

## Introduction

To many people famines are caused by not enough food being available. This seems reasonable enough: why would people have to starve if there was enough food to feed them? It's a good question, but it assumes that today food is produced to feed people whereas in fact this is not the case. It should be, but it isn't. And it isn't, because we are living in a capitalist society where food is not produced simply to satisfy people's need for it but – like everything else – to be sold on a market with a view to making a profit. Food is a commodity which, like all commodities, can only be acquired if you have money (or something else) to exchange for it. If you don't, then you starve. It's as simple as that.

In 1981 the International Labour Organisation in Geneva published a study on famines by Amartya Sen, an Indian academic working in England, entitled *Poverty and Famines. An Essay in Entitlement and Deprivation*. Sen studied five famines: the Great Bengal famine of 1943, the Ethiopian famines of 1973 and 1974, the Bangladesh famine of 1974, and the Sahel famines of the 1970s.

His conclusion was that the widespread “food availability decline” theory of famines was mistaken. In its stead he proposed that they should be explained on the basis of a failure or a decline in some people's “entitlement” to food, i.e., in the end, on their not being able to acquire enough money to buy it or enough of it:

“Starvation is the characteristic of some people not *having* enough food to eat. It is not the characteristic of there *being* not enough food to eat”. (p. 1, his emphasis).

“Starvation . . . is a function of entitlements and not of food availability as such” (p. 7).

Sen went on to win the so-called 1998 Nobel Prize for Economics (actually a prize awarded by the Bank of Sweden, not the Nobel Prize Committee) for his work on famines, welfare economics and political liberalism.

Socialists recognised that Sen, in saying that famines were not caused by there not being enough food nor by there being too many people, was saying something very near to what they had always said. Modern-day famines arose in the context of the capitalist profit system under which people had to buy what they needed to live and to do this they had to have first acquired money, either by selling their ability to work for a wage or a salary or by growing and selling some cash crop. When, for whatever reason, some people find themselves unable to acquire money, they would not be able to acquire food. If this was widespread, as periodically happened in different parts of the world, then there would be a “famine”, irrespective not only of the capacity to produce enough food but even in the presence of adequate supplies of food.

Sen, however, was not a socialist, but a left liberal supporter of the capitalist market economy. Hence his solution was not to abolish a system where people's

“entitlement” to food (and everything else) depended on their having money; it was to increase such entitlements by arranging for them to have more money or at least a regular supply of money. He wanted to reform the money system not abolish it.

In the series of articles that make up this book Binay Sarkar puts forward a critique of Professor Sen’s economics. First, on the level of definitions, then at the level of solutions. He writes as a Marxist. Unfortunately, this term has been so frequently misused that the position held by someone so described is not immediately clear. In Asia in particular it has been used as the equivalent of Leninism, whereas in fact Lenin grossly distorted Marx’s views. Leninism has been in practice the ideology of nationalists who want to develop a country industrially on the basis of state ownership and control and the dictatorship of a single, vanguard party (state capitalism). Marxism is the theory of the self-emancipation of the working class through their establishing the common ownership and democratic control of the means of life, with production solely for use and distribution according to needs (socialism or communism, the same thing). “Marxism-Leninism” is a contradiction in terms, an oxymoron, a nonsense.

Commenting on listeners to a BBC programme voting Karl Marx “The Greatest Philosopher of Our Time” in July 2005, Sarkar sets out what it is he means by Marxism. This introductory article explains the premises on which is based the criticism of Sen in the articles that follow.

Sarkar has no quarrel with Sen’s definition of famine, but he does challenge his definition of “poverty”. Sen defines poverty in terms of lack of access to *means of consumption*, to not having enough to live at some minimum level of nutrition or comfort or decency. This means that he and others who think like him have to try to fix what this minimum level is. Inevitably, the result is a more or less arbitrary definition that only applies to a minority of the population; most people not being considered poor because their income is above this low level. The “poor”, in other words, are defined in such a way that they will only ever be a minority of the population. The Christian bible may say that “the poor ye shall always have with you” – but, according to Sen and other economists, this will be only as a minority.

Marxists, as Sarkar points out, define poverty in terms of lack of access to *means of production*. Anybody in this position is obliged to obtain their living by selling the only thing they do possess – their ability to work – to some employer. They are poor in terms of not owning means of production. Some, indeed most, may be able to obtain a monetary income above the “poverty line” defined by economists such as Sen but, being deprived of means of production, they still suffer from poverty.

It is true that, under capitalism, where “entitlement” to food, clothing, housing, etc depends on having money, there will always be some people who (through, illness, incapacity, old age, etc) can’t sell their ability to work or, because of its low quality, can’t sell it for a high enough price to cover their basic needs and so, without hand-outs from the State, would be destitute. This – destitution – is the proper term to

describe their situation, not “poverty”. In the Victorian England of Marx’s day it was called “pauperism”. It is true that only a minority of the working class find themselves in this situation. But this does not mean that the rest – those in regular work – cannot be described as being deprived, as suffering from poverty. In the wider, Marxian sense, if you don’t own sufficient means of production to live without having to work to obtain money then you are deprived, or poor. Which is the situation of the vast majority of people under capitalism. The basic division in society is not between “the poor” and the rest, but between the rich and the rest.

As to solutions, as a self-confessed leftwing Keynesian and “welfare economist”, Sen sees the solution to “poverty and famines” as lying in increasing the “entitlement” of “the poor” by giving them or allowing them to acquire more money. As a Marxist, Sarkar has no difficulty in showing why, on theoretical grounds, this would not and could not work as it goes against the whole logic of the capitalist system.

Capitalism operates by extracting surplus value – which the employing capitalist hopes to turn into money – from the working class. The monetary expression of surplus value – profit – is the lifeblood of capitalism and any attempt to tax it away risks clogging up the whole economic mechanism, thereby provoking an economic slump. Attempts to transfer money from the rich to the poor by various leftwing government (Labour and Social Democratic in Europe and Australasia, “Communist” in India) have always failed, with the leftwing government either being voted out of office or accommodating itself to having to give priority to profit-making over meeting people’s needs. The capitalist system simply cannot be made to work in the interest of the majority class of wage and salary workers. It runs on profits – extracted from the working class – and can only ever work in the interest of the profit-taking, capitalist class. The sort of reformism advocated by Sen is futile.

Sarkar shows that, under capitalism, the working class are not entitled to – have no “right” to – anything. They are only allowed to work if some employer thinks they can make a profit out of selling what they produce and, if unable to work, are only maintained by the State (out of the surplus value produced by the working class) at a level sufficient to stop them rioting or turning to crime. The solution lies not in trying to transfer money from the rich to the poor but in abolishing the money system altogether on the basis of the common ownership by the whole people of the means of production.

This would end the poverty of the working class as well as the destitution of the minority dependent, if lucky, on State hand-outs or charity. “Entitlement” to food and all the rest would not then depend on having a source of money, but simply on being human, a member of society. Everybody, not matter how little they might be able to contribute, would still be entitled to live and live as well as society can afford. In other words, “from each according to their ability, to each according to their needs”. Common ownership not class ownership. Production solely for use not production for profit. That, says Sarkar, is the only way to banish “poverty and famines” from the face of the Earth for ever.

Sen is an economist not just by trade but by ideology. For Sarkar this means he is someone who seeks to justify the existing economic system and/or who advises governments on how to manage it. Although Marx is sometimes regarded as an economist, this is to ignore the fact that the subtitle of his major work, *Capital*, is “A Critique of Political Economy”.

In Marx’s day, what is now called “economics” was known as “political economy” which at the time was more openly than today not just an analysis of economic phenomena but a programme of economic reform. Marx’s critique of economics – and why he was not an economist himself – was that these political economists regarded the capitalist economic system of production for sale on a market with a view to profit as natural. In other words, that they did not see capitalism as just one, historically-evolved way of organising the production and distribution of wealth but as the only rational way of doing so.

This is still the case today with economics textbooks teaching that money, markets, wages, profits, and the rest arise from the supposed natural fact (but in reality dubious assertions) of people’s wants being “infinite” while the resources at their disposal are “scarce”, and that economics is merely the study of the most rational way to decide what, in these circumstances, to give priority to producing.

This was not how Marx saw things. For him, economics was the study of the impersonal economic forces that came into operation wherever there was widespread production for sale (what he called “commodity production”). These economic forces acted as if they were natural forces which people had to accept in the same way as they had to accept the weather, earthquakes and other natural phenomena they couldn’t control. In fact, however, they were the result, not of nature, but of a particular way in which the production and distribution of wealth was organised. Where wealth was produced for the market, then market forces took over. Man might propose, but it was the market that disposed, increasingly today the World Market (as Marx realised would happen). If commodity-production were to be ended, then these economic forces would cease to operate. It was the mistake of the economists, Marx said, not to realise this and to treat economic forces as if they really were forces of nature.

Somebody who knew something about natural forces was Albert Einstein, who first set out the theory of relativity, as applied to the physical world, over a hundred years ago, in 1906. Although a natural scientist (physicist) Einstein was not afraid to exercise the right any human has to comment on economic and social affairs, in particular in an article “Why Socialism?” he wrote in 1949. In it Einstein, the natural scientist, displayed a greater understanding of the existing economic and social system than did Sen, the professional economist.

Einstein realised that an economic system other than capitalism, with its class ownership, commodity production and so-called profit motive, was possible. He had

in mind the planned production of the things people needed to live a satisfying life purely to satisfy these needs, not for sale and certainly not for profit. It is true that, without thinking that Russia under Stalin had actually achieved such a system, he did entertain the illusion that it was in the process of constructing it, whereas in fact it was developing state capitalism, mistakenly labelled “socialism”, under a one-party dictatorship and a new ruling class. Despite this, his approach to economics was, as Sarkar points out, far superior to that of Sen.

With the establishment of socialism in the proper sense of the term, i.e. the end of commodity production and its replacement by planned and co-ordinated production solely and directly to satisfy people’s needs, then economics would disappear too – for the simple reason that there would no longer be any impersonal economic forces operating; everything would be transparent in relation to the production and distribution of wealth. Man would both propose and dispose.

Also included in this collection of essays is one on another economist to win a Nobel Prize, though not for economics, Muhammad Yunus, who was awarded the 2006 Peace Prize. Sarkar wonders how Yunus’s “grameen” micro-banking scheme contributes to peace. As well he might, since banking – whether micro or macro, rural or urban – is an integral part of the capitalist system of production for profit which is the cause of modern wars. Despite the ideological smokescreen put up to trick people into supporting wars, wars are a continuation by forces of arms of the competition and conflicts of interest between rival national sections of world capital, backed by the States they control, over access to sources of raw materials, markets, trade routes and investments outlets, and strategic points to secure and control these.

A world without war will not be achieved until the capitalist system has been banished from the face of the Earth. And with it will go banking and banks. And Economics.

In a recent article on the current world depression [“Capitalism Beyond the Crisis”, [www.nybooks.com/articles/22490](http://www.nybooks.com/articles/22490)] Professor Sen has suggested that “the idea of capitalism did in fact have an important role historically, but by now that usefulness may well be fairly exhausted” because state intervention in the economy has changed it into something else (he doesn’t say what). This is to wrongly identify capitalism with “neo-liberalism”, or the “free market”, and to ignore the fact that states have always intervened in the capitalist economy of production for sale on a market with a view to profit based on wage-labour, to try to further the interest of one or other section of the capitalist class. This book re-asserts the usefulness of this Marxist concept of capitalism for an understanding of the world in which we live.

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