

## **Critical review on David Harvey’s “The New Imperialism: Accumulation by Dispossession”**

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### **Abstract**

Global capitalism leads to the problem of overaccumulation of wealth and capital results in surplus of labour and capital. Accumulation by dispossession is one of the major ways by which these surplus values of labour and capital can be absorbed. Accumulation by dispossession has given birth to the concept of new imperialism. New imperialism is not a new term. It developed along with the colonisation of the countries during the 19th century and the early part of the 20th century. The period characterised an unprecedented pursuit of overseas territorial acquisitions. New imperialism had uplifted the capitalist system across the globe where uneven growth among the different sectors and nations was the common feature and also deprived the weaker sections of the society from the economic and other benefits. Though, David Harvey in his work presented the negative impacts of the new imperialism but he denied the facts that it also brought positive outcomes across the globe.

### **Keywords**

Accumulation by dispossession, Capitalism, New Imperialism, Overaccumulation, Surplus labour and capital

### **Introduction**

David Harvey in his work “The New Imperialism: Accumulation by Dispossession” presented the concept of new imperialism in a better way with the help of dimensions like accumulation by dispossession, spatio-temporal fix, capitalism etc. which are inter-related. By accumulation by dispossession, Harvey meant centralization of wealth and power in the hands of a few by dispossessing the public and common properties. He analyzed the process of accumulation through the means of primitive and original accumulation. Later on, Prabhat Patnaik supported the idea of Harvey’s accumulation by dispossession in his paper titled “The Economics of the New Phase of Imperialism” where he insisted on the concept of accumulation through encroachment more than the Marxian concept of accumulation through expansion. Ramaa Vasudevan in his paper “Accumulation by Dispossession in India” considered Harvey’s concept of accumulation by dispossession, where he explained how the British occupied wealth and properties in India by the application of primitive accumulation during the 19<sup>th</sup> century. All of these, given rise to the concept of new imperialism, which was the central focus of Harvey’s work on this paper. Harvey tried to explain the idea of new imperialism in the context of accumulation by dispossession with the help of technological advancement, with surplus labour and capital in some of the western European countries, the United States, Russia and Japan who sought to expand their empires in the late 19<sup>th</sup> century. And they set up a capitalist society across the occupied states where the uneven geographical growth and deprivation of poor and peasantry classes were the most common features.

In this review we want to evaluate the ideas of new imperialism that Harvey presented in his work as well as the strengths and weakness of his work.

### **Critical review on Harvey’s “New Imperialism: Accumulation by Dispossession”**

Harvey in his work discussed the crises that were involved in the capitalist social system in the 1970s. He noticed that global capitalism leads to the problem of overaccumulation of wealth and capital and result in surpluses of capital and labour. Harvey opined that if the system itself can't devalue the surplus labour and capital to absorb them, then they must find an alternative way to absorb these surpluses. According to him, geographical and spatial reorganization is one of the ways to absorb these surplus values. And thereby he proposed the concept of spatio-temporal fix, which is a metaphor for the solution of these capitalism crises. But spatio-temporal fix had failed to solve this problem of surplus values resulted from the overaccumulation of wealth and capital. Therefore he talked about the process of accumulation by dispossession which possessed the concept of new imperialism to curb the problems arise from global capitalism. Harvey pointed out that the surplus values of capital and labour that arise as the result of over accumulation are sent elsewhere to set further capital accumulation in motion in the new space, as the example he cited the evidence of Britain, that surplus generated in Britain in the 19<sup>th</sup> century found their way to the United States and made colonies like South Africa, Australia and Canada where Britain created new dynamic centres of accumulation. In the course of capitalism, these dynamic centres could reap the benefits from the accumulation for a considerable period. But this benefit could not sustain for a long period as the capitalism process reached at peak as it again generates overaccumulation. Another aspect of the spatio-temporal fixes that Harvey brought into consideration, as for adoption of spatio temporal fixes multiple dynamics centres for capital accumulation emerged and thereby increased international competition and results in crises of devaluation, trade wars, currency wars and even emerged military confrontations in the global capitalism system.

Harvey not only criticized the concept of spatio-temporal fix as one of the means of solving the problem of overaccumulation, but he also criticized the neo-liberal policy that it gives a platform for global competition rather than controlling monopoly or limited competition. And this supports the viewpoint of Marx towards market liberalization. According to Marx market-liberalised policies wouldn't produce a harmonious state in which everyone is better off, but it creates social inequality. Besides, neoliberalism produces serious and growing inabilities culminating in chronic crises of overaccumulation. Harvey added to Marx's viewpoint that overaccumulation of capital based upon predation, fraud and violence to the original state is not desirable for the society. Thus the term "**accumulation by dispossession**" that raised the concept of new imperialism denotes a general re-evaluation of the continuous role and persistence of the predatory practices of primitive or original accumulation within the long historical geography of capital accumulation. Moreover, this new accumulation mechanism which is termed as new imperialism not only affects the acquisition of wealth but also affects the political thought, culture, environment etc. New imperialism pushes the capitalist system where public properties are handed over to the private sector, and where public expenditure on social sectors like education, health, community development programme gradually decreases and created an elite section of the society who can enjoy the fruits of capitalism, whereas the deprived sections of the society are getting more deprive.

Prabhat Patnaik in his paper "The Economics of The New Phase of Imperialism" although supported the viewpoint of Harvey's accumulation by dispossession through geographical expansion and accumulation through encroachment, but did more focus on accumulation through encroachment. And he mentioned that accumulation through encroachment had placed more importance in the new phase of imperialism. By supporting Harvey's accumulation by dispossession, he argued that capitalist countries paved their ways to capitalism to the third world nations by adopting the process of accumulation through encroachment. Accumulation through encroachment involves disinvestment of state sector equity, privatization of state sector assets, and also privatization of social sector activities where MNCs can make their influence everywhere. This policy of accumulation based on the viewpoints of neo-liberalised policy where removal of trade restrictions and deflationary policies of the government took place, caused domestic industries to be

collapsed and severe unemployment in the third world nations. Besides, accumulation through encroachment raised the international finance capital, which obliged the developed or developing nations to adopt the deflationary policy by leading economy or nation. Therefore, international finance capital forced to devalue the currencies of the nations except for the leading economy, which could enjoy considerable capitalist power in the world economy. Thus, accumulation through encroachment which was adopted in the regime of new imperialism caused raising unemployment, aggressive re-colonisation and relative stagnation in the world economy in the late 19<sup>th</sup> century. This was also evidence that this new phase of imperialism took place in the world economy through the help of the bourgeoisie who sought capitalist development and exploited the deprived classes in the society.

Prabhat Patnaik in another paper titled “The Accumulation Process in the Period of Globalisation” presented the concept of accumulation through encroachment in the form of income deflation. According to him, income deflation deflates money wage rate, level of employment and income in the non-capitalist, primary sector. He regarded income deflation as one of the instruments of capitalism to reduce the burden of excess demand. Income deflation was done through cutting public expenditure, through destruction of domestic industries under global competition and through a secular change in the terms of trade which badly affects the peasantry class. All of which promoted global capitalism in the world market. Through the process of income deflation, it tried to limit the scope of supply adjustment in the period of globalisation, and hence accumulation through encroachment done to compress the excess demand. Since, the policy of accumulation through encroachment adopted through the implementation of neoliberal policies, therefore it deprived the peasantry class of their rights and raised the concept of capitalism in the era of globalisation in the world economy.

The article titled “Accumulation by Dispossession in India” published in the economic and political weekly, March, 2008 by Ramma Vasudevan supported the viewpoint of Harvey that, with the adoption of the concept of accumulation by dispossession, Britishers deprived the peasants and the local people from their acquisition in the name of the industrial revolution and created the industrial working class and thus form the ways of primitive accumulation. He opined that in the period of neoliberalism, imperialism had discovered again where global capitalism continues to recreate, preserve and extend itself through the process of primitive accumulation. He also mentioned that adopting the neoliberal policies in the Indian state played the role of facilitator of accumulation through dispossession which raises the concept of primitive accumulation in India. To promote capital viewpoint in India public properties were handed over to the private sector, farmers were brought to the industrial sector, seizing land to enable corporate capital to set up mines, dams, infrastructure and other industrial projects etc.

### **Conclusion**

To conclude, Harvey in his paper, “The New Imperialism: Accumulation by Dispossession” efficiently presented the concept of new imperialism with the help of all relevant dimensions. He argued that accumulation by dispossession was the key factor by which capitalist countries could attain the new phase of imperialism in the global capitalism system. Later, Daniel Bin in his paper named “So-called Accumulation by Dispossession” decomposed the accumulation by dispossession in different forms and distinguished them from each other. Bin in his paper mentioned that redistributive dispossession doesn't create any condition for capital expansion like primitive accumulation. Unlike Harvey, Bin described primitive accumulation as the initial round of centralisation as the means of production which possesses both proletarianization and capitalization means.

Although Harvey discussed the negative impacts of the capitalist system by the mean of new imperialism but he denied the facts that, new imperialism introduced people with advanced technology, managerial efficiency, advanced infrastructure and cheaper and easily available international goods and services. Globalisation not only weakened the domestic industries from the international competition, but it also increased the competitiveness tendency among the domestic industries and deviated themselves from the old techniques of production methods to adopt new advanced production methods which Harvey did not analyse in his paper. Besides, his paper is very good in the sense that he discussed how surplus values of labour and capital can be absorbed by the international movement in the process of globalisation.

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