things Marx did write on the economic and political transition from capitalism through socialism to communism are contained in the short and pedantic [Critique of the Gotha Program](#) which was not published until after his death.

²³"If the man and the woman bear their fair share of work, they have a right to their fair share of all that is produced by all, and that share is enough to secure them well-being. No more of such vague formulas as 'The right to work,' or 'To each the whole result of his labour.' What we proclaim is The Right to Well-Being: Well-Being for All!" (Peter Kropotkin, [The Conquest of Bread](#), Chapter I).

according to need,” and if they can do so while avoiding the pitfalls and overbearing bureaucracy accompanying so many attempts at non-market allocation, all the better.²⁴

3.2. Mutual credit: zero percent interest

“To advocate market socialism,” the British political theorist David Miller has written, “is not to make a fetish of the market.”

Markets are an effective device for providing a wide range of familiar goods and services, but where the boundaries should be drawn — which goods and services are best provided through the market and which through public agencies — is a matter of practical experience, not of principle.²⁵

²⁴Cosma Shalizi captures this cautiously market-optimistic leftism in an essay on the computational feasibility of replacing market-derived prices: “A bureaucracy, or even a thoroughly democratic polity of which one is a citizen, can feel, can *be*, just as much of a cold monster as the market. We have no choice but to live among these alien powers which we create, and to try to direct them to human ends. It is beyond us, it is even beyond all of us, to find ‘a human measure, intelligible to all, chosen by all’, which says how everyone should go. What we *can* do is try to find the specific ways in which these powers we have conjured up are hurting us, and use them to check each other, or deflect them into better paths. Sometimes this will mean more use of market mechanisms, sometimes it will mean removing some goods and services from market allocation, either through public provision or through other institutional arrangements. Sometimes it will mean expanding the scope of democratic decision-making (for instance, into the insides of firms), and sometimes it will mean narrowing its scope (for instance, not allowing the *demos* to censor speech it finds objectionable).” (Cosma Shalizi, [“In Soviet Union, Optimization Problem Solves You,”](#) *Crooked Timber* (30 May 2012).)

²⁵David Miller, [“A Vision of Market Socialism: How it Might Work — and its Problems,”](#) *Dissent* 38 (1991): 407.

In fact, markets alone, capitalist or otherwise, bring no guarantee of success at even their most basic function of distributing goods according to want. Rather than matching supply to demand, markets are only capable of matching supply to the demand of those with money, a disastrous defect producing failures such as the export and destruction of food crops during depression-driven famines or holding millions of empty houses out of use while nearly the same number of people go without permanent shelter.²⁶

A prerequisite for markets to approach their potential usefulness, then, is a relatively equal distribution of money together in the meantime — or in addition to — a guaranteed basic standard of living by keeping a base level of income, food, housing, and medical care decoupled from market distribution (here anarchists and proponents of the social democratic welfare state see eye-to-eye, even if their methods differ).²⁷

Central to the market socialist attempt at setting markets on more equitable footing is access to inexpensive non-exploitative money, including interest-free credit. But unlike microcredit, the various mutual credit schemes are explicitly non-profit and aim to provide an alternative to capitalist accumulation. Not only would increased access to credit allow prices to respond to *everyone's* wants rather than only to the wants of the wealthy, but a low interest rate²⁸ on credit would tend to create an upper bound on the rates of profit and rent derived from capital and land, reverberating an equalizing

²⁶In the United States, for example, it has been estimated that there are nearly six times as many empty houses than there are homeless people at any time (Tanuka Loha, "[Housing: It's a Wonderful Right.](#)" *Human Rights Now Blog* (21 December 2011).)

²⁷For a mutualist take on a guaranteed social minimum see Shawn Wilbur, "[Thoughts on a Mutualist Minimum.](#)" *The Libertarian Labyrinth* (16 August 2015).

²⁸Zero or "low" interest? The inconsistency here is due to an ambiguity in the word *interest* itself: economists tend to use it to refer to gains above any costs, while in the ordinary sense it simply means any payment beyond the principal balance. By "low" interest rate I mean a rate which does not provide any profit beyond costs, the same as zero economic interest.

force throughout the economy. If credit were easily and inexpensively available for all, then workers would have the realistic option of going into business for themselves, keeping upward pressure on wages. This is why mutualists emphasize interest-free credit (with fees to cover operating expenses and expected losses only) as a route to the elimination of exploitative profit. Warren's Time Store comfortably managed by charging a mere 4% markup; credit associations should be able to administer loans with a similarly low overhead (probably closer to 1% if expressed as an interest rate rather than a one-time fee).

The history of socialist innovations is difficult to pin down because cooperative forms of business, mutual aid societies, and prices limited by labour-time (including labour exchanges like time banks and Warren's Time Store) are re-discovered and re-invented everywhere exploitative commerce produces poverty and inequality. The most successful and mainstream adoption of mutual banking principles to date is embodied by the credit union movement. The lineage of modern credit unions—cooperatively owned banks operated in the interests of their member-owners—owes more to the practical cooperative credit societies pioneered by liberals in nineteenth-century Germany than to any utopian or specifically socialist scheming. Not long after Proudhon's People's Bank failed to get off the ground in France, the 1850s saw a proliferation of [Franz Hermann Schulze-Delitzsch](#)'s credit cooperatives throughout Germany and Europe.

The structure of Schulze-Delitzsch banks were introduced to the United States via Canadian proponents of cooperative credit, and were first legally formalized there in Massachusetts in 1910.²⁹ Today 235 million people belong to credit unions (over 45% of whom live in the

²⁹For a general history and description of the operating structure of Schulze-Delitzsch banks see Donald Skeelee Tucker, [The evolution of people's banks](#) (New York: Columbia University, 1922).

United States) controlling \$1.7 trillion in assets.³⁰ But the emphasis on loans provided by credit unions, at least in developed countries, has shifted from production and wholesale purchase of supplies — as a means of competing with capitalists or maintaining livelihoods outside of major capitalist influence — to consumption within capitalism. Over 90% of the approximately \$1 trillion in loans provided by American credit unions are distributed as mortgages, automobile loans, and personal credit card loans.³¹

Another pioneer of nineteenth-century German cooperatives, [Friedrich Wilhelm Raiffeisen](#), adapted the Schulze-Delitzsch model to serve rural communities so that farmers could pool their limited savings to issue credit and purchase supplies. British colonial officials, impressed by the success of Raiffeisenian credit unions, adopted the ideas and introduced them in India in an attempt to combat poverty and the loan sharks preying on rural populations there. The credit union movement thrived in India in the early twentieth century (counting four million members by 1930) before declining under two opposing forces. In one direction, the sustainability of credit unions was compromised when lending standards and collection efforts became lax; in the other, control of the cooperatives tended to be captured by local landlords and moneylenders, rendering them ineffective as means away from poverty or toward self-determination.

It is in the void left by this first generation of rural colonial British credit unions in India and Bangladesh that modern microfinance was born. But as Phil Mader has warned, a strict acceptance of this lineage is misleading — microfinance institutions are usually *not* cooperatively owned and operated by their customers — and histories of microfinance sometimes give the industry an undeserved cooperative

³⁰World Council of Credit Unions, [2016 Statistical Report](#), <http://www.woccu.org/>

³¹Based on CUNA estimates for March 2018: Credit Union National Association Economics and Statistics Department, [Monthly Credit Union Estimates](#) (1 May 2018).

vener: “the microfinance movement and the cooperative movement have little in common, and they differ most fundamentally regarding who owns and governs the credit-giving institutions.”³²

Silvia Federici has also emphasized the difference between mutual credit societies and microfinance institutions which rely on social pressure and group lending to collect payment and interest:

The other side of women’s struggle for direct access to means of reproduction has been the formation, across the Third World—from Cambodia to Senegal—of credit associations that function as money commons. Differently named, “tontines” (in parts of Africa) are autonomous, self-managed, women-made banking systems, providing cash to individuals or groups that can have no access to banks, working purely on the basis of trust. In this, they are completely different from the micro-credit systems promoted by the World Bank, which functions on the basis of shame, arriving to the extreme (e.g., in Niger) of posting in public places the pictures of the women who fail to repay the loans so that some have been driven to suicide.³³

By providing a way to pool assets, cooperative savings and loan organizations (such as credit unions) increase the money supply and make investments in large projects possible within cash-poor communities. But what about the stalled economies of communities full of people willing to work with, buy from, and sell to each other but who don’t even have the spare cash to put in a small savings account? It is not unusual for

³²Mader, *Political Economy*, 44-46; Phil Mader, [“False Histories: Microfinance and its non-Lineage of German Cooperative Banking,”](#) *Governance Across Borders* (14 September 2011).

³³Silvia Federici, [“*Revolution at Point Zero: Housework, Reproduction, and Feminist Struggle*”](#) (Oakland: PM Press, 2012), 143.

people living in neighborhoods left in the wake of capitalist crises and villages at the forefront of neoliberal primitive accumulation to be reduced to this economic absurdity: the ability to work and the necessity to eat, but separated from the capital and consumer goods markets for lack of money. The commercial microfinance solution is to capitalize on the misfortune: import finance capital from global markets and export profits from the work of borrowers.

A more cooperative approach is to create a mutual credit society backed not by deposits but by the labour of its members: a way to buy goods in exchange for the promise to perform some work. One popular scheme of labour-backed local currency in the age of neoliberal capitalism, called Local Exchange and Trading System ([LETS](#)), developed in Vancouver, British Columbia, during the stagflation and widespread unemployment of the 1980s. A LETS exchange provides a directory of goods and services offered and wanted. Members agree on a price which is credited to the seller and debited from the buyer in the LETS ledger, in effect providing interest-free credit and thereby allowing people who are otherwise unemployed or have no money to produce for and buy from each other. "In a LETS, currency is unlimited; there are neither credit limits, debt charges, nor disciplinary methods of forcing people to work."³⁴

Peter North, ethnographer of LETS communities in the United Kingdom, has explored the degree to which alternative currencies have and can potentially act as "micropolitical" resistance to capitalism. North, writing from the position that the Marxist critique of utopianism cannot be assumed *a priori* such that he expresses hope in bottom-up markets as a possible path away from capitalism, quotes an anarchist member of the Manchester LETS:

³⁴Peter North, [Money and Liberation: The Micropolitics of Alternative Currency Movements](#) (University of Minnesota Press, 2007), 89. For a brief overview and academic assessment of LETS see Colin C. Williams, "[The new barter economy: an appraisal of Local Exchange and Trading Systems \(LETS\)](#)," *Journal of Public Policy* 16, no. 1 (1996): 85-101.

The great thing about LETS is that you can start to live life outside capitalism, outside mainstream work or on the dole. Being unemployed is very soul-destroying and isolating, but LETS gives you a way to be part of a wider group and sell your skills so unemployment doesn't grind you down.³⁵

As with personal computers, which make systems like LETS practical, the internet has introduced new tools for administering and federating mutual credit. In terms of popularity, there is nothing to rival what Kiva has done for microfinance, but one of the first web-based LETS groups, the [Community Exchange System](#) based in Cape Town, is now a global network with nearly 1,000 exchanges operating in 90 countries.³⁶ Another adaptation of LETS to the internet is the Ripple payment system which uses a web-of-trust to allow users to establish decentralized interest-free credit lines amongst themselves. Ripple was directly inspired by the Vancouver LETS scene, but it has since re-branded and shifted its focus to connecting commercial banks with its transaction protocol and to its Bitcoin-inspired cryptocurrency (XRP).³⁷

3.2.1. Cryptocurrency

Bitcoin itself differs from mutual credit ledgers like LETS in important ways. Instead of being a unit of accounting freely created as needed, Bitcoin, aptly named, is a commodity

³⁵North, *Money and Liberation*, 89.

³⁶"Community Exchange Network Statistics," Community Exchange Service website, retrieved 31 May 2018, <https://www.community-exchange.org/home/cen-statistics/>

³⁷Despite the emphasis on the blockchain-based XRP currency, Ripple still facilitates the transaction of generic IOUs between users who trust each other, and so it can still be used as a mutual credit platform. The original Ripplepay website is still online at <https://classic.ripplepay.com>. For an overview of the original Ripple system, see "[The Ripple mutual credit and payment system: Will It Work?](#)" by webisteme as excerpted on the *P2P Foundation blog* (11 June 2011).

that must be purchased or computed (“mined”) before it can be used as money. Furthermore, Bitcoin so far has proven more popular among speculators as a store of value than among traders as a general-purpose medium of exchange. As a result, the Bitcoin economy has tended to mirror the inequalities and concentration of wealth in the mainstream economy. The enthusiasm surrounding Bitcoin and other cryptocurrency technologies is also often fueled by a market fundamentalism at odds with socialism. Still, the Bitcoin-led explosion in electronic currencies and its underlying blockchain technology have introduced new fields of opportunity and experimentation in egalitarian and libertarian economics:

3.2.1.1. Subversive money

The psuedo-anonymous nature of transactions, and the difficulty of controlling the public blockchain ledger by a central authority, make cryptocurrencies attractive to individuals and communities wishing to escape state surveillance, repression, and monopoly. One leftist Bitcoin user has expressed their enthusiasm in these rather utopian but sympathetic terms:

We now have the tools to create a world-wide global revolution where there no more Gods or Masters of the economic system. We can allow for our peer-to-peer relationships via the internet to become a new paradigm for social, economic, and political organization. No longer do we have to believe in the false divisions of nationality, obey the repugnant laws of states that keep us oppressed and impoverished, nor tolerate governmental theft via law, or the exploration by capitalist allowed by their laws. Through forging a new economy that is built on top of non-state based currencies, we can create a new way forward free from the hands

of both statist and capitalist, and their desire to exploit others for their own gains. [...]

By pulling money into the digital realm outside of the hands of states or bankers, we can create a new system of economic exchange and money that does not need the violence of the state, or the exploitation of capitalist.³⁸

3.2.1.2. Private money

Bitcoin itself functions as a gigantic public ledger of transactions which provides less privacy than traditional cash. But some cryptocurrencies, such as [Monero \(XMR\)](#), are designed to provide much more anonymity.

In November 2017, *The New Inquiry* magazine launched [Bail Bloc](#), a project to mine Monero to raise money for the Bronx Freedom Fund (providing bail for low-income detainees in New York) and [Immigrant Bail Fund](#) (providing bail for detainees in immigrant detention centers). As of May 2018 the project has mined over 44 XMR (over \$7,000 USD) which they claim is enough to post bail for 12 people.³⁹ The project organizers admit the cryptocurrency route is a bit of a gimmick (“This is as much about catapulting a radical criticism of bail into the public imagination as it is about raising bail funds via cryptocurrency”), a tactic of public engagement they call “rhetorical software”.

3.2.1.3. Circulating money

Bitcoin is inherently (and intentionally) deflationary in the long run (supposing demand remains constant): the rate at which new coin is mined becomes increasingly slower as it approaches a predefined maximum. Because deflation incentivizes hoarding and prospecting, some alternative

³⁸Bitcoin Theory, [“Bitcoin: A Utopian Response to Nightmare Capitalism.”](#) *Bitcoin Theory blog* (6 May 2015).

³⁹[“Stats.”](#) Bail Bloc website (retrieved 16 November 2018).

cryptocurrencies have experimented with inflationary designs (for example by removing the upper-limit on the number of coins issued). At the extreme are projects like [Freicoin \(FRC\)](#), one of several cryptocurrency projects born during the Occupy Wall Street protests, which dissuades hoarding by implementing a demurrage fee so that all coins lose approximately 5% of their value per year. The perishable currency of Freicoin is influenced by the Freigeld (“free money”) of the German economist [Silvio Gesell](#), who was himself an anarchist influenced by Proudhon.⁴⁰

3.2.1.4. Environmental and democratic money

The Bitcoin network reaches consensus about its distributed ledger by means of an energy-expensive proof-of-work algorithm which has raised concerns regarding environmental degradation and the speed of transaction verification. Many alternative cryptocurrencies have experimented with more efficient algorithms and alternative incentives for mining nodes. One of the most unconventional solutions is that used by [FairCoin \(FAIR\)](#). Rather than being fully decentralized, Faircoin relies on designated validation nodes which take turns creating and validating blocks in the blockchain, an inexpensive process involving no mining or mindless number crunching. But perhaps the most interesting thing about FairCoin is that it has been adopted as the currency for the [FairCoop](#) project, an umbrella for several cooperative economic initiatives. FairCoop’s initial stock of FairCoins was donated by [Enric “Robin Banks” Duran](#), an activist who took commercial and personal loans from dozens of Spanish banks totaling €492,000, and used them to fund various anticapitalist projects with no intention of making any payments.⁴¹

⁴⁰For some more details, a failed Indiegogo campaign, and discussion, see the announcement of Freicoin on the Bitcoin forum: <https://bitcointalk.org/index.php?topic=89843.0>

⁴¹Vice News has published a short profile of Duran and his use of cryptocurrency in his efforts at establishing post-capitalist economies:

3.2.1.5. Venture communism

The blockchain technology underlying Bitcoin is capable of being used as more than a mere ledger for cryptocurrency; other potential applications include a generic consensus-based distributed database or a platform for self-executing “smart” contracts which can facilitate all kinds of trades and transactions. One experimental group which hopes to harness the blockchain for the cause of liberty is the Finnish [Robin Hood Asset Management Cooperative](#), an “activist hedge fund” founded by critical-theory-reading artists, is structured as a cooperative, invests its members' contributions in major US stock exchanges (according to a trend-finding algorithm they have developed and named “Parasite”), and earmarks a portion of any profit to fund community projects. Robin Hood, described by one of its founders as a “counter-investment cooperative of the precariat,”⁴² accepts Bitcoin contributions and maintains its membership database using the [Ethereum](#) blockchain platform. In the words of Brett Scott, author of [The Heretics Guide to Global Finance](#) (2013), “The Dada artist Marcel Duchamp took a urinal and called it *Fountain*. Robin Hood takes a hedge fund and calls it a liberator of precarious workers.”⁴³

As of July 2018, Kiva accepts payment from users in Bitcoin. In 2019 Kiva is planning on launching an experimental blockchain-based credit bureau in Sierra Leone in hopes of decreasing the cost of validating credit worthiness.⁴⁴

Nathan Schneider, [“On the Lam with Bank Robber Eric Duran,”](#) *VICE* (6 April 2015).

⁴²Akseli Virtanen, Taylor C. Nelms, and Bill Maurer, [“Is It Art? Is It a Hoax? Hedging Precarity and Protecting the Commonfare: An Interview with Akseli Virtanen,”](#) *Journal of Cultural Economy*, 8 February 2016.

⁴³Brett Scott, [“The Activist Hedge Fund,”](#) 2 October 2016.

⁴⁴[“Kiva Protocol FAQ,”](#) *Kiva.org* (accessed February 2019).

3.2.2. Direct and interest-free: The redemption of microfinance?

In the case of microcredit, one way to side-step the difficult question of how much interest is too much is simply to replace the traditional expensive, exploitative credit with affordable, mutual credit. There are slight motions in that direction in the crowd-sourced microfinance space.

[Zidisha](#) (named for the Swahili word for “grow” or “expand”) was founded in 2009 as a competitor to Kiva that actually facilitated direct peer-to-peer lending (rather than going through third-party MFIs like Kiva does). Although much less scrutinized than the more popular Kiva, in 2014 a writer at a weblog called Modern Microcredit pointed out that Zidisha was reporting misleadingly low interest rates. While Zidisha claimed an impressively low average rate of 5.3%, it neglected to include all costs; Modern Microcredit sampled 20 loans and found the true average APR to be closer to 159%.⁴⁵ Partly in response to this criticism,⁴⁶ in 2015 Zidisha moved away from charging interest entirely and has settled on a one-time fee of 5% of the loan amount plus a mandatory (and usually refundable) deposit into an insurance fund. In a 2016 retrospective for *Huffington Post*, Zidisha founder Julia Kurnia describes the process of arriving at the zero interest model, during which she also relates this anecdote which underscores the way alien economic forces can be felt as diabolic power: “In some cases, early Zidisha adopters were accused of witchcraft when they showed up with lump sums of cash in places a loan officer hadn’t visited in months.”⁴⁷ As of May 2018, Zidisha has disbursed over \$14 million in loans

⁴⁵“[4 Ways That Zidisha \(YC W14\) is Misleading the Public About Its 25% Interest Rates.](#)” *Modern Microcredit* (1 April 2014).

⁴⁶See this discussion on hacker news: <https://news.ycombinator.com/item?id=7546394>

⁴⁷Julia Kurnia, “[The Story of Zidisha: Dramatically Reducing Microloan Interest Rates.](#)” *Huffington Post* (31 March 2016).

and is currently offering loans to borrowers in Ghana, Haiti, Indonesia, Kenya, Mexico, and Zambia.

Kiva also has a few initiatives in the works which bring it closer to the direct and interest-free vision of itself that it projects. In 2013 they launched Kiva Zip, a pilot program which offered loans directly to entrepreneurs (without an intermediary MFI) in the United States at 0% interest and without any credit score requirement. In 2016 the Kiva Zip program was integrated into the main Kiva website as [Kiva U.S.](#)⁴⁸

In the summer of 2016 Kiva also announced the [Direct to Social Enterprise program](#) which provides interest-free loans directly to medium-sized enterprises (too big to be customers of MFIs and too small to benefit from commercial loans), which has brought the benefits of Kiva Zip to countries outside of the United States (albeit on a person-to-enterprise rather than person-to-person model). I haven't found a complete list of participating social enterprises, but at least a partial list can be found by searching [KivaSort](#) for field partners whose names contain "direct to".⁴⁹

3.3. Debt strike

As delinquency rates rose in Nicaragua's microfinance sector during the global financial crisis of 2008, MFIs turned to aggressive tactics in collecting late payments from over-indebted⁵⁰ microfinance borrowers, including the seizure

⁴⁸All interest-free loans currently seeking funding on Kiva are always listed at: <https://www.kiva.org/lend?avgBorrowerCost=0,0>

⁴⁹A list of current social enterprise loans is available at: <https://www.kiva.org/lend/social-enterprises>

⁵⁰The executive secretary of ASOMIF, Nicaragua's largest network of microfinance institutions, explained that "It's now commonplace for people to take out a loan from one MFI, fall into arrears and then go to another one and another, bailing themselves out of debt with one by getting into debt with two

of collateral property. In June of that year, an MFI called ProCredit operating in the northern city of Jalapa had several delinquent borrowers arrested for non-payment. The arrests galvanized a simmering unrest into a widespread protest that became known as the No Pago (“non-payment”) movement. Thousands of borrowers struggling with interest payments on loans they could no longer afford (if they ever could), demanded relief from the government and directly from MFIs in the form of lower interest, payment lenience and restructuring, and debt forgiveness.⁵¹

To bring attention to their grievances, No Pago protesters took to the streets, keeping some highways closed for days. They also brought their protests to MFI branch offices, a tactic which was intensified after President [Daniel Ortega](#) publicly praised the protesters but urged them to clear the highways and take their complaints directly to the “usurers”.⁵² An

more.” She recounted the case of one kite maker who took out loans from all 19 of ASOMIF’s affiliates and then disappeared (Patricia Padilla, [“The Micro-Financing Institutions Are Politically Very Attractive.”](#) *Envio Digital* (August 2008).)

⁵¹For a brief contemporary account of the No Pago movement in English see Elyssa Pachico, [“No Pago’ Confronts Microfinance in Nicaragua,”](#) *NACLA Report on the Americas* (28 October 2009); The most comprehensive English-language analyses I’ve found are: Jean-Michel Servet, [“No Pago, A Social Movement Against Microcredit Institutions in Nicaragua,”](#) in *The crises of microcredit* (University of Chicago Press: 2015) and Johan Bastiaensen et al., [“After the Nicaraguan non-payment crisis: Alternatives to microfinance narcissism,”](#) *Development and Change* 44, no. 4 (2013): 861-885.

⁵²Daniel Ortega’s authoritarian leadership is viewed by many as the betrayal of the Sandinista revolutionary promise (Jennifer Goett and Courtney Desiree Morris, [“Nicaragua’s Authoritarian Turn is Not a Product of Leftist Politics,”](#) *NACLA Report on the Americas* (16 September 2016)). While I am composing this section, a protest movement, much larger and more violent than No Pago, against Ortega and his regime (sparked when he tried to reform social security) is facing severe repression from the police. Several hundred people have been killed so far during the state’s crackdown on the protesters. Amnesty International released a statement describing the state repression as having reached “deplorable levels”. For reporting on the violence through May, 2018, see Sarah Kinosian, [“Nicaragua’s Students Have Spent Months Protesting President Daniel Ortega,”](#) *Teen Vogue* (4 June 2018). Of course the American-backed political right and neoliberal-aligned business community are taking advantage of the situation in an attempt to effect a regime change

attempt was made to burn down the offices of an MFI in Ocotol, and other loan offices were barricaded by protesters with staff members trapped inside. Several protesters were seriously injured during the ensuing battles with police. In the immediate wake of the riots, several MFIs in northern Nicaragua closed down.

A Moratorium Bill was finally enacted by the Nicaraguan legislature in 2010 which set lower maximum interest rates and provided payment restructuring to a small number of distressed borrowers. But by that time the Nicaraguan microfinance industry had been deeply damaged: between 2008 and 2010 around 100,000 microcredit clients stopped receiving credit, the total sector loan portfolio fell from \$420 million to \$170 million, and in addition to the millions lost to default, foreign investors withdrew around \$60 million in funding from MFIs affiliated with Nicaraguan Association of Microfinance Institutions.⁵³

Near the height of the No Pago movement in 2009, twenty-five international funds including Kiva took out a full page ad in *La Prensa* calling on the government to protect investments in Nicaraguan microfinance. Kiva also placed an alert on the profile pages of all Nicaraguan borrows which warned that the moratorium law “could have a crippling effect on the microfinance industry and banking sector in Nicaragua.”⁵⁴ More than the short term losses, MFIs and investors were preoccupied with a fear that the No Pago movement would cultivate a permanent “culture of non-payment”⁵⁵ rendering

in their favor, so it is very difficult to fully trust any reports circulating in the English-language media at this time. Crimethinc has been providing commentary on the protests from an anarchist perspective along with interviews with some participating student activists (“[Taking Stock of the Nicaraguan Uprising: Asking the Hard Questions after Three Months of Revolt](#),” *Crimethinc*. (2 August 2018)).

⁵³Wendy Álvarez Hidalgo, “[67 mil microcréditos menos](#),” *La Prensa* (20 December 2010).

⁵⁴Victoria Kabak, “[Following The No Pago Movement in Nicaragua](#),” *Kiva blog*.

⁵⁵Sergio Guzmán, “[Ley Moratoria \(Moratorium Law\) Passes in Nicaragua](#),” *Center for Financial Inclusion blog* (23 March 2010).

Nicaraguan peasants and artisans unexploitable as a source of surplus value.

In his popular history of debt, David Graeber commented on the peculiarity of the Christian adoption of the word *redemption*: “It is rather striking to think that the very core of the Christian message, salvation itself, the sacrifice of God’s own son to rescue humanity from eternal damnation, should be framed in the language of a financial transaction.”⁵⁶ Drawing from the ancient Hebrew custom of Jubilee, according to which slaves were freed and debts were forgiven every 50 years, he reads Christian soteriology as awaiting a final, permanent Jubilee:

If so, “redemption” is no longer about buying something back. It’s really more a matter of destroying the entire system of accounting. In many Middle Eastern cities, this was literally true: one of the common acts during debt cancelation was the ceremonial destruction of the tablets on which financial records had been kept, an act to be repeated, much less officially, in just about every major peasant revolt in history.

This leads to another problem: What is possible in the meantime, before that final redemption comes?⁵⁷

Earlier I charged the Marxist opposition to markets, an opposition which ends up relying upon markets for the foreseeable future, with being anticlimactic. But even if that’s the case, the small-scale socialist experiments in cooperative business, mutual credit, and the even more minuscule experiments in alternative currencies I described as hopeful alternatives are downright irrelevant, at least

⁵⁶David Graeber, [*Debt: The First 5,000 Years*](#) (New York: Melville House, 2011), 80.

⁵⁷Graeber, *Debt*, 82.

to most people suffering under debt, wage labour, lack of credit, and unemployment *now*. The actions of those like Enric Duran who defrauded so many Spanish banks of hundreds of thousands of dollars by simply refusing to pay back his loans and the No Pago defaulters in Nicaragua point to one of modern capitalism's soft spots and a potential source of relief in the meantime: the availability of consumer credit mixed with a culture of non-payment provides practical opportunities to expropriate a bit of our share from the expropriators.

Graeber along with several other activists involved in the Occupy Wall Street movement have attempted to spark such a culture of nonpayment in the United States by establishing a network of debt resistance called [Strike Debt](#).⁵⁸ Strike Debt has launched two initiatives so far: the publication of [The Debt Resisters' Operations Manual](#), a book with information on how various forms of consumer credit work and how payments can be resisted, and the now-defunct [Rolling Jubilee](#) project which bought up bad debt (mostly student and medical) for cheap and then forgave it outright.⁵⁹

Such debt resistance, of course, is not sustainable. Although microfinance in Nicaragua has now largely recovered,⁶⁰ the fear of a culture of non-payment expressed by investors is valid: if credit is abused on a large scale, as advocated by debt resisters, then it will cease to be profitable to investors who will find more lucrative ventures leaving behind an even greater crisis of liquidity and lack of financial services than the poor already face.

⁵⁸A brief history of Strike Debt and analysis of the Rolling Jubilee program can be found in Erhardt Graeff, "[Strike Debt and the Rolling Jubilee: Building a Debt Resistance](#)," *Civic Media Project* (April 2016).

⁵⁹The Rolling Jubilee initiative is no longer accepting donations or buying debt; the website claims it abolished \$31,982,455.76 in debt purchased for \$701,317.

⁶⁰ASOMIF has more MFIs and clients than ever and default rates are at less than 5% (Dora González Álvarez, "[Microcrédito crece 14.6 % en Nicaragua](#)," *La Prensa* (22 November 2017).)

But to reject debt strikes on grounds of sustainability is to beg the question of whether capitalism itself should or can be sustained. (Note that I single out capitalism because it is the dominant form of economic exploitation, not because it is the worst possible form). To some naturally empathetic people the answer is obvious. For the rest of us, I hope this essay has at least highlighted some reasons why, at the very least, we ought to be highly suspicious of capitalist production and the societies built around it.

Chapter 4. Further Reading

Most of the ideas I've engaged with in this essay were inspired by, and are expressed more fully in, these five or six works:

bromma, [*Exodus and Reconstruction: Working-Class Women at the Heart of Globalization*](#) (Kersplebedeb: 2013)

This evocative essay — by emphasizing the primacy of women's oppression to the maintenance of capitalism — explores the role and plight of women in a working class being remade by the latest waves of global primitive accumulation. It is also available as a 34-page printed pamphlet from AK Press (ISBN: [9781894946421](#)).

Maria Mies, [*Patriarchy and Accumulation On A World Scale: Women in the International Division of Labour*](#), 3rd ed. (London: Zed Books, 2014)

Published at the tail end of the second-wave feminist domestic labour debates (see [Chapter 2, Housework](#)), this is now a classic look at the capitalist system from a materialist feminist perspective. For further reading, consider Silvia Federici's [*Caliban and the Witch: Women, the Body, and Primitive Accumulation*](#) which greatly expands on some topics raised by Mies, especially the early modern witch hunts as a form of capitalist primitive accumulation.

Philip Mader, [*The Political Economy of Microfinance: Financialising Poverty*](#) (Palgrave Macmillan: 2015)

A concise and readable Marxist criticism of microfinance. “[T]he question at stake here is not whether microfinance ‘works’ at reducing poverty — for which negative (or, at least, zero-impact) findings already abound — but what microfinance works at, and how? The answer I offer is that microfinance financializes poverty: it works to turn it into a problem of finance and makes it the basis for new credit relations which serve surplus extraction.” (80)

Milford Bateman and Kate Maclean, eds., [*Seduced and Betrayed: Exposing the Contemporary Microfinance Phenomenon*](#) (University of New Mexico Press, 2017)

I believe this recent book is the most complete single-volume criticism of microfinance available. I was unable to obtain a copy in time to incorporate more of its findings and conclusions about the false promises of microfinance, but they generally emphasize and expand upon the concerns I have already raised in this essay.

Karl Marx, [*Capital: A Critique of Political Economy*](#), trans. Ben Fowkes (London: Penguin Books, 1990)

First published in 1867, this is the book in which Marx most completely presents his theory of capitalist exploitation at the micro-economic level (see [Section 1.2, ““Primary exploitation” \(wage labour and](#)

[accumulation](#)”). But it is no dry economics text, as it is full of Marx’s literary flourishes and philosophic insight. It is long (though many sections, particularly the listings of various statistics, can be skimmed or skipped without missing anything important), but it is highly recommended reading for nerds interested in economics and philosophy. “A commodity appears at first sight an extremely obvious, trivial thing. But its analysis brings out that it is a very strange thing, abounding in metaphysical subtleties and theological niceties.” (163)

Appendix A. Data and Scripts

The data used to plot the compensation-productivity gap (in [Chapter 1, *Capitalism*](#)) is from the Economic Policy Institute¹¹ and can also be downloaded as a tab-separated file: [wage-prod-gap.txt](#)

- [wage-prod-gap.r](#) - R script to produce compensation-productivity gap line chart.

