

DEVELOPMENT AND UNDERDEVELOPMENT
IN THE
THIRD WORLD:
THEORETICAL APPROACHES

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THEORETICAL APPROACHES

By
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Dedicated to my parents

Thomas and Shirley Reece

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ABSTRACT

The aim of this thesis is to show that dependency theory, put forward by its proponents as a theoretical framework adequate to the problem of examining the dynamic of the process of development in the countries of the third world, while an advance on bourgeois formulations that preceeded it, remains problematical on the most fundamental of levels.

The thesis argues, in fact, that dependency theory must be rejected as an analytical framework for the reason that it locates the crucial determinant of uneven levels of development in the realms of circulation and of exchange, and not at the level of production.

It is my submission that dependency theory has been superceeded with the development of a perspective that has come to be known as the modes of production approach. Unlike dependency, the modes of production approach situates the problem of uneven development at the level of production, and not in the realm of circulation.

The modes of production approach, the thesis argues, which theorizes the questions of development and underdevelopment, not in terms of the 'development of underdevelopment', a la dependency, but rather in terms of the articulation of the capitalist mode of production with non-, and primitive capitalist modes of production, thus remains an adequate theoretical perspective with which to address the question of the uneven levels of development which prevail on a world scale.

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It remains my pleasure to acknowledge the contributions of many people to the successful completion of this work. First and foremost, I must thank my supervisor, Dr. Marshall Goldstein, for his continued insistence on the necessity of using an analysis that is at once historical, materialist and dialectical. I remain, therefore, his disciple, and am proud to be so.

I would like to thank, as well, Dr. William Coleman and Dr. Carl Cuneo for their willingness to serve on my supervisory committee. I am especially indebted to Dr. Coleman, whose constructive criticisms of my original thesis proposal, and whose comments throughout the writing of the thesis were crucial in helping to shape the thesis in its final form. Dr. Cuneo's timely intervention was especially appreciated. His insistence on attending my thesis defence while suffering through the agony of a slipped disc serves to amply illustrate his enduring commitment to scholarship.

Also deserving of special mention are my colleagues in the Department of Political Science: Geoffrey Bourne, Stephen Dankowich, Tadeuz Kawecki, Gilbert Khadiagala and Antonio Vaccaro. As former inhabitants and frequenters of the 'red room', they can, I am sure, recognize many of their own concerns and perhaps some of their own insights, as well, within the body of this thesis.

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CHAPTER 1

I. INTRODUCTION

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III. FEUDALISM, CAPITALISM, AND MODES OF PRODUCTION IN LATIN AMERICA: LACLAU'S CRITIQUE

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i. The Ideological Content of Dependency Theory

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CHAPTER 1

DEPENDENCY THEORY

I. INTRODUCTION

Dependency theory, as a theory that purports to explain the (related) conditions of economic development and the lack of, and evident need for it, in the countries of the periphery, or Third World--a condition that some dependistas (theorists of dependency) refer to as 'underdevelopment'--has, in the last decade, received much attention.

Put forward by its proponents as an explanatory analytical framework with which to analyze economic development in the periphery, from the viewpoint of the peripheral countries, dependency became, for a time, the dominant paradigm, colouring much of the analysis relating to development that was undertaken by developmental theorists.¹

In fact, there has even been mention, by some, of the 'hegemony' of dependency theory, persisting throughout the 1960s and early 1970s.² Yet the hegemony of dependency theory is no more. Its demise--admittedly not yet complete--has been the result of a sustained critique, undertaken in response to dependency's failure to answer certain crucially important questions, a number of which dependency helped to raise itself.

i. Object of Thesis

Dependency theory, although itself problematical, on the most fundamental of levels, has contributed to contemporary Marxist theory in several ways. It has questioned outmoded interpretations of imperialism, pointed out

weaknesses in many theoretical explanations of development and underdevelopment, and has advocated that the dynamics and effects of imperialism be analyzed, not from the point of view of the imperialist societies, but from the viewpoint of the less developed countries.

Thus, Marxists have been forced

to confront the issue of development and imperialism once again and replace often unquestioned formulas with more profound and complex theoretical formulations. The flurry of intense inquiry and debate stimulated by emergence of the dependency perspective has been perhaps its most enduring contribution to Marxist scholarship.³

Yet the dependency argument has not been able to provide an adequate conceptual framework with which to analyze the causes of development and underdevelopment. The thesis will attempt to demonstrate this point by locating dependency theory within a problematic that remains, in essence, bourgeois, and therefore non-Marxist. It remains the intent of this thesis to critically examine the debate occasioned within Marxist theory by the rise of dependency, an exercise which will hopefully allow for the resolution of certain ambiguities and tensions within Marxist theory itself.

The thesis argues not only that dependency--because of its logical inconsistencies, its conceptual fuzziness, and its suspect claims to constitute a theory (or even a 'special theory' within Marxism)--is internally inconsistent, and fails to stand up to rational examination, but, more importantly, that the theory lacks the conceptual apparatus with which to explain its object, 'underdevelopment'; i.e. the highly uneven levels of development that prevail between countries on a world scale.

It is the object of this thesis to demonstrate that an inadequate problematic, posed initially by the theorists of dependency, has been confronted

by another problematic which is more adequate to address the entire question of uneven levels of development, as well as the central concerns of Marxist analysis. This latter problematic, referred to in the literature as the modes of production approach, theorizes the related questions of development and underdevelopment, not in terms of the 'development of underdevelopment', a la dependency, but rather in terms of the articulation, or interpenetration, of the capitalist mode of production with non-, and primitive capitalist modes of production.

As regards the question, formulated by Laclau, as

to what extent this articulation of different modes of production is solely a phenomenon pertaining to the pre-history of capital--as Marx suggests in his theory of primitive accumulation--or whether, on the other hand, it is a permanent structural process throughout the entire history of capitalism⁴

the thesis replies directly in affirmation to the latter perspective.

Historically, this articulation with the capitalist mode of production has occurred, not simply with the modes of production in those social formations which the literature has termed peripheral, but has, from the moment that the capitalist mode first assumed dominance in the social formations of western Europe itself, been the historical manner in which the capitalist mode has asserted its reproductive dominance vis-a-vis the reproduction of the elements of other modes of production.

II. DEPENDENCY THEORY

As even its proponents note, dependency theory is a theory of the international capitalist economy that places its emphasis on the relations between nations. As Chilcote, one of the more lucid advocates of dependency

theory, has himself admitted, "initial comprehension of the theory...revolve[s] around the relationships of nations, one to the other in terms of dominance versus dependency."⁵

Petras, himself a critic of dependency theory, notes that its analysis focuses "on the power relations between regions as the crucial factor in analyzing and understanding uneven development in a world scale..."⁶

Many critics have found themselves forced to ask if dependency is really a theory at all, or whether it is a group of theories.⁷ In fact, dependency theory is actually an extremely broad, eclectic school of thought. The only common ground among dependency theorists--who span the entire political spectrum is, in fact, the assumption that underdevelopment has causes external to the underdeveloped nations. As Angotti suggests, it is perhaps for this reason that dependency theorists are reluctant to be associated, either with one another, or with a 'school'.⁸

Dos Santos' definition of dependency is perhaps the most widely quoted.

By dependence we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The relation of interdependence between two or more economies, and between these and world trade, assumes the form of dependence when some countries (the dominant ones) can expand and can be self-starting, while other countries (the dependent ones) can do this only as a reflection of that expansion, which can have either a positive or a negative effect on their immediate development.⁹

Underdevelopment is thus defined in dependency theory as "a consequence and part of the process of the world expansion of capitalism: a part that is necessary to and integrally linked with it."¹⁰ And it is dependence that leads to underdevelopment.¹¹

Dependency theory arose in Latin America during the 1960s as a specific response to the failure of Latin American countries to develop

along the lines of the developed western countries, and to the failure of liberal (western bourgeois) developmental theory to adequately explain this failure. As Warren makes clear, analysis was secondary. "[T]he inadequacy of existing theory and the propriety of formulating a new approach were grounded above all in the desire to elaborate adequate policies for national development."¹²

The theorists of dependency have put forth a conception that conceives of uneven levels of development among countries as being primarily the result of the appropriation of the wealth (or 'economic surplus') of one country by another. Here, uneven development is conceived of as the result of events in the realm of circulation, or exchange, the conditions of which are formed by an international market. The theoretical (and political) implication of this thesis is that "a people can free itself from the rule of capital, and thus regain control over their lives, by a mere improvement in the conditions of exchange or terms of trade."¹³

In opposition to the circulationist view of the dependistas, certain Marxist theorists (but by no means all) have emphasized that the cause of uneven development in fact lies in the sphere of production--that is, in the relationship between social classes reproduced on a world scale.¹⁴

Fitzgerald¹⁵ distinguishes between two types of dependency theory: stagnationalist, a growth, the latter having arisen in response to the stagnationalist thesis' inability to explain economic development, as opposed to what it termed underdevelopment. Proponents of the 'growth' version of dependency theory generally tend to emphasize its character as a 'framework of analysis', or an 'approach', with which to define dependency.¹⁶

Beginning with the stagnationlists--who did not see a process of development occurring in the countries of the Third World--I intend in this first chapter to analyze the initial rise of dependency theory, to examine its subsequent development, and to begin to offer a critique of the theory in terms of its inadequacies.

i. Paul Baran: The Political Economy of Growth

The roots of the dependency argument are to be found in the work of Paul Baran. His Political Economy of Growth was an attempt by an American Marxist, whose own specificity lay starkly in the Leninist tradition, to answer in reply to the so-called Sociology of Development, a rationalization for imperialist penetration of the Third World. This theory, formulated by western bourgeois developmental theorists, has been offered as a scientific approach to economic development. In reality, it was little more than an ideological cover and policy framework "for continued capitalist expansion, geared to keeping and further incorporating Third World areas within the capitalist orbit."¹⁷

The Sociology of Development¹⁸ posited that the 'stages' of economic growth were the same for all countries, at all times. The theory argued that the industrialization of Third World countries had to follow, of necessity, an analogous path to preexisting forms of capitalist industrialization. It was argued that capitalist industrialization in the western countries was a process of slow, spontaneous growth, that western countries provided the 'climate' essential for the development of the capitalist entrepreneur, who promoted economic progress, and that this method was still the only sure road to growth.

In addition, the Sociology of Development argued that the economic penetration of Third World economies by foreign capital was an essential prerequisite for industrial development, that industrialization under the auspices of foreign capital was a necessary 'stage' in development that all countries had to pass through.¹⁹

For Baran, who believed that development in the Third World was impossible without socialist planning,²⁰ the conclusions of the Sociology of Development were clearly wrong. As he pointed out,

economic development in the age of monopoly capitalism and imperialism faces obstacles that have little in common with those encountered two or three hundred years ago...what was possible in a certain historical setting is unrealistic in another.²¹

Rejecting the conclusions of modernization theory, Baran argued its converse: that foreign capital (i.e. imperialism), far from being a major factor in industrialization, was, in fact, the major hindrance to the development of the Third World.

The countries of the Third World provided the west with raw materials and investment outlets. If development was to occur, Third World countries would no longer provide western capitalism with needed raw materials and outlets for profitable investment. Consequently, the main task of imperialism had become

to prevent, or, if that is impossible, to slow down and to control the economic development of underdeveloped countries...such development is profoundly inimical to the interests of foreign corporations producing raw materials for export...²²

Interestingly, in spite of his stated Marxist premises, Baran defined development in strictly bourgeois terms, as the 'increase over time in per capita output of material goods.'²³

The single most important determinant of development, Baran felt, was the mode of utilization of the 'economic surplus'. Here, Baran distinguished between the actual economic surplus--defined as "the difference between society's actual current output and its actual current consumption [i.e. capital formation]"--and what he termed the potential economic surplus, "the difference between the output that could be produced in a given natural and technological environment with the help of employable productive resources, and what might be regarded as essential consumption."²⁴

Now, for Baran, the problem facing 'monopoly capitalism' was that as the competitive sector of the economy shrank, it became increasingly harder and harder to find profitable investment outlets. There was, consequently, under monopoly, "a tendency towards underemployment and stagnation, a tendency towards overproduction..."²⁵ As profitable investment outlets shrank in the industrialized world, profitable investment came to depend increasingly "on impulses from outside the immediate market relationships of monopolistic capitalism."²⁶ In the Third World, these outlets were guaranteed, ultimately, by the imperialist state, which had "become once more the 'committee' no longer of 'the bourgeoisie as a whole' but of its decisive element, monopolistic and oligopolistic business."²⁷

As Baran saw it, western capitalism had laid some of the prerequisites for development in the Third World, but had blocked the ripening of others by taking out, in the form of profits on invested capital, a large share of the Third World's economic surplus, thereby preventing primary accumulation in these countries. The development of capitalism in the Third World had thus been distorted to suit the interests of western imperialism,²⁸ thereby precluding the materialization of the 'classical'

conditions for growth.²⁹

Merchant capital, predominant in the Third World, was barred from entering into the sphere of industrial production by the monopolistic advantages enjoyed by the international firms in these countries' internal markets. These firms did induce 'development' of a sort through their investments, but of a distorted nature. The infrastructures established to serve the international firm's needs, and the operations of these firms themselves, were not integrated into the economies of the underdeveloped countries. Consequently, the underdeveloped, or 'dependent' countries, had no real internal markets of their own. Their markets had become "an appendage of the 'internal market' of Western capitalism."³⁰ As a result, there could be no industrial expansion or development in these countries.

Most importantly for Baran, the economic surplus that had been generated through foreign investment was not used for economic development. It was either removed altogether (repatriated back to the western developed world in the form of profit), or reinvested back into the operations of the international firms.³¹ It was not a shortage of capital that prevented the industrialization and development of the Third World, but only the manner in which the potential economic surplus was utilized.³²

In sum, for Baran, imperialism presented an obstacle to development. Rather than directly promoting economic development, imperialist penetration acted as a brake on the development of the countries of the Third World. It was this perspective that was inherited by the dependency theorists, who began to use it to analyze the predicament of the countries of Latin America.

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ii. Andre Gunder Frank: The Development of Underdevelopment

In many, if not most of its essential aspects, Andre Gunder Frank's thesis of the 'development of underdevelopment' (the first explicit formulation of the dependency argument) was derived from Baran's problematic in The Political Economy of Growth.

The opinion has been put forward that this is not, in fact, the case; that there is not a straight line of descent from Baran leading to Frank.³³ However, as will become apparent, the conceptual apparatus around which Frank constructs his theory could not have been constructed without the 'pioneering' work of Baran. Yet, it is only with the work of Frank that one begins to see the explicit development of the dependency perspective.

As Baran set out to grapple with the mistaken notions of the Sociology of Development, Frank, in like manner, constructed his theory of underdevelopment in opposition to the tenets put forward by the United Nations Economic Commission for Latin America (ECLA). This was a body that was set up after the second world war by the United Nations to research the problems of economic development, and the lack of it, associated with Latin America.

The analytical framework within which the ECLA worked, and upon which it proposed developmental strategies, posited the 'dual society' thesis. According to this theory, the less developed societies were composed of two 'sectors', one advanced and modern, the other backward and feudal, the two societies existing in isolation from each other. As capital and technology were introduced, modernization would occur; the 'modern' (capitalist) sector would expand and prosper, and the feudal sector would shrink accordingly. This approach came to be known as the 'diffusion' model of economic growth.

The ECLA theorists pointed out that the world was divided into an

industrial center, and a primary producing periphery. Since capital and technology, necessary for development, were to be found primarily in the industrial center, it was necessary, according to the ECLA, that countries in the periphery be receptive to outside influence and assistance--i.e. to capital and technology from the industrial center.³⁴

Arguing the converse of the ECLA theorists, Gunder Frank argued that, far from encouraging development, foreign penetration was, in fact, the cause of the condition he termed 'underdevelopment'. The developed capitalist countries, he argued, may, at one point, have been undeveloped, but they had never been underdeveloped.³⁵ Following Baran, Frank argued that it is false to suppose that economic development occurs through the same succession of stages in all countries, or that the underdeveloped countries were merely at a stage that had been long surpassed by the developed countries.

Capitalism had produced both 'development' in the metropolitan countries (i.e. the developed western capitalist countries), and 'underdevelopment' in the periphery (i.e. in the Third World) by fully penetrating these societies. This was the analytical construct around which Frank developed his thesis of the 'development of underdevelopment'--the 'metropolis-satellite structure' of the world capitalist system.³⁶

According to Frank, the 'dual society' thesis propounded by the ECLA was completely mistaken. Far from Latin American society being divided into a modern capitalist and a backward feudal sector, capitalism had already fully penetrated these societies. As a result, they were completely capitalist.³⁷

In addition to critiquing the ECLA, it should perhaps be pointed out that Frank also set himself up in opposition to the (Stalinist) communist parties of Latin America. According to their formulations, Latin American

societies were also divided into a feudal and a modern capitalist sector. These societies, they held, had not yet reached a capitalist stage. They were, indeed, on the eve of a bourgeois-democratic revolution, one which would break with feudal stagnation, and stimulate further capitalist development. Therefore, according to these parties, it was necessary that socialists form united fronts against feudal backwardness and imperialist exploitation, with the Latin American national bourgeoisie.

By contrast, Latin American society was, for Frank, already fully capitalist, and had been since its incorporation into the world market during the colonial period. Since the present underdeveloped state of Latin American society was precisely the outcome of the dependent character of this incorporation, it was meaningless to postulate a future stage of capitalist development, and nonsensical to advocate alliances with the national bourgeoisie, since it was completely integrated with imperialism against the proletarianized masses.³⁸

Frank's thesis, broadly stated, was as follows:

My thesis is that these capitalist contradictions [i.e. the expropriation of economic surplus from the many and its appropriation by the few, the polarization of the capitalist system into metropolitan center and peripheral satellites³⁹] and the historical development of the capitalist system have generated underdevelopment in the peripheral satellites whose economic surplus was expropriated, while generating economic development in the metropolitan centers which appropriate that surplus--- and, further, that this process still continues.⁴⁰

Central to Frank's thesis of the 'development of underdevelopment' was the Baranian notion of economic surplus. The metropolitan countries (the metropolis) had developed, and the periphery (the satellites) had 'underdeveloped', because of the fact that the metropolis appropriated the economic surplus (identified by Frank, as with Baran, as equivalent to

surplus value⁴¹) of the satellites for its own development, thereby precluding development in the satellites. Furthermore,

the metropolis-satellite contradiction exists not only between the world capitalist metropolis and peripheral satellite countries; it is also found within these countries among their regions and between "rapid development of the towns and industrial centers and lagging and decline in the agricultural districts."⁴²

Metropolitan appropriation of the economic surplus was not confined to international economic relations; it occurred domestically as well, most notably between the national or domestic metropolis (i.e. the metropolitan region of a satellite) and its exploited provincial satellites.⁴³ The domestic metropolis--the dynamic sector of the satellite, its export sector--appropriated the economic surplus of its own peripheral satellites; "and it was in using this domestic metropolis as its instrument of expropriation that the world metropolis in turn appropriated much of this same economic surplus."⁴⁴

Capitalism produces a developing metropolis and an underdeveloping periphery, and its periphery--in turn characterized by metropolis and satellites within it--is condemned to a stultified or underdeveloped economic development in its own metropolis and inevitably to underdevelopment among its domestic peripheral satellite regions and sectors.⁴⁵

In sum, for Frank, the satellites remained underdeveloped

for lack of access to their own surplus and as a consequence of the same polarization and exploitative contradictions which the metropolis introduces and maintains in the satellite's domestic economic structure.⁴⁶

Capitalism produced development in the metropolis, and structural underdevelopment in the satellites. Development could only take place in the satellites if the relations of dependence--the metropolis-satellite relation--were weakened or lessened, and not "reversed by termination of

the temporary respite from the hegemony of the metropolis."⁴⁷ A strengthening of the metropolis-satellite relationship would mean that the satellite would once again orient itself towards the export of primary products, thereby strengthening structural underdevelopment.⁴⁸

Now, for Frank, each metropolis-satellite relationship rested, in the long run, on a strong and determinant commercial economic basis.

The whole network of metropolis-satellite relationship... came into being on essentially economic and commercial grounds...in the peripheries of the world capitalist system the essential nature of the metropolis-satellite relationships remains commercial.⁴⁹

It was through commercial ties that the metropolis appropriated part of the satellite's economic surplus. An Frank was emphatic in stating that these commercial ties to the world metropolis were determinant--they imposed upon the periphery a domestic economic, political and class structure.⁵⁰ The fundamental contradiction of the world capitalist system was not the contradiction between socialized production and private appropriation, between the owners of the means of production and those who produced surplus-value.⁵¹ Rather, the fundamental contradiction was the metropolis-satellite structure of capitalism, which ran "through the entire world capitalist system, from its macrometropolitan center to its most microperipheral satellite."⁵²

True enough, classes in the periphery were distinguished one from another by their relation to the means of production. Yet the periphery's class structure was dependent on the colonial structure, or the metropole-satellite relationship. For Frank,

the colonial and neo-colonial productive and distributive relations between the mercantile capitalist or imperialist metropolis and [the periphery] ...and also between the...national metropolises and the internal colonies in their respective hinterlands have shaped the class structure of [the periphery]... on both the national and local levels more than the other way around.⁵³

The two combined to produce a 'colonial and class structure of underdevelopment'.⁵⁴ It was the class of mercantile monopolists who had come to hold power in the periphery. They were allied to imperialism, to the capitalist ruling class in the metropolis, and had a stake of their own in maintaining and furthering the underdevelopment of the periphery, because their domestic metropolis was at the same time a satellite.

These groups accepted their own exploitation by the metropolis because they were thereby able to continue the exploitation of their own populations domestically. Development would mean that they would have been able to appropriate less of the economic surplus produced by their own populations for themselves.⁵⁵ And the closer the satellite's links with and dependence upon the metropolis, the closer were the satellite bourgeoisie's links with and dependence upon the metropolis.⁵⁶

Clearly, then, for Frank, class relationships were determined primarily by regional relationships. Classes were nothing more than the personifications of antagonistic regional relationships. This can clearly be seen from the following quote.

The local metropolitan landlords and merchants who exploit their satellite agricultural workers and consumers, serve as instruments of the regional metropolis whose satellites they are, whose regional bourgeoisie in turn serves as the instrument of exploitation of the national metropolis and bourgeoisie--and on up to the world capitalist metropolis and bourgeoisie, whose instrument in the exploitation and increasing under-development of the satellite countries is inevitably the national bourgeoisie.⁵⁷

Peripheral states were instruments of these mercantile monopolists, or national bourgeoisie. Both the national bourgeoisie and the peripheral states

have always been and are ever more integral parts of a world-wide capitalist system in which they are a fundamentally satellite or "underdeveloped" bourgeoisie and state. This, both "national" satellite bourgeoisie and state become and are dependent on the world capitalist metropolis, whose instrument in the exploitation of the periphery they necessarily have been and remain.⁵⁸

Consequently, neither the national bourgeoisie, nor peripheral states, could do anything to generate economic development in the periphery, or even to stem the tide of deepening underdevelopment.⁵⁹

iii. Theotonio Dos Santos and Fernando Henrique Cardoso: Dependent Capitalist Development

Chilcote has listed the earliest criticisms made of Frank's work as follows: not only had Frank failed to understand development and underdevelopment in terms of classes, and the class struggle, but he had viewed the condition of dependence as a solely externally-imposed relationship. In addition, while historical forms of dependency change, Frank's description was static, failing to specify historically specific forms of dependence. As well, the critics charged, the term 'dependence', as defined by Frank, was itself imprecise.⁶⁰

It was this failure on Frank's part to adequately address these questions that, in the eyes of his critics, rendered, not only his methodological framework, but his conclusions as well, abstract and incorrect. Perhaps the most crucial weakness that the critics pointed out was that, while Frank's theory might perhaps explain underdevelopment, it clearly could not explain development. As Warren has phrased the objection,

[t]here is no evidence that any process of underdevelopment has occurred in modern times, and particularly in the period since the West made its impact on other continents. The evidence rather supports a contrary thesis: that a process of development has been taking place at least since the English industrial revolution, much accelerated in comparison with any earlier period; and that this has been the direct result of the impact of the West, of imperialism.⁶¹

As C. Johnson notes, in opposition to the imperialist myth that development would become a reality in Latin America, Frank had advanced the equally naive countermyth that development (the kind of development that the capitalist metropolis had experienced) would never take place in the countries of the periphery.⁶²

It was in response to these initial criticisms of the dependency model that Theotonio Dos Santos and Fernando Henrique Cardoso--the theorists, respectively, of historical forms of dependence, and dependent capitalism--undertook to reformulate the problematic as stated by Frank. Where Frank had failed to specify exactly what was implied by the term 'dependence', Dos Santos referred to it as a 'conditioning situation'. Where Frank had viewed dependence as a solely externally-imposed relationship, it resulted, in Dos Santos' view, from the 'conditioning influence' of the world capitalist system on the internal structures (i.e. class structures) of each dependent country. Where Frank had failed to specify historically specific forms of dependence, Dos Santos spoke in terms of colonial dependence, financial-industrial dependence, and technological-industrial dependence, the so-called 'new dependency'. And where Frank's thesis of the 'development of underdevelopment' failed to conceptualize the development which had undeniably taken place in the 'satellite' countries, Cardoso stated that, in certain situations, it was possible to expect both development and dependency.

Now, to be fair to Frank, it is not at all clear "that Frank denies the possibility of a dependent industrialization: what he does deny, is the possibility of an independent, autonomous industrialization."⁶³ Frank did not deny that industrial development did occur in the periphery. Yet he did deny that such development was sufficient to break a peripheral region away from the cycle of satellite development and underdevelopment. As he put it, industrial development in the periphery

is being increasingly satellized by the world capitalist metropolis and its future development possibilities are increasingly restricted. This development...also appears destined to limited or underdeveloped development...⁶⁴

In short, for Frank, industrial development in a national metropolis always led to a deepening of underdevelopment in the internal satellite regions. The development of heavy industry was no longer enough to break away from metropolitan domination, as in the past. For today, the world metropolis' domination rested, in large part, on technology--technology developed in the world metropolis itself.⁶⁵

Focusing, not on the drain of economic surplus, a la Frank, but on the impact of the multinational corporation on the internal class structure of production, and the sociopolitical effects of the operations of the multinationals inside dependent social formations, Dos Santos and Cardoso placed their emphasis "not so much on the structure of productive relations as on the social and political conditions of dependence on the world economy."⁶⁶ For both,

it is not trade (the exchange of raw materials for manufactured goods) but production for an internal market which characterizes the 'new' dependency, a condition based on direct investment and increasing state management of the dependent economy.⁶⁷

For Dos Santos, dependency was what he termed a 'conditioning situation'. Rather than dependence being conceived of as solely an externally-imposed relationship, it resulted, according to Dos Santos, from the specificity of each national situation. In this formulation, dependence was conceived of as "a conditioning context of certain kinds of internal structure [which understands development] as a consequence of the formation, expansion and consolidation of the capitalist system."⁶⁸ Dependency, rather than being a case of satellization, as Frank believed, was, according to Dos Santos, "a case of the formation of a certain type of internal structure conditioned by international relationships of dependence."⁶⁹ Therefore, it had to be understood in terms of the local groups--i.e. internal social classes--who profited by it.⁷⁰

For Dos Santos, historic forms of dependence were conditioned by the laws of development of the world capitalist economy, the dominant economic relations (i.e. relations of production) in the capitalist centers and their expansion, and the types of economic relations prevailing inside the peripheral countries.

Historically, the forms that dependence had assumed were as follows: colonial dependence (1600 to 1800), financial-industrial dependence (late 1800s to the second world war), and technological-industrial dependence (post-world war II). (Admittedly, Frank had himself hinted at a periodization of the historic forms of dependence.⁷¹ Yet it had by no means informed his historical analysis of the development of underdevelopment in either Chile or Brazil).

Colonial dependence Dos Santos defined as a situation in which

commercial and financial capital in alliance with the colonialist state dominated the economic relations between the Europeans and the colonies, by means of a trade monopoly complemented by a colonial monopoly of land, mines and manpower (serf or slave) in the colonized countries.⁷²

Financial-industrial dependence, by contrast, had been

characterized by the domination of big capital in the hegemonic centers, and its expansion abroad through investment in the production of raw materials and agricultural products for consumption in the hegemonic centers. A productive structure grew up in the dependent countries devoted to the export of these products.⁷³

Technological-industrial dependence--the form of dependence prevailing in the present--Dos Santos viewed as based on multinational corporations, headquartered in the hegemonic centers, which had invested in industries in the peripheral areas which were geared to the internal markets of these countries, making development dependent upon the technological monopoly exercised by the imperialist centers.⁷⁴

The 'new dependency', for Dos Santos, was constituted by the existence of an export-based capitalism--'dependent capitalism'--in the periphery. Underdevelopment, therefore, was "a consequence and a particular form of capitalist development known as dependent capitalism."⁷⁵ While the underdeveloped countries were clearly capitalist, then, they had developed

within the framework of a process of dependent production and reproduction...the development of dependent capitalism reproduces the factors that prevent it from reaching a nationally and internationally advantageous situation; and it thus reproduces backwardness, misery, and social marginalization within its borders.⁷⁶

For Cardoso, dependency theory--a historical and dialectical theory--had correctly understood the movement deriving from the contradictions between the internal social formations of the periphery and the external

pressures upon them resulting from historically specific forms of imperialist penetration. Dependence did not result merely from the expansion of mercantile and industrial capitalism; rather, it was the product of the (dialectical) relations existing between the (dominant) classes in peripheral social formations, and imperialism.⁷⁷

Kahl has summarized Cardoso's position as follows:

The new concept of dependency is more flexible. It tries to separate analytically the political from the economic forces and suggests that although the modernizing limits are indeed set by the external world, by imperialism, the range of possible responses to a given situation depends upon internal political alliances and creativity. Because the history of each country gives it a peculiar mix of possible action, the response cannot be predicted by general theory alone and requires careful study of historical trends and the realities of power in each instance. The key to an understanding of these realities is a focus on the internal response to external dependency.⁷⁸

For Cardoso, there was no such thing as a metaphysical relationship of dependency between two or more nations. Rather, such relations

[were] made concrete possibilities through the existence of a network of interests and interactions which link certain social groups to other social groups, certain social classes to other classes.⁷⁹

Cardoso saw the term 'development of underdevelopment' as summarizing a mistake. In certain situations, he felt, it was possible to expect both dependency and development. As he stated the revised problematic:

it is not difficult to show that development and monopoly penetration in the industrial sector of dependent economies are not incompatible. The idea that there occurs a kind of development of underdevelopment...is not helpful. In fact, dependency, monopoly capitalism and development are not contradictory terms: there occurs a kind of dependent capitalist development in the sectors of the Third World integrated into the new forms of monopolistic expansion.⁸⁰

In spite of development, Cardoso held that the condition of dependence could continue as long as the production of the means of production--that is, technology--remained concentrated in the advanced capitalist economies. By introducing the most up-to-date forms of technology into the dependent countries, multinational corporations assured for themselves the continuance of capital accumulation, and for the dependent countries, continued (technological) dependence.⁸¹

Now, for Cardoso, who analyzed peripheral class relations in terms of the structure of outside dominance, politics and internal class relations were "more decisive than economics and external forces in determining forms of dependency."⁸² That which made dependent development possible was the peripheral state. Noting the interventionist role of the state in those societies of the Third World experiencing 'dependent development' (Brazil being the most notable example), Cardoso singled out the interlocking relationship between foreign capital, local private capital, and the state in these societies as being responsible for their development.⁸³

Those classes holding power in the dependent countries were not (as posited by Frank) by definition opposed to development. Rather, the dominant classes in those peripheral social formations experiencing dependent development had used the mechanism of the state to ensure that foreign capital, in conjunction with local private and state capital, introduced development.⁸⁴

With the thesis of dependent capitalist development, Dos Santos and Cardoso felt that the ambiguities connected with Frank's initial formulations of the dependency problematic had been resolved. Not only was it

possible to resolve the tension between dependence and development, it was also possible, they felt, to integrate the theory of dependency with that of the Marxist theory of imperialism. Both Dos Santos and Cardoso claimed, for dependency, the status of a 'problem within Marxism'.⁸⁶ For his part, nowhere does Frank claim an affinity of dependency with Marxism--but this question was to become something of a debate in itself.

iv. Classes, or Nations?

As Fitzgerald states, classes, and the class struggle, appear neither as the prime mover of historical change, nor the prime foci of analytic attention in Frank's thesis;⁸⁷ nor, for that matter, in the revised version of dependency as found in Dos Santos or Cardoso.

To be fair, Frank was the first person to admit that his analysis was insufficient, that he had not developed a complete theory of development and underdevelopment. As he himself admitted, his analysis in Capitalism and Underdevelopment in Latin America did not devote sufficient attention to

the specific transformations of the economic and class structure of these underdeveloped countries that were caused by the rise of imperialism in the nineteenth century and its consolidation in the twentieth.⁸⁸

His thesis of the development of underdevelopment, he felt, had still to be related to an analysis of the class structure, and its dynamics, in the periphery. His claim was that the colonial analysis was not meant to substitute for class analysis; rather, it was meant to complement it.⁸⁹

Cognizant of his critics arguments, Frank, in his Lumpenbourgeoisie: Lumpen-development, attempted to fully integrate an analysis of internal class structure into his theory of underdevelopment, arguing that underdevelopment was the result of exploitation of the colonial and class structure of the

underdeveloped countries, based on what he termed 'ultraexploitation'.

The colonial and class structure is the product of the introduction into Latin America of an ultraexploitative export economy, dependent on the metropolis, which restricted the internal market and created the economic interests of the lumpenbourgeoisie (producers and exporters of raw materials). These interests in turn generated a policy of under- or lumpen development for the economy as a whole.⁹⁰

And yet, the question remains. Does his analysis, in fact, complement class analysis? Or does it merely obfuscate?

Marxist theory focuses its scope on classes, on the struggles engendered by the necessarily antagonistic relations that exist between dominant, and subordinate classes. Yet, clearly, it is not the class struggle that lies at the basis of Frank's theory. In fact, Frank's work is characterized by a consistent lack of scope for any class analysis whatsoever. As Henfrey notes: "By definition, if dependency is seen as a standard determining condition, and typically one of stagnation, the investigative analysis of class formation is precluded."⁹¹

Again, Frank's history of class formation

is an ideal-type non-history--not one of which classes have formed and how, and the relationships between them, but of those [i.e. such as an hegemonic national bourgeoisie] which inevitably failed to do so on account of external, negative, and historically unchanging forces like the "appropriation of surplus".⁹²

Therefore, while Frank may have proven one point of 'quasi political economy'--the appropriation of the periphery's surplus--classes, in his analysis, are passive and incidental actors. The mechanism of surplus appropriation described by Frank is one that entails metropolitan expropriation of the periphery's surplus. And yet, clearly, nations do not act--only concrete social classes act, in specific ways, ways which are in large part

determined by the interests, real or perceived, of the classes in question.

As Booth states, the two leading 'contradictions' of capitalist underdevelopment identified by Frank--surplus expropriation/appropriation and metropolis/satellite polarization--were employed to refer both to spatial (national or regional) entities, and to relations between social classes.

Use of the Baranian concept of surplus in place of the Marx[ist] concept of surplus value permitted such interchangeability in the case of 'exploitation' i.e. surplus expropriation/appropriation, whilst 'polarization' conveniently bridged what Marxists have usually termed uneven development and what sociologists call social inequality.⁹³

Frank's categories are in fact a confused combination of the social and geographical. Nowhere does he specify whether it is social groups--i.e. specific social classes--or geographical areas--i.e. metropolises or satellites--which occupy positions in the hierarchy of the world capitalist system. Yet, clearly, the spatial division of the world's resources remains a product of the interplay of class relationships worldwide, and not the cause of the evolution of social classes in the periphery, as Frank would have us believe.⁹⁴

As Friedmann and Wayne note,

[i]t is difficult to conceive of nations as conscious actors jockeying for positions; at a minimum, capitalist nations must have a class structure in which there is anything but a coherence of interests.⁹⁵

Therefore, Frank's notion that nations exploit nations, or that domestic metropolises exploit domestic hinterlands, must clearly be rejected.

"One spatially defined unit does not exploit another spatially defined unit."⁹⁶

What is lacking in Frank's thesis is the notion that, if in fact 'surplus appropriation' does occur, it occurs through the agency of concrete social classes, rather than nations per se. Consequently, it comes as no surprise

that, without such a perspective, Frank fails even to raise such questions as local capital accumulation, and the relations of production entailed in generating surplus value.⁹⁷

Given this, it becomes clear that Frank's exclusive concentration on exchange (the transfer of economic surplus) to the complete detriment of production (i.e. the relations of production entailed in the production of surplus value) results from his initial confusion as to whether it is nations or classes that exist as conscious actors.⁹⁸ Because Frank conceives of the world capitalist system as one in which classes are completely passive, while 'metropolises' extract surplus' from 'satellites', of necessity he must concentrate on exchange, on the transfer of surplus which results in underdevelopment, and leave production relations unanalyzed.

This results, in Frank's work, not only in an incomplete (one should perhaps say unattempted) theorization of peripheral social classes, but in a non-specification of class relations within the imperialist metropolis. Consequently, the dynamics of the capitalist mode of production remain unanalyzed, and imperialism, which results from the dynamics of the capitalist mode, also remains unanalyzed.⁹⁹ As Petras notes, the analytic categories employed by Frank are nothing more than mere abstractions, the usage of which merely obscures the real historical actors.¹⁰⁰

Now, it was the claim of both Dos Santos and Cardoso that, by an injection of class analysis into the dependency model, dependency could be resolved of ambiguities and, in fact, claimed for Marxism. Yet, while Cardoso's formulation of dependent development is clearly superior to Frank's notion of underdevelopment, in that the focus lies, not on circulation (i.e. trade), but on production,¹⁰¹ Cardoso's theorization of class still

remains problematical. What Cardoso's formulation lacks

is the means of anatomizing dependent development in such a way as to answer the ensuing questions of social agency, alliances, and programs, which are basically those of class formation.¹⁰²

In Cardoso's formulation of dependent development, dependent upon the alliance of foreign and local capital and the state, the focus of analysis is clearly restructured to the ruling, rather than the exploited classes. The working class is completely absent from the analysis. Nowhere does Cardoso mention, or even hint at, the class struggle.

Beyond this, Cardoso's conception of class remains vague. He talks, not of relations between determinate classes, but of relations between indeterminate groups and forces. The focus of his analysis is thus limited to an understanding of dominant 'groups' and to the role of the state. Therefore, Cardoso's

theoretical and empirical weaknesses are thus fundamentally interdependent in that [his] conceptualization of class is inadequate for specifying the exploited classes as objects of study in dependency as [he conceives it].¹⁰³

Dos Santos, for his part, really gets no closer than Frank to a class analysis.¹⁰⁴ Rather, he restricts himself to a periodization of historic forms of dependence, without a specification of the internal class structures of either the dependent, or the metropolitan countries. This being the case, the criticisms made of Frank's inadequate conceptualization of class, and the errors that follow from it, really apply to Dos Santos as well.

Because neither Frank, Dos Santos, nor Cardoso specifies the relations of production involved in the production of surplus value in the periphery, neither of the three can anatomize dependence, underdevelopment, nor

dependent development in such a manner as to address the question of class formation or of class struggle.

III. FEUDALISM, CAPITALISM, AND MODES OF PRODUCTION IN LATIN AMERICA: LACLAU'S CRITIQUE

Ernesto Laclau, in a brilliant and seminal critique of Gunder Frank, criticized what he called Frank's claim that his conception of capitalism was the Marxist one. Laclau begins by noting that both the 'dual society' thesis (in both its ECLA and communist party formulations), and Frank's notion of a 'fully capitalist' Latin America,

designate by 'capitalism' or feudalism' phenomena in the sphere of commodity exchange and not in the sphere of production, thus transforming the presence or absence of a link with the market into the decisive criterion for distinguishing between the two forms of society.¹⁰⁵

Therefore, according to Laclau, while Frank is clearly correct in his insistence that Latin American societies have been fully integrated into market economy, he is fundamentally mistaken when he asserts that these societies are fully capitalist.

Nowhere does Frank precisely state exactly what he means by capitalism. What he seems to understand by capitalism is a system of production for the market, based on the profit motive, in which this profit is appropriated by someone other than the direct producer. What he seems to understand by feudalism is a subsistence economy, closed to the world market. Therefore, what constitutes the difference between feudalism and capitalism is the existence of market relations.

Yet these definitions dispense with the notion of the relations of production--the distinguishing characteristics, in Marxist theory, between

different modes of production. As Laclau clearly establishes, for Marxist theory, which maintains that both feudalism and capitalism are, above all else, modes of production, such a conception is clearly alien. In Marxist theory, one mode of production is distinguished from another, not on the basis of the presence or absence of market relations (relations existing in the realm of circulation), but on the basis of those relations which pre-dominate in the sphere of production. In Marxist theory,

[t]he fundamental economic relationship of capitalism is constituted by the free labourer's sale of his labour-power, whose necessary precondition is the loss by the direct producer of ownership of the means of production.¹⁰⁶

Again, the distinguishing characteristics of feudalism, in Marxist theory, is not

a closed system which market forces have not penetrated, but a general ensemble of extra-economic coercions weighing on the peasantry, absorbing a good part of its economic surplus, and thereby retarding the process of internal differentiation within the rural classes and therefore the expansion of agrarian capitalism.¹⁰⁷

As Laclau shows, it is by no means the case that capitalist relations of production--the capital/wage-labour relationship--have predominated in Latin American society since the Conquest Period; which, according to Frank is when the Latin American socio-economic formations become capitalist (i.e. penetrated by the world market). In fact, the obverse is the case. Not only were the dominant relations of production (feudal and slave) in Latin America not incompatible with production for the world market, they were actually intensified by its expansion. "Thus, far from expansion of the external market action as a disintegrating force on feudalism, its effect was rather to accentuate and consolidate it."¹⁰⁸

As Laclau states, it is important to note that affirming the continued

existence and reproduction of feudal relations of production in Latin America does not involve maintaining the dualist thesis. Feudal backwardness and capitalist modernity were indissolubly linked; the modernity of one sector being a function of the backwardness of the other. The dualist thesis maintains that no connections exist between the two societies. And yet, as Laclau shows, the predominant (feudal) relations of production existing in Latin America were in fact intensified with the introduction of production for the world market.¹⁰⁹

Therefore, while Laclau would agree with Frank that development does, indeed, generate underdevelopment, his reasoning is based, not on market relations, but upon those in the sphere of production. It is this theoretical framework, Laclau believes, that allows one to situate the problem of dependence at the level of relations of production.¹¹⁰

As Frank failed to define capitalism as a mode of production, there is in Frank no real attempt to define the nature of dependence;

that is, to situate the specific economic contradictions on which the relationship of dependence hinges...what he at no time explains is why certain nations needed the underdevelopment of other nations for their own processes of expansion.¹¹¹

Nowhere does Frank inquire as to the dynamics of the capitalist mode of production. At no point does Frank attempt to address the question of whether or not the maintenance of pre-capitalist relations of production in the periphery is an inherent condition of the process of capital accumulation in the metropolitan countries. Frank's viewpoint clearly fails to distinguish between a mode of production, and a socio-economic formation. It is impossible to have a social formation that is identical with the mode of production which is dominant within it. Yet, because Frank fails to

realize this point, he never asks, as Laclau notes, if the world capitalist system includes, at the level of its definition, various modes of production.¹¹²

There was one point upon which Laclau was mistaken, a point to which Frank was quick to respond to. This was Laclau's claim that Frank had claimed that his conception of capitalism was the Marxist one. Accusing Laclau of setting up and then demolishing a 'straw man', of sorts, Frank's response was that "I have never had the temerity myself to claim to be a Marxist..."¹¹³ Leaver is more to the point when he states that Frank, far from being the 'bumbling Marxist' that Laclau suggests, should correctly be situated outside of Marxist theory.¹¹⁴

In an answer to his critics published in 1974,¹¹⁵ Frank does admit that Laclau's critique is important for recognizing that "it is possible within this theoretical framework to situate the problem of dependence at the level of relations of production..."¹¹⁶ As Frank notes, Laclau himself only begins this process. An analysis of development and underdevelopment situated at the level of the relations of production remained, after Laclau, to be conceptualized in theoretical terms, and applied concretely to specific social formations.

Yet, clearly, Frank was not the person to do it. Frank's later works remain an attempt to rewrite or to reanalyze the increasingly problematical process of capital accumulation, with special reference to the underdeveloped societies.¹¹⁷ However, his refusal to attempt to situate the problem of dependence at the level of class relations of production meant, simply, that the theoretical debate on development and underdevelopment, a debate which Frank himself had initiated, in large part, moved beyond the

parameters of his own formulations on the subject, thereby excluding him from making a further contribution.

IV. DEPENDENCY: THE PROBLEMATIC

All of the inadequacies of dependency theory can be traced back to the inadequacies of its basic underlying concepts. To begin with, Baran's definition of the 'economic surplus', adopted by Frank ("the difference between society's actual current output and its actual current consumption") is a definition that is applicable to all modes of production, and not just to the capitalist mode. In neither Baran nor Frank is there the realization that the determinants of the economic surplus--the difference between what a society produces and the costs of producing it--"are themselves determined by a specific combination of relations of production and productive forces that exists as a particular mode of production."¹¹⁸

The crucial question, ignored by both, is clearly the mode of extraction of surplus labour. Different forms of surplus extraction are characteristic of different modes of production. Thus, as Taylor remarks,

the concept economic surplus prevents us from asking the question as to how the 'surplus' is extracting from the direct producers (i.e. within what particular combination of productive forces and relations of production it is extracted)¹¹⁹

Usage of the concept economic surplus precludes us from defining the structure, reproduction and development of a mode of production. This results in capitalism being defined in the most general terms possible, in terms of market relations. Consequently, there is not real basis for a theory of underdevelopment constructed around usage of the concept 'economic surplus', as the problem of the mode of production in which the surplus exists and is

utilized is never posed.¹²⁰

[t]his emphasis placed on the extraction and appropriation of surplus product as the cause of backwardness, and as crucial to accumulation in the advanced countries, demonstrates a misunderstanding of (a) the nature of exploitation (and, thus of surplus appropriation), (b) the origins of capitalism, and, therefore (c) the nature of capital itself as a social relation. What in essence is being suggested is that capitalism does not develop primarily on the basis of exploitation of the proletariat, but upon the basis of the exploitation of countries, a basic revision of Marx's method.¹²¹

There are two arguments being made here--that exploitation is a relationship between countries, and not classes; and that the capitalist mode of production cannot generate its own reproduction. Yet, clearly, surplus product arises, not in circulation, but in the production process. And it is firstly appropriated at the point of production from the class of direct producers by a non-producing class. Thus, to analyze appropriation in the context of countries is to ignore the production process, to ignore exploitation, the manner in which surplus value is extracted from the class of direct labourers. And if production is ignored, clearly, capitalism itself, as an historically conditioned mode of production, an historically specific mode of appropriation, is ignored. Yet, in order to understand the impact of capitalism on backward countries, one must first understand capitalism, as a mode of production with its own laws and dynamic.¹²²

The appropriation of one country's surplus by another is by no means unique to capitalism. Rather,

[w]hat is unique to capitalism is the appropriation of the surplus product of labor through the exploitation of labour in the social form of labor power...[t]hus, it must be shown that the inequality is produced and reproduced under capitalism because of the exploitation of labor as a commodity.¹²³

Clearly, what Baran (and Frank after him) lacks is the concept of mode of production. Capitalism must be understood to be a specific mode of

production, entailing a specific manner of extracting surplus value from the subordinate class, a manner dependent upon the class relations of production. "Before surplus can be drained it must first be created."¹²⁴

Baran theorised that capitalist economies were subject to stagnation--that due to a lack of effective demand, enlarged reproduction is impossible under capitalism. It is from this postulate (underconsumptionism) that Baran deduces the impossibility of the system to productively absorb an ever-rising amount of surplus, and the necessity for monopoly capitalism's dominance of underdeveloped countries, as one method of surplus absorption.¹²⁵

This fact alone is sufficient, in Baran's discourse, to 'explain' all forms of capitalist penetration of non-capitalist modes of production. As such, it provides no basis for thinking the specificity of these different forms and their penetrative effects on non-capitalist societies.¹²⁶

Frank, who begins by accepting Baran's formulation as to the impossibility of accumulation within a closed capitalist system, accepts that "the limitations of this 'closed' system establish a necessary structural foundation for all periods of capitalist penetration...",¹²⁷ which results in the establishment of the metropolis-satellite relationship.

Yet, clearly, enlarged reproduction can occur in a capitalist social formation, regardless of whether or not access to outside markets exists. This can occur, for instance, through the creation of a home market of proletarians.¹²⁸ Baran clearly lays the basis for Frank's claim that underdevelopment is determined by capitalist penetration alone, since he posits the opposition between capitalist penetration resulting in underdevelopment, against the thesis that development can only occur in the absence of capitalist penetration.¹²⁹

Frank's reduction of the complexity of Third World structures to

a simple determinacy by capitalist penetration is clearly a form of explanation that reduces all aspects of the social structures of the Third World to a form of economic determinism--that is, reductionism--the basic notion of the 'development of underdevelopment'.¹³⁰

As D. Johnson, in a defence of the 'radical' (i.e. growth) dependency perspective, himself notes, the implication here is clearly that "the importance of internal social forces does not permit dependent societies to write their own histories",¹³¹ that external economic constraints always impose upon internal social struggles. Thus, Frank clearly rejects the role of imperialist penetration in the varieties of the transition to dominance by the capitalist mode of production, and the different effects, in Third World social formations, of the establishment of capitalism as the dominant system.¹³²

This reductionism is expressed in Baran and Frank's failure to adequately conceptualize, firstly, the reasons for the existence of capitalist penetration of non-capitalist societies (non-capitalist modes of production), and, secondly, in their failure to conceive of different (i.e. historically specific) forms of capitalist penetration of these societies. Thus, for both,

all stages of capitalist development are conflated into a single process in which surplus is extracted and has to be absorbed, in which the different effects of different stages of penetration are either ignored or confused.¹³³

Neither Baran nor Frank defines capitalism in terms of a system of production whose reproduction requires quite specific forms of capitalist penetration of non-capitalist societies. Neither answers "the all-important question for any theory of underdevelopment as to what were the different effects of different stages of capitalist penetration of non-capitalist modes."¹³⁴

Clearly, these difficulties lie in a mistaken conceptualization of what constitutes a mode of production, and an inability to theorise the dynamics of the capitalist mode of production. Since neither Baran nor Frank employ the concept of the mode of production, one finds no attempt in their work to analyse the variety of different modes of production that existed in the Third World prior to capitalist penetration. Baran, in fact, is explicit in stating that 'feudalism' pre-existed capitalism everywhere.¹³⁵

Consequently, not only does one encounter an incorrect theorisation of the structure and reproduction of the capitalist mode of production in Baran and Frank's discourse, but one finds no mention of the structures and reproduction of non-capitalist modes.¹³⁶ Frank, of course, precludes such a discussion when he asserts that the Latin American social formations were fully capitalist from the time when they were first inserted into the world market.

Both Dos Santos and Cardoso make the same mistakes. The conceptual apparatus employed by both does not include, at the level of its basic concepts, that of the mode of production. This results from the fact that, like Frank, both Dos Santos and Cardoso mistakenly identify Latin American social formations as fully capitalist, as identical with the dominant mode of production.

Dos Santos' characterization of dependency as a 'conditioning situation' remains meaningless. All phases of the development of any society are conditioned by external areas in different ways. Nowhere in Dos Santos is there a specification of the effects of this conditioning. In fact, as Warren points out, Dos Santos' definition of dependency leaves open the possibility that dependency may, in fact, have beneficial effects as regards the advance of the productive forces.

Indeed, the possibility that dependency may be the best situation for the development of the productive forces is implicit in the assertion that some economies 'can only expand as a reflection of the dominant countries'.¹³⁷

The dependency thesis can also not be sustained by reference to a new 'form' of dependence based on the technological superiority of the west. Dependency on western technology flows logically from the desire to make use of that technology.¹³⁸ Technology (computer technology, for example) developed in the United States is used not simply in the Third World, but also in countries in western Europe. Yet, is this sufficient cause to label these countries as 'dependencies' of the United States? Simply put, it makes no sense whatsoever to specify 'stages' of dependence if the concept of dependence itself does not have the explanatory value that has been imputed to it.

For this part, Cardoso, while severing the unity of dependence and stagnation, replaces it with an equally problematical unity of dependence and growth. Yet, what both the stagnationist and growth versions of dependency theory ignore is the necessarily contradictory nature of capitalist development at all levels, both the national, and the international. As Fitzgerald notes, "[g]rowth and stagnation would be better conceptualized as phases of the capitalist cycle, which embody class struggles and class projects."¹³⁹

It is the paucity of its basic concepts which explains the failure of dependency theory to move beyond modernization theory. As many critics have noted, there is really not that much difference between dependency theory and its 'bourgeois' parent. Noting how the very categories of dependency theory--up to and including the notion of 'dependence' itself--are the same categories as used by bourgeois development theory, Bodenheimer states, "[t]hus the dependency model has incorporated the important theoretical contributions of its predecessors, while attempting to avoid their problems and limitations."¹⁴⁰

Yet, upon closer examination, this turns out not to be the case. Dependency may, in fact, be described as the direct descendent of the ECLA approach. "Both allotted responsibility for Latin America's underdevelopment to extreme exposure to the world market (i.e. imperialism), and both accordingly called for inward-centred development."¹⁴¹

In this sense, Frank's model "is the direct offspring of the image of a world consisting of a developed 'centre' and an underdeveloped 'periphery' which was employed by ECLA in its earliest studies."¹⁴² Frank began his work as a critique of modernization theory; yet his critique consisted of little more than turning the concepts of modernization theory 'on their heads.'¹⁴³

Frank's strategy in attacking the notion of 'diffusion', for example, was to turn the concept of diffusion on its head by renaming it "mechanisms of dependency or imperialism" and by showing that its effects upon the Third World were essentially the opposite of what modernization theory supposed.¹⁴⁴

Where the diffusionists saw development, Frank saw underdevelopment, or no development. And, as Leys points out,

it is not really an accident that these simplistic pairings, developed/underdeveloped, centre/periphery, dominant/dependent resemble those of bourgeois development theory (traditional/modern, rich/poor, advanced/backward, etc.): they are basically polemical inversions of them.¹⁴⁵

In fact, Frank's essential logic is simply the reversal of each component of the thinking of the ECLA.¹⁴⁶ As such, Frank reproduces the ECLA's linearity, and the linearity of the 'stages' theory of development employed by the Latin American communist parties;¹⁴⁷ his concepts underplaying the specific dynamics of social phenomena, and emptying a highly complex reality of substance and history.¹⁴⁸

Therefore, even though the genesis of Frank's thesis lay in a critique of bourgeois development theory that was radical in intention, it really remains within its problématique. Frank's theory, while advancing beyond the myths of modernization theory, did not fully escape the imprint of these myths. As a result, the underlying problematic put forward by modernization theory in fact remained unscratched.¹⁴⁹

The very concept of development, for example, employed by Frank (after Baran) and the dependistas, was "evidently that of the capitalist development experienced by the capitalist 'metropoles'."¹⁵⁰ There exists within dependency no notion of a development peculiar to the periphery, other than a development instituted, and controlled by, the metropolis--to whom the benefits naturally recur.

i. The Ideological Content of Dependency Theory

As C. Johnson argues, dependency theory, considered as

a product of the struggle between different degrees of capital accumulation, specifically between monopoly capital and competitive capital...represents an ideological substantiation of capitalism in countries where capital/labour relations are not yet dominant and reflects the class needs of competitive capital in the face of monopoly capital.¹⁵¹

Warren, noting that the dependency theorists reflected, not the interests of the business or working classes, but the nationalist sentiments of the intellectual and professional groups that expanded rapidly after the war, goes so far as to refer to dependency theory as 'nationalist mythology'.¹⁵² As both he and Bettelheim have argued, the thesis in fact diverts the attention of the working class away from the internal class struggle against its own bourgeoisie, and orients discontent towards external alleged enemies.¹⁵³

Thus, the ideological content of dependency theory is revealed. Far from being a Marxist critique of imperialism, dependency is clearly "an ideological substantiation of capital accumulation on the part of the local dominant classes."¹⁵⁴

Having set itself in opposition to the siphoning off of local (peripheral) capital by imperialism, dependency theory, focusing in on the most superficial aspects of the capital/labour relationship--that is, on changes in the magnitude of the production of surplus value, and its consequent accumulation and exchange (i.e. the 'economic surplus')--ignores capital/labour relations at the level of production and appropriation, crucial for a Marxist theory of imperialism. Instead, the focus clearly lies "on capitalist exchange relations of circulation and distribution of commodities and capital."¹⁵⁵

The ideological content of dependency theory becomes even more clearly revealed once it is realized that, while theories of underdevelopment and dependency usually emerge from Third World social formations, similar theoretical interpretations have issued from countries such as Canada.

This occurs, again, not because of specific geographical location, but because such theories reflect the specific needs of competitive capital (national, local dominant classes) in the face of monopoly capital (imperialist classes).¹⁵⁶

Noting that "the essential ideological theses of dependency have already been developed under diverse guises during previous historical periods of struggle among various capitalist and imperialist classes...",¹⁵⁷ Johnson shows that the dependency thesis can be traced as far back as the Narodniks, who postulated the impossibility of the development of capitalist relations of production in Czarist Russia, in the face of western capitalist

imperialist penetration; the basic tenet of dependency in its earliest formulations.

Both the dependency theorists and the Narodniks used "an idealist analysis of the exchange relations operating in domestic and international markets..."¹⁵⁸ Both compared the development of their own countries to the 'classical' development of capitalism in the imperialist countries, concluding that 'classical' development was being thwarted in their own countries. Yet

[a] dialectical-historical-materialist understanding of this issue would initially recognize that it is not a case of capitalist "development" being thwarted or of "underdevelopment" and "dependency" resulting from this situation. Rather, the perceived "deformity" represents in itself the product of class relations--capital/labor relations, to be exact.¹⁵⁹

ii. Current Defences

According to Cardoso, dependency theory (that is, his own revised version of dependent development) is explanatory because it is critical.¹⁶⁰ From dependency's initial propositions, he holds the point of departure was dialectical analysis.

What was significant was the "movement", the class struggles, the redefinitions of interest, the political alliances that maintained the structures while at the same time opening the possibility of their transformation. The structures were regarded as relations of contradiction, and therefore dynamic.¹⁶¹

According to Stevenson, dependency did not define capitalism in terms of market or exchange relationships: rather, the dependistas "attempted to trace the rise of global capitalism historically and concretely and not by way of abstract theories."¹⁶² And the Marxist 'variant' of the dependency model, according to Stevenson, helps us "to examine underdevelopment,

industrialization, and development within the dynamic framework of accumulation and the social relations of production at the world level."¹⁶³ The term 'development of underdevelopment', he feels, remains a useful phrase, encapsulating a dynamic, dialectical relationship.¹⁶⁴

For Foster Carter, dependency theory (which he describes as a 'neo-Marxist' school of thought) better explains the 'dialectical interconnection of development and underdevelopment' than does the alternative conceptual framework of classical Marxism, because of the fact that dependency is centered around the problem of underdevelopment (while Marx's theory was not), and because it devotes more written text to the concrete reality that it purports to explain than does Marxist theory.

Noting how a characteristic of the 'neo-Marxist' dependency theorists is how little they quote from Marx, he goes on to say that

[o]ne might even make this a defining characteristic of neo- as against palaeo-Marxism: the former open-minded, viewing the world inductively and bringing in Marxian elements by way of explanation, the latter clinging dogmatically to a Marxist weltanschauung and deducing scholastically from this what the world "must be" like.¹⁶⁵

D. Johnson, for his part, agrees with the critics that dependency theorists have overemphasized exchange relations, to the detriment of the relations of production. Yet he sees this as their great contribution--to have identified the mechanisms used by the metropolitan bourgeoisie to expropriate the periphery's surplus. As he puts it, "the primacy of the appropriation of surplus in the sphere of circulation is simply an established, indisputable historical fact."¹⁶⁶ Further developments in the field, he feels, are more likely to be made by theorists working within the dependency framework, than from those working outside of it.¹⁶⁷

I shall deal with each of these criticisms separately, beginning with Cardoso.

As Warren points out, while Cardoso is quick to differentiate his own position from that of Frank's, by arguing that dependency is not mechanistically determined by external forces, but arises when external forces become internalized in the struggles of indigenous social forces (i.e. internal class struggles), because of the fact that

since Cardoso himself accepts the underdevelopment concept and conceives of it as the obverse of the development of the core countries and a consequence of their domination of the periphery, it seems that Cardoso's substantive difference of emphasis as regards the dynamic character of Latin American development is not matched by an emancipation from the same theoretical framework.¹⁶⁸

Cardoso's defence of dependency as a 'framework of analysis', or as an 'approach' with which to define dependency, remains problematical. A framework of analysis which conceives of the class struggle without reference to the tensions existing between dominant and subordinate classes within a social formation is a framework that must, of necessity, lead to conclusions at variance with the reality that it purports to explain.

Stevenson's claim that the 'Marxist' variant of dependency attempts to trace the rise of global capitalism historically and concretely, and not by way of 'abstract' theories, will simply not stand up to rational examination. What could be more 'abstract' than the notion that nations exploit nations? Or that the 'world capitalist system'--as abstract a formation as one could imagine, as it is nowhere specified in dependency theory--'imposes' its relations of production upon various social formations? Such an approach, by definition, must lose sight of "the most decisive processes of class formation and social relations which beget

change and the particular configurations of social forces which emerge on a world scale."¹⁶⁹

Stevenson is correct, though, in stating that dependency did not define capitalism in terms of exchange relationships. There is no definition of capitalism (simply an implied one) in dependency theory. And, as Laclau has definitively shown, this implied definition does, in fact, define the capitalist mode of production in terms of exchange, and not production relations.

As for Foster Carter's contention that dependency better explains development and underdevelopment than does 'palaeo-Marxism', Taylor's objection is short and to the point.

The contention that the 'explanatory value' of a particular discourse can be assessed by the amount of written text that it devotes to the concrete reality that it purports to explain is a simplistic notion that totally disregards the most crucial point--namely that the concepts operative within one problematic may provide the basis for a more "adequate" explanation of a given aspect of reality than the concepts operative within another problematic, even though this given reality forms the departure-point for the discourse within the latter and not the former problematic.¹⁷⁰

As he notes, it is in fact the case that the problematic from which dependency theory analyses this 'given' can clearly "restrict the questions that it poses and the answers that it gives in relation to the given."¹⁷¹ Clearly, a Marxist analysis of development cannot begin with the 'concrete reality that it purports to explain'. To begin from the standpoint of developmental policy inevitably must prejudice answers to crucial questions.¹⁷² Facts neither present, nor explain themselves; rather, 'facts' are chosen, chosen according to theoretical framework of analysis employed by the investigator, and explained in relation to that theoretical

model.¹⁷³

Foster Carter's contention that a Marxist analysis of development and underdevelopment is somehow closed-minded and scholastic, while the analysis developed by the dependency theorists is necessarily 'open-minded', is, I would argue, at best, a silly argument. Because one abstracts one's analytical framework from Marxist theory, while at the same time rejecting the approach of dependency because of its proven inadequacies, this by no means implies that the concepts necessary to analyse development and underdevelopment are not to be found in Marx's discourse.¹⁷⁴

As regards D. Johnson's comments, it is far from having been established that "the primacy of the appropriation of surplus in the sphere of circulation is simply an established, indisputable historical fact". It is by no means clear that it was primarily through the appropriation of surplus from the periphery that enabled the western capitalist countries to develop their productive forces to the extent to which they did. The manner in which the imperialist countries were able to accumulate capital, and to reproduce their social relations of production, is, at this point in the thesis, an open question. It is by no means clear that the metropolis was only able to develop at the expense of the periphery, as dependency posits.

In fact, it is not even established that the surplus drain identified by the dependistas as the cause of underdevelopment in fact occurs. Since investment is generally a value-creating (profitable) process, it does not follow--to use the example of repatriated profits identified by Baran--

that an excess of repatriated profits over the original investment necessarily represents an absolute drain: the value-added will have also increased wages, salaries, and governments revenues--a net gain compared to the situation if there had been no foreign investment.¹⁷⁵

All that it is possible to maintain is that the less developed country would have received a greater absolute gain if the investment and trade were of a different character--for example, domestically financed.

As for Johnson's contention that further developments in the field are more likely to be made by those persons working within the dependency framework, the obverse is in fact the case. The most important advances within the field of developmental studies are in fact being made by theorists working within a Marxist framework--developments I intend to pursue at a later point.

Finally, there is the defence of dependency offered by Edelstein, and by Munck. Munck's claim is the more easily dismissed. Dependency theory must be judged positively, according to Munck, if one assesses a theory in terms of its openness to debate, reformulation, and progress.¹⁷⁶ Yet, clearly, the basis on which a theory is to be judged is whether or not it stands up to rational examination. It is possible to reformulate an inadequate problematic over and over again, ad nauseum--something that the theorists of dependency are bound to do, for some time to come, I am sure. And yet, if the tenets of the theory (both its assumptions, and its conclusions) are inadequate to begin with--if theoretical inadequacies, once revealed, continue to be maintained--then no amount of reformulation is going to produce an adequate theory.

Edelstein, for his part, admits that a theory which purports to explain underdevelopment solely in terms of the transfer of surplus (the

exploitation of one nation by another) "fails to comprehend the central role of the labour process in the formation of classes as well as class struggle as the motor of history."¹⁷⁷ As well, he notes that the dependistas' neglect of the labour process (the relations of production) results in dependency's failure to address the project of the transition to socialism,¹⁷⁸ that dependency has indeed "defined a mode of production by an analysis of circulation",¹⁷⁹ and that the concepts used by the dependistas "do not sufficiently specify a set of relationships to constitute a theory."¹⁸⁰

Yet Edelstein still maintains that dependency (as a 'special', not a 'general' theory) can be a perspective which makes a Marxist analysis of 'dependent' social formations possible, through an exploration of the 'totality' of these social formations which have been created through their integration into the expanding world capitalist system.

His claim that dependency is a useful framework of analysis--even a 'special theory within Marxist analysis'--seems to rest on the tenuous claim that 'radical' dependency theory is to be distinguished from the work of the ECLA. Its theorisations Edelstein sees as representative of the interests of local capital, unlike the work of Frank, Dos Santos, and Cardoso, which does not. Edelstein claims that the 'left sectarian critics' have ignored the explicit object of their attacks, the radical and Marxist dependistas, while using bourgeois nationalist conceptions of dependency as a 'straw man'.¹⁸¹

Yet, as we have seen, 'radical' dependency theory is really no more than the obverse of modernization theory, the work of the ECLA turned 'on its head'. As such, Edelstein is clearly mistaken in stating that the radical dependency perspective does not deny analysis of the labour process.

As he himself notes, the analytical focus of the radical dependency perspective clearly lies upon an analysis of exchange relations, and not the relations of production.¹⁸² It would appear that 'open-mindedness' on the part of those who favour the dependency perspective does not extend to the point of rejecting a theory whose basic concepts (as Edelstein himself admits) are not sufficient with which to constitute a theory.

iii. Some Tentative Conclusions

As many critics have pointed out, the great value of dependency theory lies in the fact that it reveals the limits, and ideological content, of modernization theory.¹⁸³ In addition, "the fact that capitalist penetration of non-capitalist modes has placed and continues to place major restrictions on the latter's development...is made absolutely clear."¹⁸⁴ And yet dependency still remains problematical. Frank's concept of 'underdevelopment' (defined by Frank, like the concept of 'development' itself, in far from strict enough terms¹⁸⁵) itself comes from Baran's conception of how the economic surplus extracted by imperialism could potentially be used if not extracted.

Therefore, it is clear that dependency remains closer to modernization theory than to class analysis as

it still constitutes a form of explanation in which the contemporary phenomena of an underdeveloped society are defined by being juxtaposed against a potential state, the achievement of which they do, or do not contribute to... [a]ll that can be done is that the limitations of this given in relation to the potential can be pointed out. When it goes beyond this level and tries to explain the present situation, dependency theory resorts to a reductionism in which all those phenomena that contribute to the preservation of the present state are analysed as being the effects of a single cause, namely 'capitalist penetration', which itself arises from the impossibility of surplus absorption.¹⁸⁶

The dependency approach is not only ahistorical, but clearly utopian.

[D]ependency theorists attribute to dependent development all the evils that they would prefer to see omitted and apparently imagine were absent during the 'non-dependent' development of Europe in the nineteenth century.¹⁸⁷

It is this approach that underlies the dependistas assumption that alternative 'paths of development' actually existed and were suppressed by imperialism.¹⁸⁸

In this perspective, crucial phenomena, such as the continued reproduction of elements of the non-capitalist mode that preceeded imperialism, pointed to by Laclau, remain unexplained. This is clearly the result of the absence of a discussion (precluded by dependency's conceptual apparatus) of the interconnections between different modes of production combined in a single (national or international) economic system.

Nowhere do any of the dependistas spell out the actual mechanisms of dependency. Nowhere is it stated exactly what it is about the capitalist mode of production that generates uneven levels of development on either the international, or inter-regional level, other than the 'contradiction' of surplus expropriation/appropriation.¹⁸⁹ As O'Brien notes:

One looks in vain through the theories of dependency for the essential characteristics of dependency. Instead one is given a circular argument: dependent countries are those which lack the capacity for autonomous growth and they lack this because their structures are dependent ones.¹⁹⁰

Indeed, the notion of dependence really implies nothing more than the lack of some factor, whether it be a lack of capital, technology, or whatever. To invoke 'dependence' as an explanation for underdevelopment is merely mystification. Rather, these 'lacks' must be explained in class terms, and related to the mechanisms of capital accumulation which govern

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the dissemination of capital or technology. As Leaver notes, all that the dependistas really are doing by invoking dependence is stating what is already known, what is, in fact, obvious, in a different way.¹⁹¹

Clearly, dependency theory must be rejected.

[S]ince the concepts operative within the problematic provide no adequate basis for analysing the concrete situation, nor the future possible directions of change within the social formation, nor do they provide any rigorous basis for answering the fundamental question as to exactly what is a social formation dominated by a capitalist mode of production, nor under what conditions the transition to this dominance may take place, then the thesis, as it stands, remains quite inadequate.¹⁹²

The advocates of dependency really do little more than reveal their lack of theory. A theory of the initial historical development of the capitalist mode of production, and a subsequent periodization of the capitalist mode, is central to a theory which purports to explain the uneven levels of development that prevail in the contemporary world. Yet dependency does not begin with such a theory. It begins merely with the fact of uneven development on a world scale. The existence of developed, and of underdeveloped societies, is taken as a given.

For dependency theory, the transition to the capitalist mode in Europe was only made possible through the appropriation of the periphery's surplus product. Counterpose this explanation to the theory of transition posited by Marxist theory, and it becomes clear that the conclusions of dependency result from nothing else other than a clear lack of any theory whatsoever. It remains a fact that

[a]ccumulation on an expanding scale results from the progressive development of the productive forces rather than from the redistribution of a surplus product among societies. Thus, the explanation for uneven development on a world scale becomes the question of how and under what circumstances societies are characterized by the progressive development of the productive forces.¹⁹³

Thus, underdevelopment can be traced back to the absence or weakness of capitalist productive relations; a reflection of insufficient capitalist development.¹⁹⁴ Clearly, accumulation proceeds on the basis of the reproduction of the social relations of production of the capitalist mode of production. This, and not the transfer of surplus, explains why development (the progressive development of the productive forces) occurred in the center, and not the peripheral social formations.¹⁹⁵

Simply put, dependency must be turned 'on its head', so to speak. Dependency makes the mistake of focusing on a regional, and not a class analysis of economic development. It mistakenly focuses on exchange, to the detriment of production. It wrongly attributes development (or the lack of it) to the actions of the capitalist class alone, and not to the class struggle, the necessarily antagonistic relationship between dominant and subordinate classes. For this reason, dependency lacks a clear focus on analysis of the development of capitalist social relations.

An inadequate problematic--one that is clearly pre-Marxist, one that prevents crucial questions (such as the continued reproduction of non-capitalist relations of production in peripheral social formations) from even being posed--must be confronted with an alternative problematic. Dependency must be replaced with a problematic that focuses, not on nations, but rather on classes; not on exchange, but production; not simply on the ruling classes, but on the class struggle, on the development of capitalist social relations of production.

The hegemony exercised by dependency on studies of economic development over the last decade is no more. The reasons why this is so are listed by Leys as follows:

(a) theoretical repetition and stagnation in the literature on underdevelopment and dependency theory (UDT); (b) the existence of fundamental problems of analysis which UDT cannot solve, or even formulate, and central problems of development strategy which are linked with these, and about which UDT is either silent, or ambiguous; (c) an evident lack of practical impact in favour of the popular forces in the struggles in their world countries, but on the contrary, a marked tendency for the underdevelopment/dependency 'perspective' to be co-opted by development-alists allied to international capital.¹⁹⁶

As O'Brien notes, "the eclecticism of a theory which can straddle petty bourgeois nationalism and socialist revolution should cause concern."¹⁹⁷

Dependency cannot be rescued for Marxist analysis. Dos Santos' reference to the so-called 'problem of dependency within Marxism' is clearly a false problem.¹⁹⁸ Dependency theory and Marxist theory are clearly incompatible.¹⁹⁹ The two cannot be reconciled. In like manner, the inadequacies of dependency cannot be overcome by integrating dependency with the (Leninist) theory of imperialism. For, as many have argued (Warren prominent among them²⁰⁰), Lenin's theory itself is a forerunner of the dependency argument.²⁰¹

Rather, knowingly or unknowingly, self-proclaimed Marxist dependency theorists have become the ideologues of local capital's struggle against monopoly capital, advancing the class perspective of the local dominant capitalist class, which views unequal exchange relations as the cause of their accumulation difficulties.²⁰² This can be seen most clearly in the fact that dependency offers no solution as regards eliminating the contradictions between social production and private appropriation. Bluntly put, dependency offers no prescriptions on how to reach socialism. "In no way do such theses analytically develop the needs of socialist transformation--even though they may recognize the historical need for such a transformation."²⁰³

In fact, the logical corollary of dependency is third-worldist ideology.

From the conclusion that development occurred only in the absence of links with accumulating capitalism in the metropolis, it can be only a short step to the strategy of semi-autarkic socialist development. Then the utopia of socialism in one country replaces that of the bourgeois revolution--one, moreover, which is buttressed by the assertion that the revolution against capitalism can come only from the periphery, since the proletariat of the core has been largely bought off as a consequence of the transfer of surplus from the periphery to the core.²⁰⁴

Such a perspective must, necessarily, minimize not only the potentialities opened up for working class political action in the core countries by the current economic impasse of capitalism,²⁰⁵ but must also minimize the extent to which the actions of the working class, in both core and periphery are logically complementary and necessary to each other, in the worldwide struggle against bourgeois hegemony.

If, as Laclau suggests, capitalism cannot be conceived of in terms of exchange relationships based on trade and investment, but rather must be theorised as a mode of production resting on the exploitative relationship between the direct producers and the surplus-appropriating non-producers (the free exchange of labour-power for a wage), then clearly it is this relationship which is the logical starting-point for a Marxist analysis of underdevelopment.

Thus, as Veltmeyer suggests,

the problem of economic underdevelopment has to be posed in different terms. No longer is it merely a question of peripheral status within a world system. It is a matter of determining the historical and structural conditions under which the [capitalist mode of production] was established.²⁰⁶

Clearly, what needs to be established is a theory of the historical

development of the various non-capitalist social formations that have been penetrated by the capitalist mode, along with an analysis of the effects of the various forms of capitalist penetration within these formations.²⁰⁷

A Marxist analysis of development and underdevelopment must employ

an analysis of the structure and development of the various non-capitalist modes that pre-existed European entry, an analysis of the preconditions for the emergence of capitalist production in non-capitalist formations, and an analysis of the effects of capitalist penetration on non-capitalist modes of production. Only on such a basis can the transition to the state of underdevelopment be analysed.²⁰⁸

Yet the conceptual framework of dependency theory prevents us from being able to pose these problems rigorously as problems--let alone raise them, in the first place, as questions.²⁰⁹ The theorists of dependency were wrong to pose their analysis in terms of imperialist penetration 'blocking' capitalist development in Third World countries. In the first place, the preconditions for capitalism were not present in the variety of modes of production of which these countries were composed. The countries of the Third World were hardly about to develop thriving capitalisms of their own, if not for imperialist penetration. Instead of imperialist penetration blocking the development of the capitalist mode of production in these countries, it in fact created the basis for this development.²¹⁰

The fundamental problem thus becomes: "when and how does capitalist penetration of non-capitalist social formations create the basis for the development of capitalist production within these formations?"²¹¹ Therefore, what has to be traced is the historical development of the non-capitalist social formation, and the effects of various forms of capitalist penetration within it: that is, the historical process by means of which capitalist relations of production have come to predominate over non-capitalist production relations.²¹²

Footnotes to Chapter 1

1. For a select bibliography of studies employing the dependency framework, see the bibliography in Bill Warren's Imperialism (Great Britain, 1980).
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3. Norma Chinchilla and James Dietz, 'Toward a New Understanding of Development and Underdevelopment', (Latin American Perspectives 30-31, 1981), p. 138.
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6. James Petras and Kent Trachte, 'Liberal Structural and Radical Approaches to Political Economy: An Assessment and an Alternative' (in James Petras, ed., Critical Perspectives: An Imperialism and Social Class in the Third World, New York, 1978), p. 9.
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8. Thomas Angotti, 'The Political Implications of Dependency Theory' (Latin American Perspectives, 30-31, 1981), p. 126.
9. Thertonio Dos Santos, 'The Structure of Dependence' (in K.T. Fann and D.C. Hodges, eds., Readings in US Imperialism, Boston, 1971), p. 226.
10. Ibid.
11. Ibid., p. 225.
12. Warren, op. cit., p. 157.
13. Henry Veltmeyer, 'Dependency and Underdevelopment: Some Questions and Problems' (Canadian Journal of Political and Social Theory, Spring-Summer, 1978), p. 56.
14. John Weeks and Elizabeth Dore, 'International Exchange and the Causes of Backwardness' (Latin American Perspectives 21, 1979), p. 62.

15. Frank Fitzgerald, 'Sociologies of Development' (Journal of Contemporary Asia, 1, 1981).
16. Warren, op. cit., p. 159.
17. Fitzgerald, op. cit., p. 5.
18. So termed by Baran. For this viewpoint, see W.W. Rostow, The Stages of Economic Growth (Cambridge: Cambridge University Press, 1960), C.F. Hoselitz, Sociological Factors in Economic Development (Chicago: Free Press, 1960), and S.N. Eisenstadt, Modernization: Protest and Change (Englewood Cliffs, N.J.: Prentice-Hall, 1966).
19. Paul Baran, The Political Economy of Growth (New York, 1968), p. 15-16.
20. Ibid., p. 11-13.
21. Ibid., p. 16.
22. Ibid., p. 197.
23. Ibid., p. 18.
24. Ibid., p. 22-3. Elsewhere, Baran equates his notion of the economic surplus with the Marxist notion of surplus value--that is, with the surplus labour expropriated from the direct producers; the characteristic form in which the economic surplus appears in capitalist society being profit (Ibid., p. 45-6).
25. Ibid., p. 85.
26. Ibid., p. 88.
27. Ibid., p. 99. See also p. 113-16.
28. Ibid., p. 143-4.
29. Ibid., p. 163.
30. Ibid., p. 174.
31. Ibid., p. 179-83.
32. Ibid., p. 228.
33. Richard Leaver, 'The Debate on Underdevelopment: "On Situating Gunder Frank".' (Journal of Contemporary Asia, 1, 1977), p. 114.
34. Chilcote, op. cit., p. 5, 10. For the ECLA's viewpoint, see United Nations Economic Commission for Latin America, Foreign Private Investment in the Latin American Free-Trade Area (New York: United Nations, 1961), Development Problems in Latin America: An Analysis (Austin:

University of Texas Press, 1970), and Social Change and Social Development Policy in Latin America (New York: United Nations, 1970).

35. Andre Gunder Frank, Latin America: Underdevelopment or Revolution (New York, 1969), p. 4.
36. Andre Gunder Frank, Capitalism and Underdevelopment in Latin America (New York, 1967), p. vii.
37. Ibid., p. ix., p. 239-40.
38. Laclau, op. cit., p. 15. Interestingly enough, Baran himself had hinted at such an alliance, although he did not explicitly advocate the position. See Baran, op. cit., p. 221.
39. Frank, Capitalism and Underdevelopment in Latin America, p. 3.
40. Ibid.
41. Ibid., p. 6.
42. Ibid., p. 10.
43. Ibid., p. 87.
44. Ibid., p. 27.
45. Ibid., p. 53.
46. Ibid., p. 9.
47. Ibid., p. 33.
48. Ibid., p. 15.
49. Ibid., p. 20.
50. Ibid., p. 67.
51. Ibid., p. 264.
52. Ibid., p. 72.
53. Frank, Latin America: Underdevelopment or Revolution, p. 373.
54. Ibid., p. 383.
55. Frank, Capitalism and Underdevelopment, p. 57, p. 94-5.
56. Ibid., p. 149-50.

57. Ibid., p. 200.
58. Ibid., p. 116.
59. Ibid., p. 103.
60. Chilcote, 'Dependency: A Critical Synthesis', p. 15.
61. Warren, Imperialism, p. 113. See also Fitzgerald, 'Sociologies of Decelopment', p. 10. Although Warren tends to overstate the benefits of imperialism to the Third World in terms of development (coming close, at times, to an apologia for imperialist penetration of these countries), his book is a welcome refutation of circulationist positions in general, and of the distorting effects such positions have had on the development of Marxist theory.
62. Carlos Johnson, 'Dependency Theory and Processes of Capitalism and Socialism', (Latin American Perspectives 30-31, 1981), p. 67.
63. Philip O'Brien, 'A Critique of Latin American Theories of Dependency' (in Ivan Oxaal, et al., eds., Beyond the Sociology of Development, Great Britain, 1975), p. 23.
64. Frank, Latin America: Underdevelopment or Revolution, p. 8-9. See also his Capitalism and Underdevelopment in Latin America, p. 104.
65. Frank, Capitalism and Underdevelopment, p. 211.
66. Henry Veltmeyer, 'A Central Issue in Dependency Theory' (Canadian Review of Sociology and Anthropology, no. 3, 1980), p. 203.
67. Ibid.
68. Theotonio Dos Santos, 'The Crisis of Development Theory and the Problem of Dependence in Latin America' (in Henry Bernstein, ed., Underdevelopment and Development, Great Britain, 1973), p. 73.
69. Ibid., p. 76.
70. Ibid., p. 78.
71. Frank, op. cit., p. 177-8.
72. Dos Santos, 'The Structure of Dependence' (in K.T. Fann and Donald Hodges, eds., Readings in U.S. Imperialism, Boston, 1971), p. 227. Dos Santos defines this as a system in transition to capitalism. See his 'The Crisis of Development Theory', p. 75.

73. Dos Santos, 'The Structure of Dependence, p. 227.
74. Ibid., p. 228-31.
75. Dos Santos, 'The Crisis of Development Theory', p. 76.
76. Dos Santos, 'The Structure of Dependence', p. 235.
77. Fernando Cardoso, 'The Consumption of Dependency Theory in the United States' (Latin American Research Review, no. 3, 1977), p. 13.
78. Joseph Kahl, Modernization, Exploitation and Dependency in Latin America (New Jersey, 1976), p. 136. Cited in Warren, Imperialism. p. 161-2 ft.
79. Cardoso and Enzo Faletta, quoted in Peter Evans Dependent Development (Princeton, 1977), p. 27.
80. Cardoso, 'Dependency and Development in Latin America' (New Left Review, no. 74, 1972), p. 89.
81. Ibid., p. 90-1.
82. Chilcote, op. cit., p. 9.
83. Cardoso, op. cit., p. 89.
84. Ibid., p. 94.
85. For Cardoso's formulation of 'associated dependent development', see also Cardoso, 'Industrialization, Dependency and Power in Latin America', (Berkeley Journal of Sociology, Vol. XVII, 1972-73) and Cardoso and Enzo Faletta, Dependency and Development in Latin America (Berkeley, 1979).
Peter Evan's book Dependent Development is an attempt to apply Cardoso's reformulation of dependency to the concrete realities of Brazilian development. Noting that dependent development is dependent upon links between local (elite) capital, international capital, and local (state) capital, Evans defines development as "a special instance of dependency, characterized by the association or alliance of international and local capital. The state also joins the alliance as an active partner, and the resulting triple alliance is a fundamental factor in the emergence of dependent development" (p. 32.)
86. C. Johnson, op. cit., p. 63.
87. Fitzgerald, op. cit., p. 10.
88. Frank, Capitalism and Underdevelopment, p. x.
89. Ibid., p. xi, p. 247-8, p. 268-9.

90. Frank, quoted in Robert Brennen, 'The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism' (New Left Review no. 104, 1977), p. 84.
91. Henfrey, op. cit., p. 35.
92. Ibid., p. .34.
93. David Booth, 'Andre Gunder Frank: An Introduction and Appreciation' (in Oxaal, op. cit.), p. 78. See also Veltmeyer, 'Dependency and Underdevelopment', p. 55. As early as 1971, Francisco Weffort had pointed "to dependency's propensity to slip from a class to a nation perspective, whereas the focus of a Marxist analysis underdevelopment should be the nexus between imperialism and the class structure within the nation." (Henfrey, op. cit., p. 21).
94. Harriet Friedmann and Jack Wayne, 'Dependency Theory: A Critique' (Canadian Journal of Sociology, no. 4, 1977), p. 406.
95. Ibid., p. 404.
96. Ibid., p. 414.
97. Henfrey, op. cit., p. 37.
98. C. Johnson, op. cit., p. 74.
99. Friedmann and Wayne, op. cit., p. 407-10.
100. Petras and Trachte, op. cit., p. 31.
101. "It is from the control of the means of production, with its consequences for the specificity of internal capital accumulation and concomitant state and class formation, that [Cardoso takes his] point of departure for distinct "situations of dependence..." Henfrey, op. cit., p. 29.
102. Ibid., p. 26.
103. Ibid., p. 30.
104. Ibid., p. 35.
105. Laclau, Politics and Ideology in Marxist Theory, p. 16.
106. Ibid., p. 23. This question of the correct conceptualization of a mode of production is one to which I shall return.
107. Ibid., p. 28.
108. Ibid., p. 30.
109. Ibid., p. 32.

110. Ibid., p. 35.
111. Ibid., p. 35-6.
112. Ibid., p. 40.
113. Frank, 'Dependence is Dead, Long Live Dependence and the Class Struggle--An Answer to Critics' (Latin American Perspective, Spring 1974), p. 96.
114. Richard Leaver, op. cit., p. 108.
115. Frank, op. cit.
116. Laclau, quoted in Frank, Ibid., p. 98.
117. Frank set this task for himself in Frank, Ibid.
118. John Taylor, From Modernization to Modes of Production (Great Britain, 1979), p. 72.
119. John Taylor, 'Neo-Marxism and Underdevelopment--A Sociological Phantasy' (Journal of Contemporary Asia, no. 1, 1974), p. 10-11.
120. Taylor, From Modernization to Modes of Production, p. 82-3.
121. Weeks and Dore, op. cit., p. 64.
122. Ibid., p. 67.
123. Ibid., p. 65.
124. Warren, Imperialism, p. 142.
125. Taylor, 'Neo-Marxism', p. 14.
126. Ibid.
127. Taylor, From Modernization to Modes of Production, p. 83.
128. Ibid., p. 73-4. This is a point to which I shall return.
129. Ibid., p. 81. See also Taylor's 1974 article, p. 11.
130. Taylor, From Modernization to Modes of Production, p. 90-91.
131. Dale Johnson, 'Economism and Determinism in Dependency Theory' (Latin American Perspectives, 30-31, 1981), p. 113.
132. Taylor, op. cit., p. 80. This was clearly Baran's mistake as well.
133. Ibid., p. 86.

134. Ibid., p. 87-8.
135. He never seems to have heard of the Asiatic mode of production, for instance.
136. Taylor, op. cit., p. 77-9.
137. Warren, op. cit., p. 166.
138. Ibid., p. 179-80.
139. Fitzgerald, 'Sociologies of Development', p. 10. See also Petras and Trachte, op. cit., and Petras, 'Dependency and World System Theory: A Critique and New Directions' (Latin American Perspectives 30-31, 1981).
140. Susanne Dobenheimer, 'Dependency and Imperialism: The Roots of Latin American Underdevelopment' (in Fann and Hodges, Readings in U.S. Imperialism), p. 169.
141. Warren, op. cit., p. 157.
142. Booth, op. cit., p. 52.
143. Fitzgerald, op. cit., p. 5.
144. Ibid., p. 8.
145. Colin Leys, 'Underdevelopment and Dependency: Critical Notes' (Journal of Contemporary Asia, Vol. 7, no. 1, 1977), p. 95.
146. On this point, see Henfrey, op. cit., p. 36, and Laclau, op. cit., p. 33.
147. Henfrey, op. cit., p. 36.
148. As argued by Carlos Assaudorian, see Henfrey, op. cit., p. 44.
149. Fitzgerald, op. cit., p. 10.
150. Leys, op. cit., p. 94.
151. C. Johnson, op. cit., p. 55. As he notes: "Dependency theses are one example of how specific classes formulate ideological discourse on the needs of capital appropriation and accumulation within the context of the struggle for control of capital production at the international level." (Ibid., p. 57).
152. Warren, op. cit., p. 158 ft.
153. Ibid., p. 185 ft., Charles Bettelheim, 'Theoretical Comments' (Appendix to Arghiri Emmanuel, Unequal Exchange, New York, 1972).

154. C. Johnson, op. cit., p. 58.
155. Ibid., p. 61.
156. Ibid., p. 58. Metropolitan models of Marxism began to have an increasing influence in Canada after the publication, in 1970, of Kari Levitt's Silent Surrender, which employed a distinctly dependency framework to analyze the operations of multinational corporations in Canada. Perhaps the most important instance of the adaptation of the dependency framework to the realities of Canadian development is to be found in the work of Tom Naylor. The following quotation, laying out his methodology is from his "The Rise and Fall of the Third Commercial Empire of the St. Lawrence" (In Gary Teeple, ed., Capitalism and the National Question in Canada, Toronto, 1972).
"From the structure of the metropole, its dominant class,, its stage of development and the structure of capital, and its external economic requirements, we can deduce the character of the imperial linkage. From the form of the imperial linkage follows the political economy of the hinterland and the degree and pattern of development. From the political economy of the hinterland the nature, horizons, and policy of its dominant class can be deduced. The dominant class is directly dependent on the metropole; other classes, in contrast, are defined by their productive relationships with the dominant class and thus are related only indirectly to the metropolitan class structure. That is, while the internal dialectics of class and of capital accumulation may determine the nature of metropolitan expansion, the social structure and the structure of capital in the hinterland cannot be regarded as independent of the metropole. On the contrary, internal changes in the metropole are the immediate causes of socio-economic reorganization in the hinterland."
157. C. Johnson, op. cit., p. 67.
158. Ibid., p. 66. See also Weeks and Dore, 'International Exchange', p. 67 ft.
159. C. Johnson, op. cit., p. 67.
160. Cardoso, 'The Consumption of Dependency Theory in the United States', p. 16.
161. Ibid., p. 14.
162. Paul Stevenson, 'Accumulation in the World Economy and the International Division of Labour,' (Canadian Review of Sociology and Anthropology, Vol. 17, no. 3, 1980), p. 227.
163. Ibid., p. 228.
164. Ibid., p. 227.

165. Aidan Foster Carter, 'Neo-Marxist Approaches to Development and Underdevelopment' (Journal of Contemporary Asia, no. 1, 1973), p. 25.
166. D. Johnson, op. cit., p. 110.
167. Ibid., p. 111.
168. Warren, Imperialism, p. 162.
169. Petras and Trachte, op. cit., p. 33.
170. Taylor, 'Neo-Marxism and Underdevelopment', p. 7.
171. Ibid., p. 12.
172. Warren, op. cit., p. 158 ft.
173. See Marx's methodological comments in the 'Introduction' to the Grundirsse.
174. This is a point to which I shall return.
175. Warren, op. cit., p. 142.
176. Ronaldo Munck, 'Imperialism and Dependency: Recent Debates and Old Dead Ends' (Latin American Perspectives 30-31, 1981), p. 165.
177. Joel Edelstein, 'Dependency: A Special Theory Within Marxist Aanlysis, (Latin American Perspectives 30-31, 1981), p. 103.
178. Ibid., p. 104.
179. Ibid., p. 105.
180. Ibid., p. 107.
181. Ibid., p. 103.
182. "The radical dependency perspective does not deny analysis of the labour process. It does point out that production for external markets have been a basic element in the formation of underdevelopment." Ibid., p. 106.
183. Taylor, From Modernization to Modes of Production, p. 92.
184. Taylor, op. cit., p. 92.
185. Fitzgerald, op. cit., p. 10.
186. Taylor, op. cit., p. 93.

187. Warren, Imperialism, p. 120.
188. Ibid., p. 169.
189. Booth, 'Andre Gunder Frank', p. 69.
180. O'Brien, 'A Critique', p. 24.
191. Leaver, 'The Debate on Underdevelopment', p. 113.
192. Taylor, 'Neo-Marxism', p. 11-12.
193. John Weeks, 'The Differences Between Materialist Theory and Dependency Theory and Why They Matter' (Latin American Perspectives 30-31, 1981), p. 120.
194. Veltmeyer, 'A Central Issue in Dependency Theory', p. 207.
195. Weeks, op. cit., p. 120.
196. Leys, op. cit., p. 92.
197. O'Brien, op. cit., p. 20.
198. C. Johnson, op. cit., p. 63.
199. Weeks, op. cit., p. 118.
200. See his Imperialism.
201. See also Friedmann and Wayne, op. cit., p. 410; Bodenheimer, op. cit., p. 176; and Gary Howe, 'Dependency Theory, Imperialism, and the Production of Surplus Value on a World Scale', in Latin American Perspectives, 30-31, 1981.
202. C. Johnson, op. cit., p. 69-70.
203. Ibid., p. 75.
204. Brennen, 'The Origins of Capitalist Development', p. 92.
205. Ibid.
206. Veltmeyer, op. cit., p. 205.
207. Taylor, 'Neo-Marxism', p. 205.
208. Taylor, From Modernization to Modes of Production, p. 79.
209. Taylor, 'Neo-Marxism', p. 10.

- 210. Taylor, From Modernization to Modes of Production, p. 80.
- 211. Taylor, 'Neo-Marxism', p. 15.
- 212. Ibid., p. 16.

CHAPTER 2

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CHAPTER 2

THE THESIS OF UNEQUAL EXCHANGE

I. INTRODUCTION

Dependency, at best, claimed nothing more than an affinity with Marxism. Dependency claimed only to be a 'special theory' within Marxism, to have attained the status of a 'problem' within Marxist theory.

However, circulationist positions have found their way into Marxism itself; and, as Laclau notes, although such positions are clearly in retreat, they "continue to be an important source of errors within Marxist theory."¹

In this chapter I intend to examine three developmental theorists: Arghiri Emmanuel, the theorist of 'unequal exchange'; Immanuel Wallerstein, the theorist of 'world systems theory'; and Samir Amin, whose analysis of 'accumulation on a world scale', while suggestive in parts, remains embedded in a problematic which is clearly non-Marxist.

Each of these three theorists--none of whom identify themselves explicitly with dependency theory--claim to be Marxists. Critical Marxists, true enough, up to and including the very methodological framework employed by the founder of historical materialism; but Marxists nonetheless. It remains my intent in this chapter to expose the non-materialist assumptions and frameworks of analysis of these three theorists, to show that the positions they advocate are in fact nothing more than variants of the circulationist thesis of the extraction of the periphery's surplus by the core.

II. ARGHIRI EMMANUEL: THE THESIS OF UNEQUAL EXCHANGE

Emmanuel's basic thesis is that underdevelopment (defined, in Baraneseque terms, as "a certain ratio...between the means of production actually set to work and the potential of the productive forces...that could exist..."²) is the result of the exploitation of the underdeveloped countries by the developed capitalist countries through the mechanism identified by Emmanuel as 'unequal exchange': the transfer of surplus value from one country to another.³

There are, according to Emmanuel,

a certain category of countries that, whatever they undertake and whatever they produce, always exchange a larger amount of their national labor for a smaller amount of foreign labor.⁴

In other words, the theory of unequal exchange posits an imperialism of trade or exchange, in which some countries (the underdeveloped ones) are forced to sell the commodities they produce below their value (that is, for an equivalent that is less than the amount of embodied labour contained within them), and to acquire other commodities at a price that is above their value (that is, for an equivalent that is higher than the amount of embodied labour contained in these commodities).

This occurs, according to Emmanuel, as a result of the manner in which values are transformed into prices. After positing that

the general conclusion of the labor theory of value, namely that commodities are exchanged in terms of the quantities of the factors i.e. labour and capital incorporated in them, does not apply in international trade⁵

Emmanuel goes on to posit that the transformation into prices of the value of the goods produced by the underdeveloped countries ensures that the prices that the underdeveloped countries receive for their commodities on the world

market will be less than their actual value--that that underdeveloped countries will receive, in return, commodities from the developed countries that contain less embodied labour than their own commodities--that, in this respect, there is an ever-present mechanism at work that transfers surplus value from the underdeveloped countries to the advanced countries.

It is this transfer mechanism, according to Emmanuel, that enabled the advanced countries to develop, and

to begin and regularly to give new impetus to that unevenness of development that sets in motion all the other mechanisms of exploitation and fully explains the way that wealth is distributed.⁶

Arguing against the notion that the existence of the phenomena of unequal exchange proceeds from the different organic compositions of industries in different countries,⁷ Emmanuel ascribes it, rather, to the 'monopoly position' held by the workers in the advanced countries.

Treating wages as an independent, not a dependent variable,⁸ Emmanuel assumes international mobility of the capital factor, and immobility of the labour factor.

Sufficient mobility of capital to ensure that in essentials international equalization of profits takes place, so the proposition regarding prices of production [i.e. that the rewarding of the factors involved in production, expended capital and labour, do not determine a commodity's exchange value] remains valid; sufficient immobility of labor to ensure that local differences in wages, due to the socio-historical element, cannot be eliminated, so that a modification of the proposition regarding prices of production is made necessary.⁹

In other words, because wages are different in different countries (due to differences in the rates of surplus value), the result is unequal exchange.¹⁰ "Inequality of wages as such, all other things being equal, is alone the cause of the inequality of exchange."¹¹

i. Again: Classes, or Nations?

Emmanuel's analysis lies embedded in a problematic derived from the system outlined by Gunder Frank. As Frank sought to locate the sources of peripheral development in the periphery's relationship with the core, Emmanuel has attempted to locate the roots of core development in its relationship with the periphery, in terms of the transfer of surplus from periphery to core.

Like the theorists of dependency, the methodology employed by Emmanuel is clearly one that makes the nation state its primary unit of analysis, and not class relations. The method employed lays primary stress on the relations between nations. Nations are substituted for branches of production in the transformation schemes employed; thus, the idea of unequal exchange that Emmanuel subsequently derives already embodies this position. Thus, as Kay notes, "it does not prove it for the simple reason that no analysis can prove the validity of a position that is already built into it."¹²

Again, as Kay remarks,

[t]here are two ways of approaching the capitalist world economy. One stresses the primary importance of class relationships and makes relations between nations--i.e. international relations--firmly dependent upon them. The other adopts the completely opposite position of making the nation state its primary unit. The class struggle between labour and capital in any one country is overshadowed by the shared national interests of the two classes.¹³

Emmanuel is quite explicit on this last point. Although he admits that the class struggle continues to exist in the western developed countries, he then goes on to state that, when the issue comes down to the interests of the developed countries versus those of the underdeveloped nations, the western working class has, in effect, made common cause with its own

exploiters, against the interests of the underdeveloped nations.

When, however, the relative importance of the national exploitation from which a working class suffers through belonging to the proletariat diminishes continually as compared with that from which it benefits through belonging to a privileged nation, a moment comes when the aim of increasing the national income in absolute terms prevails over that of improving the relative share of one part of the nation over the other...Thereafter a de facto united front of the workers and capitalists of the well-to-do countries, directed against the poor nations, coexists with an internal tradeunion struggle over the sharing of the loot.¹⁴

In fact, according to Emmanuel, the western workers have a bigger stake in this alliance than does the western bourgeoisie!¹⁵

Now, clearly, it is one thing for Emmanuel to argue that his position--one that postulates the integration of the western working class into the structures of domination and exploitation established by the western bourgeoisie--is the correct one. Yet, it is something quite different for Emmanuel to argue that his position amounts to a critical Marxist position. For Emmanuel does, in fact, lay claim to being a Marxist.

To buttress his position, Emmanuel pulls out an (isolated) quote from Marx on the relations between nations.

And even if we consider Ricardo's theory...three days of one country's labour may be exchanged for a single day of another country's...In this case the rich country exploits the poor one, even if the latter gains through the exchange...¹⁶

This is sufficient justification, for Emmanuel, to claim that "[i]nternational antagonisms cannot always be automatically reduced to the terms of the class struggle. We must pass from factory antagonisms to national antagonisms."¹⁷ In fact, Emmanuel goes so far as to state, "[m]y subject is the 'exploitation' of one nation by another, not the exploitation of man by man."¹⁸

Yet, as posited in the first chapter, such a phrase--one that conceives of nations interacting with one another on a world scale--can be nothing other than an abstraction, devoid of historical and social content. Marx's comment to the effect that rich nations exploit poor ones much, in this context, be seen for what it is: an error of phrasing on Marx's part, one at variance with the entire body of his theory. One cannot give a strict meaning to the notion of the exploitation of one country by another country. Rather, as stated by Marx himself, relations of exploitation have to be rooted at the level of production, and not at the level of exchange. Because exploitation takes place on the level of relations of production (that is, the manner in which surplus value is extracted from the class of direct labourers by the non-producers), the notion of exploitation necessarily must refer to class relations, to class relations of production.¹⁹

ii. Methodological Questions and Assumptions

Emmanuel's methodology is clearly non-Marxist, despite his claims to the contrary. What he has done is to replace Marx's law of value with a 'cost of production' theory, derived from bourgeois political economy.²⁰ As Taylor notes, since Emmanuel's notion of unequal exchange is elaborated within a problematic which is essentially Ricardian, it is safe to assert that his position remains, in essence, pre-Marxist.²¹

To begin with, it is not true, as Emmanuel states, that the general conclusion of the labour theory of value is that commodities are exchanged in terms of the quantities of what Emmanuel calls 'factors of production' incorporated in them. 'Factors of production'--identified by Emmanuel as constituting labour and capital--are nothing other than embodied labour and embodied dead labour, capital; in other words, embodied value.

The essential question being addressed by Emmanuel is the value form, and its transformation into price. However, he makes the mistake of reducing value to that which exchange relations 'express'. Yet the law of value does not operate to regulate the exchange of equal quantities of labour, as Emmanuel posits. For the law of value is not merely a law of pricing. Rather, as Bettelheim notes, this is a false problem, to which the form of exchange gives rise. As such, the term 'unequal exchange' indicates nothing other than "the difference between value and its form, between the complex structure of the productive forces and the relations of production and the circulation space."²²

Thus, value, and price of production, cannot be contrasted in the manner which Emmanuel employs.²³ Value, in fact, cannot even be measured empirically. "Attempts to do so, or to criticize the law of value on the grounds that it cannot be done, miss the point altogether."²⁴

Marx was able to understand price only because he insisted on starting from an analysis of value. For Marx, prices, of necessity, deviate from values, as

commodities do not exchange at prices which are equivalent to their values, but to their 'prices of production' which consist of the value of both constant and variable capital [capital and labour-power] advanced in their production, plus profit at the average rate on the total capital.²⁵

As Nabudere notes, Emmanuel first distorts Marx's law of value, and then eliminates it completely from his analysis.²⁶

The most glaring weakness in Emmanuel's theory is the notion that unequal prices for labour-power cause inequality of exchange. His problematic tends to reduce the unevenness of the development of the forces of production to inequality of wage-levels between countries. Yet, because he never sets

wage-levels in a 'law governed relation' with inequalities in the development of the productive forces, "he is also prevented from appreciating the importance for 'unequal exchange' itself of the lower organic composition of capital in the economically weakest countries..."²⁷

The need for a general, or average rate of profit, arises from the fact that different branches of industry have different organic compositions of capital. As such, prices must deviate from values. Equivalent exchange is, by definition, inconsistent with the existence of a general rate of profit. It is rare when any commodity sells exactly at its value. Rather, there must be unequal exchange of commodities, in that all commodities tend to be sold at prices either below, or above, their values. Below, when the organic composition of capital is lower than average; above, when it is higher.

Essentially, all that the deviation of prices from value does is to achieve a redistribution of already created surplus value between capitalists. In this sense, the law of commodity exchange resolves itself into an exchange of non-equivalents, an exchange of unequal values. Yet, clearly, while the transfer of surplus value between different branches of production occurs within the exchange circuit, its origin lies, not in circulation, but in the sphere of production, in the organic composition of different branches of production.²⁸

It is the lower organic composition of capital in the industries of the Third World that makes possible an unequal exchange (in value terms) of commodities between these countries, and the advanced capitalist economies. Since

the production costs per unit will, on average, be much higher in the Third World economy...[consequently,] commodities containing more labour-time produced in the Third World economy are exchanged for commodities containing less labour-time produced in the industrial capitalist economy. There is, therefore, in value terms, an exchange of non-equivalents.²⁹

Commodities produced in the industrial capitalist countries tend to sell, on the world market, above their value. The case is the opposite when it comes to the selling price of commodities produced in the Third World, which tend to sell at prices below their value.

[O]n the capitalist world market the product of an hour's labor contributed in a country with underdeveloped productive forces is sold, on the average, for a sum less than that paid for the product of an hour's labour contributed in a country with more developed productive forces. This is the fact that Emmanuel describes as "unequal exchange". However, what has first to be explained, because it is more fundamental, is not "inequality of exchange"...but inequality in the social productivity of labor, as this manifests itself on the world market.³⁰

This, of course, is not to be confused with Emmanuel's notion of 'unequal exchange'. Wages, far from being an 'independant variable'--with changes in wage levels from country to country "automatically determining changes in the whole system of prices of production and in the positions of different countries in relation to each other"³¹--are, in fact, entirely integrated into the complex structure of each concrete social formation, determined by a multiplicity of factors; notably production relations, or the class struggle.³²

Emmanuel's mistake is that he forgets that wages--i.e. the value of labour-power--represent the cost of reproducing labour-power. This cost varies, not simply historically, but also across regional and national boundaries. Thus,

[t]he cost of the expanded reproduction of labour-power within a structure of regional divisions is quite variable, and in itself a sufficient explanation of regional inequalities of wages, without resorting to the assumption that labour is paid well below value in some instances, and above value in others. This latter assumption never fully applies, given that the price of labour-power, strictly speaking, can occasionally rise above its value but can never sink below it.³³

Therefore, while it is possible to concur with Emmanuel that there exists a massive transference of value from the Third World to the advanced world, clearly, this 'unequal exchange' has its roots, not in the sphere of exchange, but in the process of production itself.³⁴ The lower organic composition of capital in the Third World explains why the value of labour-power is lower in these countries than in the developed ones. The value of labour-power is formed by the productivity of labour in the wage sector, which is itself a result of the general level of organic composition.³⁵

Essentially, for Emmanuel, it is the sphere of exchange, and not production, which is the source of exploitation. Yet

the idea of an "exploitation" based on simple exchange relations merely indicates the existence of a problem, namely, that of the reproduction of these exchanges--this reproduction necessarily refers back to specific production relations, the nature of which must be defined.³⁶

As such, Emmanuel's methodology is clearly the reverse of Marx's, who located exploitation in production, and not exchange.³⁷ As Pilling remarks,

[b]y treating the exchange circuit as separate from the relations of production, and particularly their uneven development on the world scale, [Emmanuel] is unable to grasp the real meaning of the category 'unequal exchange'.³⁸

Emmanuel is mistaken when he claims that the working class of the developed countries benefits from exploitation in the Third World. As Kay

has noted, this position "assumes that the advantages gained from unequal exchange accrue to labour and not capital..."³⁹ In fact, from a materialist point of view, workers in the advanced countries are more exploited than workers in the poorer countries, as their wages "generally correspond to a smaller proportion of the value these workers produce."⁴⁰

The only difference between workers in the advanced countries and those of the Third World, is the rate at which they are exploited. "As regards their social situation in the process of production both sets of workers are identical."⁴¹ And, as Bettelheim remarks,

[i]t is this intensive exploitation of the proletariat of the industrialized countries that provides the chief explanation of the extreme concentration of international capital investments precisely in the industrialized countries.⁴²

This, not the circulationist thesis of the transfer of surplus to the advanced countries, explains why some countries are 'developed', while others are not. As Kay has phrased it, "capitalism has created underdevelopment not simply because it has exploited the underdeveloped countries but because it has not exploited them enough."⁴³

III. IMMANUEL WALLERSTEIN AND WORLD SYSTEMS THEORY

Accepting Emmanuel's object--locating the roots of core development in its relationship with the periphery, in terms of the transfer of surplus from periphery to core--Wallerstein's analysis is centered around the emergence of what he terms the (capitalist) 'world economy' from the preceeding 'world empires'. These world empires, Wallerstein holds, prevented economic development through the effects of their overarching bureaucracies, which absorbed masses of economic surplus, thereby preventing its accumulation in the form

of productive investments. Wallerstein argues in this manner

because of what he sees to be the immanent developmental dynamic of unfettered world trade. Left to develop on its own, that is without the suffocating impact of the world empires, developing commerce will bring with it an ever more efficient organization of production through ever increasing regional specialization--in particular, through allowing for a more effective distribution by region of what Wallerstein terms systems of 'labour control' in relation to the world's regional distribution of natural resources and population. The trade-induced world division of labour will, in turn, give rise to an international structure of unequally powerful nation states: a structure which, through maintaining and consolidating the world division of labour, determines an accelerated process of accumulation in certain regions (the core), while enforcing a cycle of backwardness in others (the periphery).⁴⁴

Wallerstein is certainly correct to attempt to distinguish the modern capitalist world economy from the pre-capitalist economies. Capitalism differs from all previous modes of production in its systematic tendency towards unprecedented development of the productive forces. This is, of course, achieved through the expansion of relative as opposed to absolute surplus value. As such, the capitalist class can increase its surplus

without necessarily having to resort to methods of increasing absolute surplus labour which dominated pre-capitalist modes--i.e. the extension of the working day, the intensification of work, and the decrease in the standard of living of the labour force.⁴⁵

Yet, as Brenner posits, the basis for this difference between capitalism and the modes of production that preceded it "was a system of production organized on the basis of capitalist social-productive or class relations."⁴⁶ It is precisely because of the fact that Wallerstein does not isolate the relations of production as being responsible for this difference, that he is unable to "neither confront nor explain the fact of a systematic development of relative surplus labour based on growth of the productivity of labour as a regular and dominant feature of capitalism."⁴⁷

According to Wallerstein, the collapse of world-empire made possible a worldwide system of trade, and division of labour. This assured that three fundamental conditions for the development of the world economy were fulfilled:

an expansion of the geographical size of the world in question, the development of variegated methods of labor control for different products and different zones of the world economy and the creation of relatively strong state machinery in what would become the core states of this capitalist world economy.⁴⁸

Yet none of these three conditions--the expansion of trade leading to the incorporation of greater human and material resources, the specialization of systems of labour control leading to more effective ruling class surplus extraction, or the transfer of surplus from the periphery to the core--are sufficient to determine a process of economic development. Wallerstein does not take into account the development of the productive forces through a process of accumulation. To do so would undermine his notion of peripheral surplus underwriting accumulation in the core. He cannot account for the systematic production of relative surplus value (the real mainspring of accumulation in the core) for the simple reason that he incorrectly conceptualizes the capitalist mode of production, defining it as a system of 'production for profit on the market!'

Clearly, this conceptualization is incorrect.

'[P]roduction for profit via exchange' will have the systematic effect of accumulation and the development of the productive forces only when it expresses certain specific social relations of production, namely a system of free wage labour, where labour power is a commodity.⁴⁹

Wallerstein's renunciation of this position--that "the historical problem of the origins of capitalist economic development in relation to

pre-capitalist modes of production becomes that of...the historical process by which labour power and the means of production become commodities"⁵⁰-- is explicit. The system of free wage labour, he contends, is derived from the emergence of the capitalist world economy (the world division of labour) from the great discoveries, and expansion of trade routes, in the 16th century.

Wallerstein's position is a direct outgrowth of the arguments put forward by Paul Sweezy in an historic debate with Maurice Dobb during the 1950s over the transition from feudalism to capitalism.⁵¹ Sweezy's position, in turn, was the direct descendent of the model of economic growth put forward by Adam Smith in The Wealth of Nations, Book 1.

According to Smith, the development of the wealth of a society was a function of the degree of division of labour, or specialization of productive tasks. The degree of specialization, in turn, was, for Smith, limited by the extent of the market, the size of the area and population linked together via trade relations. Yet the assumption of the model is, of course, individual profit maximization. The model holds only under the premise of capitalist relations of production--the capital/wage-labour relation. And this relation necessitates that the property of the direct producers in the means of agricultural production and subsistence must be broken. This is accomplished, not through trade, but through the class struggle by which direct producers are divorced from any direct relationship to their means of production.⁵²

Like Smith, both Sweezy and Wallerstein, implicitly or explicitly, equate capitalism with a trade-based division of labour...their accounts of the transition from feudalism to capitalism end up by assuming away the fundamental problem of the transformation of class relations--the class struggles this entailed--so that the rise of distinctively capitalist class relations of production are no longer seen as the basis for capitalist development, but as its result.⁵³

The assumption is that the rapid development of the productive forces (in order to compete on the world market) requires the reorganization of production within each 'unit' of production, and "that this will in turn require and determine the transformation of the 'relations of production' within that unit...Smith's model of development is thereby 'extended' to subsume the transformation of class relations within the broader process of the development of a trade-based division of labour."⁵⁴ As such, the rise of capitalist social relations is reduced to a formality, and the transition from feudalism to capitalism "is seen to occur as a smooth unilineal process--which is essentially no transition at all."⁵⁵

The historical problem of the origins of capitalism thus becomes that of the origins of a trade-based division of labour. Both Sweezy and Wallerstein found their accounts of transition upon a primary establishment of trading routes. Yet,

[b]ecause the occurrence of such 'commercial revolutions' has been relatively so common, the key question which must be answered by Sweezy and Wallerstein is why the rise of trade/division of labour should have set off the transition to capitalism in the case of feudal Europe? This question is pivotal because, contra Smith, Sweezy and Wallerstein, the development of trade does not determine a transition to new class relations in which the continuing development of the productive forces via accumulation and innovation become both possible and necessary.⁵⁶

In fact, what happened in Eastern Europe, for example, was that "the impact of trade only induced the lords to tighten their hold over the serfs."⁵⁷ Serf class relations were in fact reinforced, and not replaced with capitalist relations of production, under the impact of trade with the developing West. This is an extremely important point. Far from destroying pre-capitalist production relations in Eastern Europe, the

impact of trade relations with the West was precisely to reinforce those existing pre-capitalist relations--the so-called 'second serfdom' in Eastern Europe.

Serf relations of production were reinforced primarily through coercion by the landed aristocracy, who resorted to a strengthening of extra-economic coercion in order to raise, in an absolute manner, the production of surplus value. As such, the class structure of serfdom in Poland, reinforced in response to the market, leading to a growth in the extraction of absolute surplus value, "precluded the emergence of an 'internal' dynamic of development, while ensuring that any commercially-induced dynamic from 'outside' would ultimately lead to retrogression."⁵⁸

Now, for Wallerstein, like the dependency theorists, any region which is a part of the world economy is capitalist, whatever its methods of 'labour control' and reward to labour power. He defines the world economy (world system), in fact, as a unit with a single division of labour, and multiple cultural systems.⁵⁹ In the 16th century,

there grew up a world economy with a single division of labour within which there was a world market... [which I call] agricultural capitalism. This then resolves the problems incurred by using the pervasiveness of wage-labour as a defining characteristic of capitalism.⁶⁰

Once embedded in the world market, the productive regions (such as Eastern Europe) based on serfdom "cease to be one bit less capitalist than the regions whose production for the market is based on free wage-labour."⁶¹

According to Wallerstein, "[f]ree labour is the form of labor control used for skilled work in the core countries, whereas coerced labor is used for less skilled work in the peripheral areas."⁶²

Now, it is obvious, as Laclau has pointed out, that Wallerstein,

incredible as it may seem, does not appear to understand the meaning of the category 'free labour'. Labour power is free under capitalism precisely because it is not subjected to any extra-economic (non-market) coercion. The worker sells his labour power freely on the market because he has been deprived of property in the means of production. Yet, Wallerstein reduces extra-economic coercion to merely a technical means of organizing production; merely a method of labour-control/reward to labour.⁶³ He in fact goes as far as to state that labour-power is a commodity even under slavery!⁶⁴

Clearly, Wallerstein's error is a methodological one. Instead of proceeding from the abstract to the concrete--instead of proceeding from the mode of production to the social formations which constitute the world economy--Wallerstein's method is the obverse. He identifies the capitalist mode of production (the relation between productive forces and relations of production) with the world economy as such; and eliminates, by a distortion, the concept of mode of production. He then proceeds from the world economy to the social participation in the world market, regardless of the relations of production existing in them.⁶⁵

The result has nothing in common with the complexity of the concrete that is characteristic of the Marxist totality; rather it recalls the elimination of social relations characteristic of neoclassical economics, with its exclusive emphasis on the market.⁶⁶

Once having denied that accumulation in the core is the result of the historically developed structure of class relations of free wage-labour, which allow capital to develop the productive forces through the accumulation of capital, Wallerstein brings in the notion of 'unequal exchange' to explain the process of transfer of surplus from periphery to core.

Once we get a difference in the strength of the state machineries, we get the operation of "unequal exchange" which is enforced by strong states on weak ones, by core states on peripheral areas. Thus capitalism involves not only appropriation of the surplus-value by an owner from a laborer, but an appropriation of surplus of the whole world-economy by core areas.⁶⁷

Yet, clearly, the notion will not fit the use Wallerstein attempts to make of it. Emmanuel's thesis posits the free mobility of capital, in order to equalize profit rates in all regions and lines of production. Yet there was no free labour in the early modern period, so there could be no free movement of capital. Again, it makes little sense to posit the state as the guarantor of surplus transfer. "The resulting quantitative conceptualization of states, in terms of their 'strength' or 'weakness', itself precludes any sensible analysis in terms of the structure of class."⁶⁸ A states relationship to development or underdevelopment cannot be grasped in terms of its strength or weakness. "[I]ts contribution to the growth or stagnation of the productive forces is not primarily mediated by its relationship to 'unequal exchange' and a transfer of surplus (into or out of the region)--but rather by its interconnection with a region's dominant class structures."⁶⁹

Unequal exchange is, at best, subordinate--in fact, peripheral--to a discussion of economic development. As Brenner reveals, the argument that unequal exchange and a transfer of surplus are central to economic development

is largely derived from the notion, widespread among Marxists, that a 'primitive accumulation of capital' was largely responsible for the uniquely successful development experienced by certain areas within the Western European core from the sixteenth century, as well as for the onset of underdevelopment in the periphery.⁷⁰

Of course, this idea, formulated originally by Adam Smith, was one that Marx had attacked. For Marx, no accumulation of wealth could explain the accumulation of capital. Rather, this required certain historically-

developed social-productive relations: the capital/wage-labour relationship.⁷¹ Brenner encapsulates this idea in full when he asks: "We are left to wonder why any wealth transferred from the core to the periphery did not result merely in the creation of cathedrals in the core and starvation in the periphery."⁷²

IV. SAMIR AMIN: ACCUMULATION ON A WORLD SCALE

At first glance, the argument made by Samir Amin--himself director of the United Nations sponsored Institute for Economic Development and Planning based in Dakar, Senegal, and described in some quarters as a 'Third World theoretician'⁷³--would seem to be a serious argument, one posed within a Marxist problematic. Cognizant of the need to conceptualize capitalism as a mode of production, distinct from pre-capitalist modes, Amin begins with the proposition that "[f]rom the start, the transition of precapitalist formations integrated into the world system is a transition not to capitalism in general but to 'peripheral' capitalism."⁷⁴

According to Amin, where exchange between advanced and underdeveloped countries is concerned, the context of the capitalist mode of production cannot be used. Rather, the discussion must be phrased in terms of different socio-economic formations--in terms of the 'capitalism of the center', and the 'capitalism of the periphery'. That is, within the core, one finds socio-economic formations which are identical with the mode of production--i.e. formations which are completely capitalist. Within the periphery, on the other hand, one finds formations which are not identical with the mode of production--i.e. formations which are not completely capitalist. This distinction is illustrated by the following quotation.

The concrete socioeconomic formations of capitalism of the center bear this distinctive feature, that in them the capitalist mode of production is not merely dominant but, because its growth is based on expansion of the internal market, tends to become exclusive. These formations therefore draw closer and closer to the capitalist mode of production, the disintegration of precapitalist modes tending to become complete and to lead to their replacement by the capitalist mode, reconstituted on the basis of the scattered elements issuing from this break-up process. The concrete socioeconomic formation tends to become identical with the capitalist mode of production...The socioeconomic formations of the periphery, however, bear this distinctive feature, that though the capitalist mode of production does predominate, this domination does not lead to a tendency for it to become exclusive, because the spread of capitalism here is based on the external market. It follows that precapitalist modes of production are not destroyed but are transformed and subjected to that mode of production which predominates on a world scale as well as locally--the capitalist mode of production.⁷⁵

As such, peripheral capitalist societies are ones in which there exist, at one and the same time, several modes of production. "The precapitalist formations that constitute the basis on which a series of new relations are formed which result in the formations of peripheral capitalism are structured combinations (of great variety) of a relatively limited number of modes of production..."⁷⁶ The mode of production in existence previous to the 'aggression' of the capitalist mode is not overthrown, and continues to reproduce itself in the countryside. As such, the peripheral economy "is no longer altogether precapitalist--though it is not yet capitalist. It is a transitional type of economy."⁷⁷ Thus, the real problem of investigation for Amin becomes "the nature of the socioeconomic formations of peripheral capitalism, or, in other words, the laws of development of a capitalism based on the external market."⁷⁸

For Amin, the formations of the periphery are formations whose process of transition to the capitalist mode of production has been blocked,

blocked by aggression on the part of the capitalist mode, from the outside, against the socioeconomic formations of peripheral capitalism. It is this aggression which constitutes the essence of the problem of their transition to formations of peripheral capitalism.⁷⁹ This aggression ensures that an orientation towards exports to the center establishes itself in the periphery, meaning that peripheral growth becomes dependent upon the growth of the center.⁸⁰

Amin is also quite explicit when it comes to recognizing the need for a theorisation of the dynamics of the capitalist mode, as shown by the following quote:

Expansion of markets, extending to the world scale, is in the very nature of capitalist development. It is not necessarily in order to solve a market problem--to realize surplus value--that this extension takes place. The theory of the capitalist mode of production tells us that the realization of surplus value does not necessitate extension of the market by disintegration of precapitalist societies. Marx and Lenin proved this.⁸¹

On the contrary, Amin ascribes the expansion of the market to the tendency of the rate of profit to fall in the advanced formations which are completely capitalist. The export of capital to the periphery helps to raise the rate of profit in the center.⁸²

i. Amin's Larger Problematic

At this point, it must be emphasized that the account presented so far of Amin's work is a very selective reading, one that abstracts from his larger problematic. Although it is true that Amin begins the process of theorising economic development in terms of modes of production, in terms of the transition from pre-capitalist modes of production to the capitalist mode, his analysis of transition is unfortunately bound up with the circulationist thesis of the primacy of exchange, of the transfer of surplus from

the periphery to the core. In this respect, Amin is very much a transitional figure, halfway between a circulationist, and a Marxist perspective. As Nabudere states, with reference to Amin's notion of peripheral capitalism,

[t]his distinction between the mode of production and the social formation is not made explicit. In substance they are made to appear to be parallel to one another. The fact that the mode holds 'economic' sway over the formation is recognised in form only, but it is not borne out in the analysis.⁸³

As Amin himself goes on to state,

[r]elations between the formations of the "developed" or advanced world (the center), and those of the "under-developed" world (the periphery) are affected by transfers of value, and these constitute the essence of the problem of accumulation on a world scale.⁸⁴

Again, we are back to the familiar thesis that "the accumulation of capital on a world scale...is at once a process of development at the center and a process of underdevelopment...in the periphery."⁸⁵ Amin is explicit in invoking Emmanuel's thesis of unequal exchange as the mechanism through which this transfer of surplus (he terms it a transfer of value) occurs,⁸⁶ through which the development of the periphery is blocked.⁸⁷ And, like Emmanuel, Amin makes the mistake of equating value with exchange value--a neo-Ricardian position, one that liquidates the process of production, and treats production "as merely a moment in circulation, whose technical and social characteristics are derivative from exchange."⁸⁸ Like Emmanuel, "Amin in fact liquidates the law of value as a theoretical tool. In his logical formalism, exchange value is primary, determining all phenomena, and value is purely passive."⁸⁹

Amin is at pains to demonstrate that there is a "fundamental difference between the model of capital accumulation and of economic and social development characteristic of a self-centred system [the capitalism of the

center] and that of a peripheral system."⁹⁰ Central development, characterized by the production of mass consumption goods, as well as the production of capital goods intended for the production of consumption goods, "provides an abstract definition of the 'pure' capitalist mode of production...analyzed as such in Marx's Das Kapital."⁹¹

For Amin, central development can be understood without reference to external relations. Not so for peripheral development, which only began to develop "under an impulse from the centre, [when] an export sector was created."⁹² Peripheral capitalism is thus "characterized by a specific inter-connection which is expressed by the link between the export sector and luxury goods consumption."⁹³ This leads, in Amin's view, to the marginalization and impoverishment of the masses of the periphery, unlike in the center, where consumption goods are utilized to enlist the 'masses' in a 'social contract' which allows establishment of a limited social and economic viability, at a national level.⁹⁴ As such the principle contradiction of capitalism (the antagonism between the forces and relations of production), while it may hold in the center, is not the fundamental contradiction of capitalism in the periphery. Here, the main contradiction is that between the need for development, and the reality of underdevelopment.⁹⁵

Of course, at this point, it is obvious that we have come full circle, having returned to the Baranian thesis of the impossibility of development in the periphery.

For Amin, growth in the center is development. Not so in the periphery. Here, growth does occur--but its effect is to 'disarticulate'.

The disarticulation of the economy prevents the development of any one sector from having a mobilizing effect upon the rest. Any such effect is transferred abroad, to the supplying countries [i.e. to the center]: the sectors of the underdeveloped economy appear as extensions of the dominating advanced economy.⁹⁶

Amin emphasizes that the reality for Third World countries today is the process that Marx identified as the 'primitive accumulation of capital', which "continues to operate and to be characteristic of relations between the center and the periphery of the world capitalist system."⁹⁷ However, Amin's analysis of this process of primitive accumulation is extremely one-sided. He sees only marginalization, only the impoverishment of the masses of the periphery, only the extraction of the periphery's surplus by means of unequal exchange.⁹⁸ Thus, he fails to conceive of 'primitive accumulation' ('so-called' primitive accumulation, according to Marx) in the manner in which the term is used by Marx. For, as Marx revealed,

[t]he capitalist system pre-supposes the complete separation of the labourers from all property in the means by which they can realise their labour. As soon as capitalist production is once on its own legs, it not only maintains this separation, but reproduces it on a continually extending scale. The process, therefore, that clears the way for the capitalist system, can be none other than the process which takes away from the labourer, the possession of his means of production; a process that transforms, on the one hand, the social means of subsistence and of production into capital, on the other, the immediate producers into wage-labourers. The so-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production. It appears as primitive, because it forms the pre-historic stage of capital and of the mode of production corresponding with it...The expropriation of the agricultural producer, of the peasant, from the soil, is the basis of the whole process. The history of this expropriation, in different countries, assumes different aspects, and runs through its various phases in different orders of succession, and at different periods.⁹⁹

The 'secret' of primitive accumulation (so-called), for Marx, was precisely that process by which the agricultural population, through sheer brute force, was seaparated from its property in the means of agricultural production and subsistence. Primitive accumulation was nothing less than 'the historical process of divorcing the producer from the means of production', a process that transforms the immediate producers into wage-labourers. As Weeks and Dore note, "it is at the outset of his discussion of this phenomenon that we find Marx at his most sarcastic and caustic, heaping ridicule upon those who argued that the emergence of capitalism was presaged by a period of the accumulation of capital in money or commodity form..."¹⁰⁰

Marx does mention the plunder of the colonies, "[b]ut nowhere does he argue that such looting was the basis of capitalist accumulation; on the contrary, even a casual reading shows he stressed the expropriation of the European peasant and artesanal classes as the foundation of capitalist accumulation."¹⁰¹ The emergence of captialist social relations of production was, for Marx, "the consequence of the contradictions within the old mode of production...",¹⁰² not of the core's relationship to the periphery.

By focusing solely on the marginalization of the masses of the periphery produced by their expropriation from the means of production in agriculture, Amin loses sight of the historical reason for this expropriation: the formation of the social relations of production necessary in order to have capitalist production. Without the capital/wage-labour relationship--the resultant of the expropriation of the agricultural population from their means of production and reproduction--it is impossible for the capitalist mode of production to develop.

Amin Fails precisely in this: to identify the capitalist mode of

production in terms of its social relations of production. Instead, his definition of capitalism is dependent upon whether it is the capitalism of the center, or the capitalism of the periphery, about which he is speaking; a definition which conceives of the capitalist mode along spatial, or geographical lines, and not in terms of the social relations necessary to, and reproduced by, capitalism.

Amin is therefore wrong to conceive of capitalism in the periphery as being based on an external market. The divorce of the population from its means of subsistence and reproduction in the agricultural sphere means precisely that an internal market of consumers is thereby created for capital, along with an internal supply of wage labourers, who are now forced to sell themselves to capitalists in return for a wage. Thus, they are forced to buy their means of subsistence from other capitalists, since they no longer have any property of their own in the means of subsistence, and therefore cannot reproduce their own material existence.

Therefore, the process of transition to the capitalist mode of production is not 'blocked' by primitive accumulation, as posited by Amin (who follows, in this respect, the theorists of dependency), but is rather extended, and added new impetus, by the expropriation of the agricultural population from the land.

As regards the question, formulated in the Object of this thesis, and answered in the affirmative by Amin--whether or not it is possible to have a social formation which is identical with the capitalist mode of production, i.e. completely capitalist--suffice to say, at this point, that Amin's contribution is far from being the resolution of the debate. However, Amin's usage of the concept of the mode of production is an

advance in that it allows him to avoid the mistakes of both Wallerstein and the dependency theorists in conceiving of peripheral social formations as fully capitalist. Amin recognizes that the formations of the periphery are not fully capitalist; that peripheral societies are ones in which there exist, at one and the same time, several modes of production. His mistake lies in not conceiving of peripheral societies as societies in which the development of the forces of production is proceeding apace, to the same extent to which the capitalist mode of production is identical with the social formation; hence the notion of blockage retained by Amin.

V. CONCLUSION

In retrospect, it can be seen that, while Emmanuel, Wallerstein and Amin attempt to carry the debate past the point taken by the dependistas, the problematic within which they work, that of the circulationist thesis of the transfer of surplus from the periphery to the core, in fact remains that of the theorists of dependency, going really no further beyond it.

Neither of the three theorists isolates, nor focuses upon, social (class) relations of production. In fact, it has been said that the very notion of unequal exchange, which all three employ, is itself nothing more than a substitute for the concept of capitalist class relations of production.¹⁰³ The absence of any notion of how the class struggle within a social formation interacts with the actions of the ruling class, specifically in the international arena, fatally weakens the theory's capacity to explain social change. It is, after all, the crystallization of class forces which determines the scope of class conflict, which itself

influences and helps to determine the worldwide position of a given capitalist class; which, to paraphrase Petras, exploits within the society, and exchanges outside of it.¹⁰⁴

All three, despite their claims to the contrary, far from working within a framework of Marxist analysis, in fact remain embedded in the framework of analysis posited by dependency. Yet, "to conceptualize the issue of the Third World in terms of dependency or as part of a world system is to lose sight of the most decisive processes of class formation and social relations which beget change and the particular configurations of social forces which emerge on a world scale."¹⁰⁵

Footnotes to Chapter 2

1. Ernesto Laclau, Politics and Ideology in Marxist Theory (Great Britain, 1979), p. 42.
2. Arghiri Emmanuel, Unequal Exchange, (New York, 1972), p. 262.
3. Ibid., p. 60.
4. Ibid., p. xxxi.
5. Ibid., p. xi.
6. Ibid., p. 265.
7. Ibid., p. 168. The organic composition of a given industry is determined by the ratio between constant and variable capital that prevails in that industry. See Karl Marx, Capital, Vol. I (Moscow, 1977), p. 289-90.
8. Emmanuel, Unequal Exchange, p. 64-6.
9. Ibid., p. xxxiv.
10. Ibid., p. 170.
11. Emmanuel, quoted in Geoffrey Pilling, 'Imperialism, Trade and Unequal Exchange: the Work of Arghiri Emmanuel' (Economy and Society, Vol. II, 1973), p. 173.
12. Geoffrey Kay, Development and Underdevelopment: A Marxist Analysis (Great Britain, 1979), p. 117.
13. Ibid.
14. Emmanuel, Unequal Exchange, p. 180.
15. Ibid., p. 183.
16. Marx, quoted in Emmanuel, Ibid., p. 92.
17. Arghiri Emmanuel, 'White-Settler Colonialism and the Myth of Investment Imperialism' (New Left Review, no. 73, 1972), p. 57.
18. Emmanuel, quoted in Pilling, op. cit., p. 168.

19. Charles Bettelheim, 'Theoretical Comments' (Appendix to Arghiri Emmanuel, Unequal Exchange), p. 300-01.
20. Pilling, op. cit., p. 172.
21. John Taylor, 'Neo-Marxism and Underdevelopment--A Sociological Phantasy' (Journal of Contemporary Asia, no. 1, 1974), p. 17. As Shaikh shows, Emmanuel explicitly accepts Ricardo's law of comparative costs "on its original grounds, and even retains it as the basis for the international division of labour in his subsequent derivation of unequal exchange. In this sense, the Ricardian law remains the base of Emmanuel's new superstructure." (Anwar Shaikh, 'Foreign Trade and the Law of Value: Part I', in Economy and Society, no. 3, 1979, p. 299). Ricardo's so-called law of comparative costs, Shaikh reveals, has generally been accepted as valid on its own grounds, by both orthodox economists and Marxists alike. Yet Marx's critique of Ricardo's theories of value and money--the antecedents of the so-called law of comparative costs--provides us, as Shaikh argues, with a basis for a critique of the law itself. (Ibid., p. 300-01. See as well, the second part of Shaikh's article, 'Foreign Trade and the Law of Value: Part II', in Economy and Society, no 1, 1980).
Of course, Shaikh's attempt to explain international trade and uneven development on a world scale solely from Marx's law of value, is not entirely valid, as the law of value cannot be isolated as the sole factor with which to explain either international trade or uneven development. (This is a theme to which I shall return in both the third, and concluding chapters). It is true that a theoretical model explaining foreign trade can be constructed solely on the basis of Marx's law of value. Yet such a model should not be confused with foreign trade as such, as it actually occurs in the world economy.
22. Bettelheim, op. cit., p. 273.
23. Ibid., p. 277. See as well, vol. I, ch. I of Capital. Here, Marx is quite explicit in saying that prices deviate from values. See also John Weeks and Elizabeth Dore, 'International Exchange and the Causes of Backwardness' (Latin American Perspectives, no. 21, 1979), p. 73-4.
24. Kay, op. cit., p. 33 ft.
25. Pilling, op. cit., p. 176.
26. Dan Nabudere, The Political Economy of Imperialism, 2nd ed. (London, 1978), p. 226.
27. Bettelheim, op. cit., p. 285.
28. Kay, op. cit., p. 110-11; Pilling, op. cit., p. 178-9.
29. John Taylor, From Modernization to Modes of Production (Great Britain, 1979), p. 67.

30. Bettelheim, op. cit., p. 292-3.
31. Ibid., p. 288.
32. Ibid., p. 287-8.
33. Henry Veltmeyer, 'Dependency and Underdevelopment: Some Questions and Problems (Canadian Journal of Political and Social Theory, no. 2, 1978), p. 65.
34. Taylor, op. cit., p. 68; Bettelheim, op. cit., p. 304-6.
35. Taylor, op. cit., p. 68.
36. Bettelheim, op. cit., p. 275-6.
37. Pilling, op. cit., p. 180.
38. Ibid., p. 168.
39. Kay, Development and Underdevelopment, p. 116. It is perhaps not even the case as Emmanuel suggests, that wages are higher in the developed countries. See Pilling, op. cit., p. 175, and Kay, op. cit., p. 115-16.
40. Bettelheim, op. cit., p. 302; Kay, op. cit., p. 55.
41. Kay, op. cit., p. 50.
42. Bettelheim, 'Theoretical Comments', p. 302-3.
43. Kay, Development and Underdevelopment, p. 55.
44. Robert Brenner, 'The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism' (New Left Review, no. 104, July 1977), p. 29-30. See Immanuel Wallerstein, The Modern World System (New York, 1976), for this analysis in full.
45. Brenner, 'The Origins of Capitalist Development', p. 30.
46. Ibid., p. 30-31.
47. Ibid., p. 30.
48. Immanuel Wallerstein, quoted in Brenner, p. 31.
49. Brenner, op. cit., p. 32.
50. Ibid., p. 33.
51. This debate is to be found in Rodney Hilton, The Transition from Feudalism to Capitalism (London, 1976).

52. Brenner, op. cit., p. 33-8.
53. Ibid., p. 38-9.
54. Ibid., p. 39.
55. Ibid.
56. Ibid., p. 40. Note the quote from Marx that Brenner reproduces, p. 40-1. "[C]ommerce...is incapable by itself of promoting and explaining the transition from one mode of production to another."
57. Ibid., p. 41.
58. Ibid., p. 71.
59. Immanuel Wallerstein, 'The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis' (Comparative Studies in Society and History, Vol. 16, 1974), p. 390.
60. Ibid., p. 399.
61. Brenner, 'The Origins of Capitalist Development', p. 54.
62. Wallerstein, quoted in Brenner, op. cit., p. 55.
63. Laclau, Politics and Ideology in Marxist Theory, p. 46 ft.
64. Wallerstein, 'The Rise and Future Demise', p. 400.
65. Laclau, op. cit., p. 44. See also Brenner, op. cit., p. 81-2.
66. Laclau, Politics and Ideology, p. 46.
67. Wallerstein, quoted by Brenner, op. cit., p. 61.
68. Brenner, 'The Origins of Capitalist Development', p. 64.
69. Ibid., p. 66.
70. Ibid.
71. Marx, Capital, Vol. I, p. 667-8.
72. Brenner, op. cit., p. 67.
73. Nabudere, The Political Economy of Imperialism, p. 224.
74. Samir Amin, Accumulation on a World Scale (New York, 1974), p. 35.
75. Ibid., p. 37-8.

76. Ibid., p. 139.
77. Ibid., p. 159.
78. Ibid., p. 39.
79. Ibid., p. 142.
80. Ibid., p. 178.
81. Ibid., p. 96.
82. Ibid., p. 118-23.
83. Nabudere, op. cit., p. 233.
84. Amin, op. cit., p. 3.
85. Ibid., p. 20.
86. Ibid., p. 23.
87. Ibid., p. 136.
88. John Weeks and Elizabeth Dore, 'International Exchange and the Causes of Backwardness', p. 74.
89. Ibid., p. 75.
90. Samir Amin, 'Accumulation and Development: A Theoretical Model' (Review of African Political Economy, no. 1, 1974), p. 9.
91. Ibid., p. 10.
92. Ibid., p. 12.
93. Ibid., p. 14.
94. Ibid., p. 15.
95. Ibid., p. 16-17.
96. Amin, Accumulation on a World Scale, p. 17.
97. Ibid., p. 38.
98. Nabudere, op. cit., p. 232.
99. Marx, Capital, Vol. I, p. 668-70.
100. Weeks and Dore, op. cit., p. 79.

101. Ibid., p. 80 ft.
102. Ibid., p. 81.
103. Herbet Souza, An Overview of Theories of Multinational Corporations and the Quest of the State (Toronto, 1977), p. 14.
104. James Petras, 'Dependency and World System Theory: A Critique and New Directions' (Latin American Perspectives, 30-31, 1981), p. 150-1.
- 105, Ibid., p. 149-50.

CHAPTER 3

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CHAPTER 3

THE ARTICULATION OF MODES OF PRODUCTION

I. INTRODUCTION

With the thesis of unequal exchange, dependency theory reached the limit of its furthest possible theoretical development. Having reached this limit, development theory could only move forward by denying the system of axioms upon which dependency was based, by moving from one theoretical system, or framework of analysis, to another; to confront, as it were, one problematic with another. As Laclau states,

[f]rom the theoretical system to the theoretical problems
and from them to a new theoretical system: that is the
course of the process of knowledge.¹

Having critically examined dependency theory in all of its manifestations, Marxist theorists writing on development theory have reoriented the terms of the debate through the development of a perspective, derived from Althusserianism, that has come to be known as the modes of production approach; or, alternatively, as the articulationist problematic. It is this approach and critiques that have been made of it that I intend to examine in this chapter.

The articulationist problematic attempts to understand development in its specificity: not as a low level of gross national product per capita, nor as an ideal state (the meaning of development with which dependency theorists have worked), but rather as a process of capitalist development, here understood as the extension of capitalist social relations of production

"to an ever greater part of the population and of capitalist dominance over an ever larger part of society's production."²

As Wolpe has noted, the common starting point among the theorists of the articulation of modes of production, apart from the intellectual debt owed to the work of Althusser and Balibar, "is the theoretical priority given to the combination of the relations and forces of production..."³ Beyond this, the presupposition of the articulationist approach is the distinction between the concept of mode of production, considered as an abstract conception, and the concept of real-concrete social formations, conceived of as a combination, or articulation, of modes of production.⁴

Each concrete social formation, according to the articulationist problematic, is formed by the articulation, or interpenetration, of two or more modes of production. One of these modes will tend to be dominant within the social formation. Yet

[t]he emergence of a new dominant mode of production does not result necessarily in the dissolution and decline of pre-existing modes; rather former modes of production and their classes may be able to preserve themselves, and may even be reinforced by the dominant mode of production, for long periods of time.⁵

The theoretical advance which the articulationist problematic provides is, as Chinchilla and Dietz note, the realization that there are parallel processes of development in advanced capitalist and Third World countries. The similarities of capitalist development can thus be seen to derive from the internal dynamic of the capitalist mode of production, wherever it appears; whereas "[t]he differences derive from the ways in which capitalism satisfied its need to reproduce itself through its articulation with the other modes within a specific social formation."⁶

Thus, in the articulationist perspective, the stagnation (or 'underdevelopment') noted by the early theorists of dependency was caused, not by external dependency, but by the internal articulation of different modes of production within the so-called underdeveloped social formations. In the same way, the growth noted by the later dependency theorists reflects the increasing strength of the capitalist mode of production, and the increasing subsumption of precapitalist modes under the logic of capitalism.⁷

i. The Articulation of Modes of Production: Roots in Althusser and Balibar

As noted by Foster-Carter, the notion of the 'articulation of modes of production' is found neither in Althusser nor in Balibar, its recent popularity having to be traced more proximately to the work of Rey.⁸ Curiously, as both Foster-Carter and Wolpe remark,⁹ little attempt has been made to specify exactly what is meant by the notion of 'articulation'. Althusser and Balibar, for instance, use the term primarily to refer to the linking of different instances or levels within a social formation.¹⁰

However, in the Appendix to his two essays in Reading Capital, Althusser posits that the 'impurity' of English capitalism, which Marx did not propose to study in Capital--an impurity constituted by "the 'survivals' of forms within the dominant capitalist mode of production in Britain from modes of production subordinate to but not yet eliminated by the capitalist mode of production"¹¹--was relevant to Marxist theory nonetheless.

This supposed 'impurity' constitutes an object relevant to the theory of modes of production [i.e. the Marxist theory of history]: in particular to the theory of the transition from one mode of production to another, which is the same thing as the theory of the process of constitution of a determinate mode of production, since every mode of production is constituted solely out of the existing forms of an earlier mode of production. This object is in principle part of Marxist theory...¹²

According to Althusser, Marx gave us no theory of the transition from one mode of production to another, of the constitution of a determinate mode of production. Yet, he felt, such a theory was indispensable in order to complete the construction of socialism, i.e. to complete the transition from the capitalist mode of production to the socialist mode of production, "or even to solve the problems posed by the so-called 'under-developed' countries of the Third World."¹³ However, Marx did, he felt, "give us enough to think this theoretically and practically decisive problem: knowledge of the modes of production considered provides the basis for posing and solving the problem of transition."¹⁴

Balibar, in the same text, notes that

Capital, which expounds the abstract theory of the capitalist mode of production, does not undertake to analyse concrete social formations which generally contain several different modes of production, whose laws of coexistence and hierarchy must therefore be studied.¹⁵

Only Lenin, he asserts, began this process in his The Development of Capitalism in Russia, by noting that, in Russia in 1917, "there were up to five coexisting modes of production, unevenly developed and organized in a hierarchy in dominance."¹⁶

Referring directly to the contemporary problem of 'under-development' (which was a favourite haunt for every theoretical confusion'), Balibar notes that the 'event' constituted by the meeting between these underdeveloped societies, or social formations, and Western societies in transition to capitalism, determined, or led to transformations of their modes of production--transformations which did not result from the dynamics (or laws of motion) of these societies, as was the case with Western European society. As such, the question was "to think theoretically the essence of the transition

periods in their specific forms and the variations of these forms."¹⁷

II MARX: THE EPOCHS OF SOCIAL PRODUCTION

According to Marx, there were four major 'epochs', or material modes of production, into which the history of class society could be divided. These modes were (in broad outline) the Asiatic, ancient or slave, feudal, and modern bourgeois or capitalist modes of production, of which the capitalist mode was the last antagonistic form of the social process of production, and whose abolition would bring the prehistory of human society to a close.

According to Balibar, Marx's construction of the concept of the mode of production

has the function of an epistemological break with respect to the whole tradition of the philosophy of history... [as t]he concept of the 'mode of production' and the concepts immediately related to it thus appear as the first abstract concepts whose validity is not as such limited to a given period or type of society, but on which, on the contrary, the concrete knowledge of this period and type depends.¹⁸

Marx defined a mode of production as a sum of certain

relations of production which correspond to a definite stage of development of their material productive forces. The sum total of these relations of production constitutes the economic structure of society, the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the social, political and intellectual life process in general.¹⁹

According to Marx, history was properly to be conceived as a process of the birth, evolution, and destruction of modes of production; that is, as a succession of modes of production.²⁰ As he phrased it:

At a certain stage of their development, the material productive forces of society come in conflict with the existing relations of production, or--what is but a legal expression for the same thing--with the property relations within which they have been at work hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an epoch of social revolution. With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed...No social order ever perishes before all the productive forces for which there is room in it have developed; and new, higher relations of production never appear before the material conditions of their existence have matured in the womb of the old society itself. Therefore mankind always sets itself only such tasks as it can solve...²¹

i. The Object of Capital

As argued by Althusser, the object of Marx's study in Capital is the capitalist mode of production in its 'core form', and the determinations of that core form, or ideal average. Marx's object of study in Capital is not England, nor even the development of the capitalist mode of production within England (i.e. the English example). Rather, the object of Marx's study is an idea--that idea being, 'the capitalist mode of production', conceived of as "the concept of his object--and not as the result of an empirical abstraction."²² The capitalist mode of production is, for Marx, an abstraction, an abstraction that is not to be confused with the concrete, but is rather a reproduction of the concrete by way of thought.²³

In the preface of Capital, Marx states that

[i]n this work I have to examine the capitalist mode of production and the conditions of production and exchange corresponding to that mode. Up to the present, their classic ground is England. That is the reason why England is used as the chief illustration in the development of my theoretical ideas.²⁴

This passage is crucial if the object of Capital--a scientific

analysis of the capitalist mode of production--is to be grasped as Marx understood it. Note that Marx states that what he is examining is the capitalist mode of production, and the conditions of production and exchange which correspond to that mode. Marx is not saying that the capitalist mode of production is identical with its conditions of production and exchange. Rather, these conditions correspond to the development of that mode, and are not to be confused with, or thought of as identical with, the capitalist mode of production. This is so far the reason that, as Althusser has shown, the capitalist mode of production is, for Marx, an idea, or conceptual representation in thought, of the totality of the conditions of production and exchange which predominate in bourgeois society.

Colletti, at first glance, seems not to agree with Althusser over the issue of what exactly constitutes Marx's object of analysis in Capital. For Colletti, the object of Capital is modern capitalist society: not an idea, or ideal object, but rather "a materially determined or real object."²⁵ In order to avoid eluding the real object, to avoid contracting the analysis into an a priori mode of reasoning, society must be investigated, according to Colletti, "at its material level, i.e. at the level of the real basis which specifies it and prevents its dissolution into an idea."²⁶

Yet, as Colletti acknowledges, a scientific analysis cannot concentrate exclusively on the material level. Since everything is material, including 'even the most hopelessly spiritualist philosophies', materiality, as such, specifies nothing. Therefore, a new method, a new type of hypothesis-deduction is needed, one which is able to grasp all levels of society (political, ideological, etc) in their specificity, and not simply the material level.

Only Marx's method, Colletti holds--a method which does not resolve reality into itself, nor negates it--is capable of scientifically analyzing the capitalist socio-economic formation. As such, the object of study, for Marx, is 'modern' society, the capitalist mode of production and exchange, and not 'society' in general. As Colletti notes,

Capital is not a study of 'society' but of this society; not an abstraction, but a real process...On the other side, however, 'this' society is 'the typical, generalized form of all existing capitalist societies' (Dobb), that is, it is an abstraction...²⁷

Thus, we see that Colletti's position on this issue, while possessing its own specificity, does not differ fundamentally from Althusser's. Althusser's formulation, however, I find more precise. The object of Capital is not capitalist society in the abstract, but rather an investigation, along scientific lines, of the capitalist mode of production, considered as an idea, or conceptual representation in thought, of the totality of the conditions of production and exchange prevailing in bourgeois society.

ii. Pre-Capitalist Modes of Production, and the Dynamics of the Capitalist Mode

As Meillassoux has argued, "Marx's approach to pre-capitalist formations is a relatively superficial one."²⁸ Marx was concerned primarily with demonstrating the historicity of capitalism. It was not his intent to analyze pre-capitalist modes of production 'from within', to find out the laws (if one can speak of 'laws' in reference to pre-capitalist modes of production) of the inner functioning of these modes.²⁹

However, Marx did provide us with an analysis of the dynamics of the capitalist mode of production, or its laws of motion. Unlike Luxemburg, for whom capitalism's necessity for interaction with pre-capitalist modes

arose in a need for an external source of demand 'from without',³⁰ Marx saw the internationalization of capitalist relations of production as resulting from the inner dynamics of the capitalist mode of production itself, from its laws of motion.

In volume III of Capital, Marx noted that

the expansion of foreign trade, although the basis of the capitalist mode of production in its infancy, has become its own product, however, with the further progress of the capitalist mode of production, through the innate necessity of this mode of production, its need for an ever-expanding market.³¹

Capital had this need for an ever-expanding market--i.e. a need for foreign trade, which had become capitalism's 'own product'--not because it required an external source of demand from pre-capitalist modes of production, but precisely because foreign trade tended to increase the rate of profit on invested capital "by increasing the rate of surplus value and lowering the value of constant capital."³² Not that foreign trade was the only 'counter-acting influence' to the tendency of the rate of profit to fall. Marx also lists, along with foreign trade, the increasing intensity of exploitation, the depression of wages below the value of labour-power, relative overpopulation, and the increase of stock capital.³³ Rather, it was perhaps the one most convenient for capital, as foreign trade allowed the 'advanced' country to sell its goods above their values.³⁴

Thus, in Marx's opinion, foreign trade arose from capital's need to halt a decline in the rate of profit on invested capital. Imperialism--a unique example of 'foreign trade' with pre-capitalist modes of production in fact characterized by the export of capital--thus arose from the laws of motion of capital itself, laws of motion which made it imperative that capital seek out ways of halting a decline in the rate of profit.

iii. The Articulation of Modes of Production

Marx's study of the laws of motion of the capitalist mode of production is almost entirely focussed on the development of the western capitalist countries of Europe and North America. He paid little attention either to the impact of this development on the rest of the world (which is not, however, to say that he ignored it), "or to the role played by the exploitation of the colonised countries in the growth and prosperity of capitalism."³⁵ The relationship, or articulation, between the capitalist mode of production, once established in western Europe and North America, and other modes of production, still in existence in other parts of the world, was not a question to which Marx addressed himself in a systematic and thorough fashion.³⁶

In fact, as Wolpe notes, Marx's comments on the effect of the capitalist mode of production (his primary object of analysis) upon pre-capitalist modes were made almost in passing. Yet the issue involved became central to the debate that occurred over imperialism after Marx's death, as

the analysis of imperialism, particularly as formulated by revolutionary parties in the metropolitan capitalist countries, tended to assume that capitalist expansion implied, in a straightforward way, the destruction of pre-capitalist modes.³⁷

Not that those who followed in Marx's footsteps were without justification for holding such views. For the Marx of the Manifesto did envisage a more or less inevitable process of capitalist expansion which would undermine old modes of production, replace them with capitalist social productive relations, and on this basis, set off "a process of capital accumulation and economic development more or less following the pattern of the original homelands of capitalism."³⁸

This view is expressed by Marx in the Manifesto as follows:

The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production, and with them the whole relations of society. Conservation of the old modes of production in unaltered form, was, on the contrary, the first condition of existence for all earlier industrial classes. Constant revolutionising of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones...The bourgeoisie, by the rapid improvement of all instruments of production...draws all, even the most barbarian, nations into civilisation... It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what is called civilisation into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image.³⁹

According to this view (the one most commonly accepted by Marxists as the approach adopted by Marx), the articulation between the capitalist mode of production (CMP) and pre-capitalist modes of production (PCMP) is reduced to the dissolution or destruction of the pre-capitalist mode by capitalism. As Wolpe notes, dissolution or destruction here entails the 'complete separation' of the producers from all property in the means of production.

Here, there is no room for the possibility that, either in different phases of the circuits of capital or in different stages of its development, the relation between the CMP and PCMPs may be such as to result in transformations of the PCMPs which amount to something less than a 'complete separation' of the producers from the means of production.⁴⁰

Here, there is no room for the possibility of the continued reproduction, in any form whatsoever, of pre-capitalist relations of production in social formations into which capitalism has been introduced from the outside.

Yet, as it turns out, the possibility that the capitalist mode of

production might fail to completely dissolve the pre-capitalist modes existing in these social formations was a possibility that Marx did, in fact, consider, especially in his later works. In the Introduction to the Grundrisse, for example, we find the following quote.

Bourgeois society is the most developed and the most complex historic organization of production. The categories which express its relations, the comprehension of its structure, thereby also allows insights into the structure and the relations of production of all the vanished social formations out of whose ruins and elements it built itself up, whose partly still unconquered remnants are carried along with it...The bourgeois economy thus supplies the key to the ancient, etc...Further, since bourgeois society is itself only a contradictory form of development, relations derived from earlier forms will often be found within it only in an entirely stunted form, or even travestied...They can contain them in a developed, or stunted, or caricatured form etc., but always with an essential difference.⁴¹

This passage is seminal for understanding Marx's position, for the reason that here, unlike in the earlier quote reproduced from the Manifesto, Marx recognizes that relations of production deriving from pre-capitalist modes of production can continue to exist, and to reproduce themselves, within the capitalist mode of production, although in a 'stunted' (i.e. subordinated to the logic of capital) form. Even in western Europe, where the (so-called) process of primitive accumulation was 'more or less accomplished', Marx recognized that 'strata of society' or relations of production which belonged to the antiquated or feudal mode of production, continued to exist side by side with the capitalist mode of production, in 'gradual decay'.

In Western Europe...the process of primitive accumulation is more or less accomplished. Here the capitalist regime has either directly conquered the whole domain of national production, or, where economic conditions are less developed, it, at least, indirectly controls those strata of society which, though belonging to the antiquated mode of production, continue to exist side by side with it in gradual decay.⁴²

Marx recognized that, even in his own day, the social formations in existence in western Europe were not 'purely capitalist', but were rather constituted by an articulation of (at least two) modes of production, one of which the capitalist mode, was clearly already dominant in these social formations.

In Capital volume II, Marx argues that "the circuit of industrial capital, whether as money-capital or as commodity-capital, crosses the commodity circulation of the most diverse modes of social production, so far as they produce commodities."⁴³ The character of the production process (i.e. the character of the relations of production) from which these commodities originated was immaterial, Marx felt, as they functioned as commodities in the market, and therefore in the circuit of industrial capital. However, Marx did argue that "it still remains true that to replace them they must be reproduced, and to this extent the capitalist mode of production is conditional on modes of production lying outside of its own stage of development."⁴⁴

As Wolpe notes, while Marx here tends to assume that the process of capital accumulation tends ultimately towards the dissolution and destruction of all pre-capitalist modes,⁴⁵ at the same time Marx considers the pace and extent of transformation to be subject to variation.

On the one hand, the dominance of capital is not established all at once, and consequently its transformative effects may be limited even if only temporarily... On the other hand, the retardation of the destructive effects of capital accumulation is also attributable to the functioning of the pre-capitalist modes themselves.⁴⁶

According to Marx, the 'internal solidarity and organization' of the Asiatic mode of production (AMP), for example, presented formidable

obstacles to the 'corrosive influence of commerce', i.e. to its dissolution and destruction by the capitalist mode.⁴⁷ Marx's treatment of the Asiatic modes ability to resist its own dissolution and destruction by the imposition of the capitalist mode suggests that he recognized that a prolonged struggle could exist between the capitalist mode, and pre-capitalist modes of production which continued to reproduce their conditions of existence even while the capitalist mode was becoming dominant, and subordinating the pre-capitalist mode to its own logic. However, as Cypher notes, his view was here incomplete and contradictory, as "much of Marx's writings on the colonies indicates that he felt that the CMP would be superimposed on the AMP relatively quickly."⁴⁸

III. ERNESTO LACLAU: INTRODUCING THE ARTICULATIONIST PROBLEMATIC

It was Ernesto Laclau who first introduced the conceptual framework of the modes of production approach into the debate on development and underdevelopment in his seminal critique of Gunder Frank, already referred to in the first chapter.

Laclau begins by introducing the distinction between a mode of production and what he termed an 'economic system' (i.e. a social formation).

We understand by 'mode of production' an integrated complex of social productive forces and relations linked to a determinate type of ownership of the means of production...An 'economic system', on the other hand, designated the mutual relations between the different sectors of the economy, or between different productive units, whether on a regional, national or world scale.⁴⁹

It was possible, indeed necessary, according to Laclau, that an

economic system had to include, as its 'constitutive elements', different modes of production.

What had to be proven in order to show that development in the metropolitan capitalist countries generated what Frank had referred to as 'underdevelopment' in the peripheral areas was that the continued maintenance and reproduction of pre-capitalist relations of production was an 'inherent condition' of the process of capital accumulation in the metropolitan countries. This could be proven, Laclau felt, if it could be shown that capital investment from the metropolitan countries in the enterprises of the peripheral areas--enterprises in which a low organic composition of capital prevailed, as compared with the higher organic composition of capital of the industries of the advanced countries--made it possible to counteract the depressive effect on the rate of profit produced by the increase in capital's organic composition in the metropolitan countries.

The enterprises of the periphery were, in fact, in an ideal position to play this role. The organic composition was here quite low; the labour force of these enterprises were generally subjected to forms of extra-economic coercion characteristic of modes of production other than capitalism; and, to the extent that this labour was free, it was generally superabundant, and therefore cheaper to employ than the labour force of the advanced countries.

Therefore,

[i]f it could then be proved that investment in these sectors has played an important role in determining the rate of profit, it would follow that the expansion of industrial capitalism in the metropolitan countries necessarily depended on the maintenance of pre-capitalist modes of production in the peripheral areas.⁵⁰

If such was the case--if the rate of profit in the metropolitan

countries did, in fact, depend upon the consolidation and expansion of pre-capitalist production relations in the periphery--then it would follow that the world capitalist system would have to be defined as comprised of various modes of production: capitalist, and pre-capitalist.⁵¹

IV. RESTRICTED AND EXTENDED CONCEPTIONS OF THE MODE OF PRODUCTION

Leaver has criticized Laclau for considering the 'feudal mode' that he identifies in Latin America (which continues to exist alongside the capitalist mode of production)⁵² to be a mode of production. This feudal mode, he states, "clearly lacks any dynamic of its own, and is merely a reflexive reaction to the rate of profit at the centre."⁵³ Accordingly, "Laclau's conceptualization seems totally beside the point, for his 'feudal mode' has no autonomy."⁵⁴

In a postscript to his original critique of Gunder Frank (written in 1977), Laclau admitted that the notion of mode of production he had employed in his original essay now did seem to him to be inadequate.⁵⁵ Laclau, it will be remembered, had defined the concept mode of production as

an integrated complex of social productive forces and relations linked to a determinant type of ownership of the means of production...We therefore designate as a mode of production the logical and mutually co-ordinated articulation of: 1. a determinate type of ownership of the means of production; 2. a determinate form of appropriation of the economic surplus; 3. a determinate degree of development of the division of labour; 4. a determinate level of development of the productive forces...Within this totality, property in the means of production constitutes the decisive element.⁵⁶

Wolpe has termed the notion of mode of production employed by Laclau a 'restricted' concept of the mode of production, which he contrasts to an

'extended' concept of the mode of production. These two different usages of the term 'mode of production' Wolpe distinguishes as follows: the restricted concept of the mode of production specifies the concept of mode of production

only in terms of a limited number of elements--the relations of production and the forces of production. That is to say, the concept does not include a specification of the mechanisms of reproduction or the laws of motion of the 'economy' as a whole which is held to be constituted and defined by or on the basis of determinate relations and forces of production.⁵⁷

In contrast to this definition, the extended concept of the mode of production is one in which

the definition of the relations and forces of production provides only the essential foundation upon which the mechanisms of reproduction and the laws of motion are formulated, and the mode of production is held to be constituted by the combination of the relations and forces of production together with the mechanisms of reproduction or laws of motion derived from those relations and forces of production.⁵⁸

The restricted concept of the mode of production, then, is one that defines a mode of production solely in terms of the relations and forces of production--a definition used not only by Laclau, but by Poulantzas, and by Hindess and Hirst, as well.⁵⁹ In this conception, the process by which the relations and forces of production are reproduced--the dynamics, or laws of motion of the modes of production--are nowhere specified or mentioned. The extended concept of the mode of production, by contrast, entails just such a conception of the laws of motion of a mode of production, together with the combination of the relations and forces of production.⁶⁰

As Wolpe shows, the distinction between the two conceptions of mode

of production is made explicit by Balibar, according to whom a theory of reproduction is necessary if we are to think through the specificity of transition from one mode of production to another. According to Balibar, the mode of production conceived of as merely a combination of elements--the forces and relations of production--is a 'static' (i.e. restricted) conception, whereas the concept of reproduction (i.e. the extended concept) defines the dynamics of the mode of production.

It is now no longer a question of identifying the variants of the 'combination' of the 'relations of production' and the 'productive forces' on the basis of historical material, but of examining what Marx calls 'the general determination of production at a given social stage', i.e. the relation between the totality of social production and its particular forms (branches) in a given synchrony (as this term has been illuminated for us from now on, since the analysis of the 'repetition' of production, of the continuity of production in a series of cycles, depends on the analysis of production as a whole, of production as a totality....⁶¹

Now, it is true that one can find references in Marx that define a mode of production only in terms of determinate relations and forces of production. Such is the following quotation:

Whatever the social form of production, labourers and means of production always remain factors of it. But in a state of separation from each other either of these factors can be such only potentially. For production to go on at all they must unite. The specific manner in which this union is accomplished distinguishes the different economic epochs of the structure of society from one another. In the present case (capitalist production), the separation of the free worker from his means of production is the starting-point given, and we have seen how and under what conditions these two elements are united in the hands of the capitalist, namely as the productive mode of existence of his capital.⁶²

Here, Marx defines the different economic epochs of the structure of society (i.e. different modes of production) only in terms of the

specific manner in which labourers--the relations of production--and means of production--the forces of production--are united. However, it remains a patent fact that Marx specified the capitalist mode of production, in relation to non-capitalist modes of production, in terms of its laws of motion, together with the combination of the relations and forces of production. Unfortunately, in the quote reproduced above, Marx has failed to adequately theorize this relationship, and has thus given us an inadequate conceptualization of the mode of production in this passage.

Armed with the distinction between the restricted and extended conception of the mode of production, it is now possible to see that Leaver's criticisms of Laclau arise from the fact that Laclau used a restricted conception of the mode of production. Leaver's criticism, again, was that the 'feudal mode' which Laclau identifies was not a mode of production at all, since it lacked an essential characteristic: the capacity for self-reproduction.

Now, it is true that Laclau does begin with a restricted concept of the mode of production, a conceptualization which, as was noted above, Laclau himself admitted was inadequate. As Wolpe argues, here, "the element which establishes the unity of an economic system is a 'law of motion', not of a mode of production but of the economic system itself."⁶³

The law of motion which Laclau identifies as belonging to the capitalist mode of production--"fluctuations in the rate of profit (which is a strictly capitalist category, s, since it presupposes the existence of free labour)"⁶⁴ _{c+v}--is also identified as "the law of motion which articulates the system as a whole...[which] permits the coexistence of various non-capitalist modes of production to be articulated within the world capitalist system."⁶⁵

Here, as Wolpe argues, the distinction previously made by Laclau between the capitalist mode of production, and a (capitalist) economic system, dissolves.

Laclau wishes to assert, on the one hand, the effectivity of the laws of motion of the CMP as the principle of unity of a capitalist economic system and, on the other hand, to deny simultaneously that the economic system can be derived from the CMP. But, if the law of motion of the CMP is also the law of motion of the economic system, in what sense can it be said that the latter is not derivable from the CMP and in what sense can there be said to be an articulation of modes of production?⁶⁶

Laclau does provide an answer to this problem when he speaks of the need to conceive of the world capitalist system as "an articulation of numerous economic units which produce on the basis of various modes of production, and whose unity is provided by the movements of the rate of profit."⁶⁷ This passage, which conceives of the world capitalist system as articulated by the laws of motion of the capitalist mode of production, does imply the distinction between restricted and extended concepts of the mode of production. It is the laws of motion of capital which dominate the world system, yet numerous economic units continue to produce on the basis of various modes of production, even though they are governed solely by the movements of the rate of profit.

Again, Wolpe's argument is that the distinction between restricted and extended concepts of the mode of production is necessary in order to formulate an adequate theory of articulation, which he defines as "the relationship between the reproduction of the capitalist economy on the one hand and the reproduction of productive units organised according to pre-capitalist relations and forces of production on the other."⁶⁸ The restricted concept encompasses neither the mechanisms by which productive units, both capitalist and non-capitalist, are linked, nor the processes by which the relations and

forces of production are reproduced.

Wolpe identifies two possible instances of articulation with a social formation. The first instance would be a social formation "constituted by combination of extended modes of production."⁶⁹ Such a social formation would be one in which no extended mode is dominant, and would, by definition, be in a phase of transition to dominance by one mode of production, as elements of the reproductive mechanisms of one of the extended modes of production would eventually become eroded. However, it is possible to envisage that such a social formation could maintain its equilibrium for an extended period of time, prior to undergoing transition to dominance by a single mode of production.

The second instance Wolpe identifies would be a social formation "constituted by the co-existence of and interrelationship between a dominant extended mode and subordinate restricted modes of production."⁷⁰ It is this type of social formation which has received the most attention in the literature on economic development in the Third World: social formations constituted by the articulation of a dominant extended mode (capitalism) with subordinate restricted (pre-capitalist) modes of production.

Given Wolpe's distinction between extended and restricted modes of production, it is now possible to see that the criticism made by Leaver of Laclau becomes a non-criticism if an extended conception of the mode of production is substituted for Laclau's restricted conception. As Wolpe argues, "there is no necessary connection between the reproduction of enterprises organized in terms of determinate relations and forces of production and the existence of the laws of motion 'belonging' to those relations and forces."⁷¹ Thus, the 'determinant relations and forces of production' of

the pre-capitalist mode of production identified by Laclau (i.e. feudalism) could continue to reproduce themselves without the existence of the laws of motion of the mode of production to which these relations and forces belong.

The distinction between extended and restricted modes, as Wolpe argues, "provides the basis for a far more rigorous concept of social formation."⁷²

In social formations where a dominant CMP, defined in terms of the extended concept as a combination of relations and forces of production together with its laws of motion, articulates with pre-capitalist modes of production, restrictively defined in terms of the relations and forces of production in accordance with which enterprises are organised, the unity of the social formation is constituted through the laws of motion and mechanisms of reproduction of the CMP...it must be emphasized that there is no necessary reason why capitalist enterprises (restrictively defined) should not arise and be reproduced in social formations in which the laws of motion of the CMP are absent; nor is there any necessary, general, reason why pre-capitalist enterprises should not persist in conditions where the laws of motion of the CMP have come to displace the laws of motion of the pre-capitalist extended mode of production.⁷³

This distinction between extended and restricted modes, Wolpe argues, adds more precision to the discussion than does the notion of an articulation between the capitalist mode of production and elements of pre-capitalist modes. In the face of criticism, the theory of articulation was modified to include such a notion. Yet, as Wolpe argues, this conception of elements (or 'remnants') of pre-capitalist modes did little to clarify the problem, as the notion of elements was left indeterminate.⁷⁴

V. PIERRE-PHILIPPE REY: ARTICULATION AND CLASS ALLIANCES

The Theoretical framework set out by Pierre-Philippe Rey in his

monumental work, Les Alliances de Classes (published in Paris in 1973, but unfortunately not yet translated into English), is one which purports to explain, from a single perspective, both the European transition from the feudal to the capitalist mode of production, as well as the capitalist mode's articulation with those pre-capitalist modes of production in existence outside of the European continent. "As such, it is essentially a reformulation and specification of the problematic hitherto known as the transition to capitalism."⁷⁵

In Europe, Rey holds, capitalism developed to the point where it was able to abolish feudal relations of production. In the case of capitalism's articulation with the mode of production dominant in the 'underdeveloped' countries, on the other hand, capital needs formerly dominant modes of production for the reproduction of the labour force, and the provision of raw materials. Here, the too rapid destruction of formerly dominant modes would impede the functioning of capital itself. As such,

[c]apitalism can never immediately and totally eliminate the preceeding modes of production, nor above all the relations of exploitation which characterize these modes of production. On the contrary, during an entire period it must reinforce these relations of exploitation.⁷⁶

Rey focuses on modes of production in order to understand, in concrete terms, the material basis and working of class alliances; alliances which necessarily are made on the political, or superstructural level. As he himself phrases it, the idea is one of

the articulation of two modes of production, one of which establishes its domination over the other... not as a static given, but as a process, that is to say a combat between the two modes of production, with the confrontations and alliances which such a combat implies: confrontations and alliances essentially between the classes which these modes of production define.⁷⁷

For Rey, transition from one mode of production to another involves the simultaneous co-existence, or articulation, of their relations of production, rather than their simple succession. Thus, analysis of the transition to the capitalist mode of production "must begin with the identification of the dominant pre-capitalist relations of production and their composing social classes in a given social formation."⁷⁸ By definition, a mode of production consists of two antagonistic classes. Therefore, analysis of the articulation of two or more modes of production means that at least four or more classes are in contact. This opens the way for various class alliances, which play a determining role in the outcomes of the class antagonisms which exist in the various modes. For Rey, it is the articulation of modes of production which explains the 'survivals' of pre-capitalist relations of production.⁷⁹

i. The Articulation of Modes of Production

The final goal of capitalism, according to Rey is

the destruction at every point on the globe of antecedent modes of production and relations of production, in order to substitute for them its own mode of production and its own relations of production.⁸⁰

However, the introduction of the capitalist mode of production into societies in which a pre-capitalist mode of production prevails can never totally eliminate that mode of production, nor its relations of exploitation.

On the contrary, during an entire period it must reinforce these relations of exploitation, since it is only this development which permits its own provisioning with goods coming from these modes of production, or with men driven from these modes of production and therefore compelled to sell their labour power to capitalism in order to survive.⁸¹

Rey distinguishes three stages in the articulation of the capitalist with pre-capitalist modes. In the first stage, an initial link in the sphere of exchange, interaction with capitalism reinforces the pre-capitalist mode. In the second stage, capitalism 'takes root' (i.e. becomes dominant within the social formation) and subordinates the pre-capitalist mode to itself, and thereby makes use of it. In the third, and final stage, the capitalist mode replaces the pre-capitalist mode, which disappears completely. According to Rey, this stage has not yet been reached in the Third World; as such, Third World societies remain characterized by an articulation of modes of production; one of which, the capitalist, is in the process of becoming dominant.⁸²

ii. The Lineage Mode of Production

Rey (along with Dupre) analyzes the stages of articulation in an analysis of West African lineage societies, in an analysis of the stages of articulation of the lineage mode of production with the capitalist mode. In West African lineage society (itself an articulation of non-capitalist modes of production, dominated by the lineage mode of production), control by the society's elders over matrimonial and slave exchanges (i.e. control over demographic reproduction) with the "essential condition for the reproduction of the conditions of production in lineage society."⁸³ The process by which this demographic reproduction of the production unit of the lineage mode (the lineage) took place was exchange: exchange between lineages controlled by the elders.

At first, the articulation between the lineage mode of production and the capitalist mode, introduced from outside the African continent, took the form of trade in products, quickly moving on to trading in slaves.

(This is Rey's stage 1, where interaction with capitalism on the basis of trade reinforces the production relations of the antecedent mode.) Throughout this period, European market economy played on the internal contradictions of lineage society. The elders of lineage society guaranteed the provision of slaves to the Europeans, while the Europeans provided the elders with trade goods. Control by the elders over their tribal subordinates was made more secure through their control of the new trade goods introduced by the Europeans. Thus, the relations of production of the lineage mode were reinforced through their articulation with capitalism.

During the second stage of articulation (the colonial period), the economic basis characteristic of lineage society (i.e. exchange) was used to establish the conditions of transition to capitalism, directly by the colonial state. Once the capitalist mode of production had been established in these societies, they then appear as a complex articulation of the lineage system still in existence, the politico-administrative system inherited from the colonial period, and of "the capitalist system itself in its different forms articulated between themselves...and articulated with the capitalism of developed countries, in particular the metropolitan country."⁸⁴ This 'rupture', introduced so that the capitalist mode of production could develop "alongside the lineage mode of production and against it"⁸⁵ is termed by Rey an independent, or transitional mode of production, one which was neither capitalism nor the lineage mode of production.

iii, The Transition to Capitalism

In the second stage of articulation, where the capitalist mode

of production has taken root and has become dominant, the pre-capitalist mode comes to exist on the basis of capitalism, and is accordingly modified. This stage, properly speaking, is the stage of transition to the capitalist mode of production.

This process of transition, as it has taken place in the Third World, is, according to Rey quite different from the transition to the capitalist mode of production as it occurred in Europe. In Europe, Rey holds, "capitalism only expanded rapidly in those places where it was protected in its youth by feudalism."⁸⁶ Capitalism was 'protected', enabling it to develop rapidly, through an alliance of the ascending bourgeoisie with the feudal aristocracy: an alliance which, for a long period, was beneficial to both parties.

The growth of Flemish cloth manufacture permitted the feudal landlords to increase their rents through the expulsion of peasants from the land, thereby enabling the landlords to go over to a system of leasing the land for wool production. This process simultaneously served the interests of the nascent capitalist class by providing them with a labour force. Thus, "the rate of exploitation of both modes could increase simultaneously."⁸⁷ Such was the specific nature of the alliance that existed in feudal Europe between the feudal landowning aristocracy and the rising bourgeoisie during the transition from feudalism to capitalism.

In the countries of the Third World, on the other hand, where the antecedent modes of production are fiercely resistant to the spread of capitalist relations of production (due to a lack of feudal property in land), an alliance of capitalist with pre-capitalist ruling classes is not possible, according to Rey. Therefore, the unity of the antecedent mode of

production must be smashed by extra-economic means, by violence. It is through violence that private property in land is established, and through which a free labour-force is created through the forcible expulsion of the peasants from the land.

Thus, whereas capitalism in Europe was born from the self-destruction of feudal relations of production, it can only take root in the Third World

thanks to the implanting of transitional modes of production, which will be born in the womb of the colonized social formation and will dissolve themselves when the moment comes to give way to capitalism.⁸⁸

According to Rey, this was precisely the function of the colonial period. Only in the era of finance capital could capitalism take root in the social formations of the Third World, thereby ensuring that "the production of all its means of production in no matter what social formation becomes possible."⁸⁹

What was specific about the case of transition in Europe, by contrast, was that there was no need for a transitional mode of production to be imposed upon feudalism in order to bring about the transition to the capitalist mode of production, as the development of the internal dynamic of the feudal mode of production provided the extra-economic means necessary to turn labour-power into a commodity.⁹⁰

Prior to the appearance of finance capital, capitalism was able to expand by destroying the modes of production from which it emerged. During the age of finance capital, the destruction of pre-capitalist modes becomes less important, primarily because there is little left of them. It is at this point that there begins the process of the destruction of antecedent modes in the colonies (i.e. the Third World), and the creation of free wage-labour--that is, labour divorced from the land--through means of forced

labour.⁹¹

True enough, in all instances where the capitalist mode of production becomes the dominant mode in a colonial social formation, the capital which has taken root is itself dependent on a foreign capital, to which it provides means of production (i.e. raw materials, primarily), and from which it receives other means of production (i.e. machines) in return. As such, the production process of this capital is controlled either by metropolitan finance capital, or international finance capital, and subject to the reproduction requirements of capital world-wide.

Yet, the transition to the capitalist mode of production will differ in each social formation penetrated from the outside by capital, as "the transition phase can only be understood on the basis of the internal characteristics of the mode of production dominant before the intrusion of capital."⁹² The transition to capitalism in each Third World social formation is thus specific to the modes of production articulated within the social formation. Consequently, the necessity of the development of the capitalist mode of production in social formations where capital has been imported from elsewhere cannot be analyzed solely on the basis of the laws of motion of the capitalist mode, considered in isolation from the articulation with pre-capitalist modes that capitalism here must necessarily undergo.⁹³

VI. JOHN TAYLOR: FROM MODERNIZATION TO MODES OF PRODUCTION

Before moving to a consideration of Rey's immense contribution to the articulationist problematic, I come now to the work of John Taylor, whose work From Modernization to Modes of Production, remains the most ambitious attempt in English to construct a theoretical framework, based

on the theory of the articulation of modes of production, with which to analyze the contemporary phenomenon referred to by the modernization theorists as modernization, and by the dependency theorists as underdeveloped. Taylor's work, it should be noted, restricts itself to the development of an adequate theory with which to analyze the social formations of the third world, societies Taylor analyzes as "particular combinations of different modes of production, which establish a basis for forms of class structure and political representation that are specific to these societies."⁹⁴

The framework Taylor puts forward provides a means for analyzing the modes of production and social formations which preceeded colonialism in the Third World, the effects of different forms of capitalist penetration on these societies, and the emergence of a form of capitalist development peculiar to these societies. Taylor defines his object of study as

a social formation in transition from dominance by a non-capitalist to dominance by a capitalist mode of production, as being necessarily structured by an articulation of different modes of production and/or divisions of labour.⁹⁵

The limits of this object of study

are given by the continuing reproduction of the determinants of the transitional period--that is, by an articulation of capitalist with non-capitalist modes or divisions of labour. Once these determinants no longer structure the social formation, the transitional period can be regarded as being terminated.⁹⁶

i. The Articulation of Modes of Production

In order to establish how a capitalist mode of production comes to exist, and to subordinate the previously dominant non-capitalist mode to its own increasing dominance, Taylor begins his analysis with theorization of

a social formation which is dominated by an articulation of (at least) two modes of production--
a capitalist and a non-capitalist mode--in which
 the former is, or is becoming, increasingly dominant
 over the other.⁹⁷

Therefore, what must be established is the structure of the pre-capitalist mode of production that was dominant within the social formation prior to imperialist penetration, together with the mechanisms of reproduction of this mode, and the form of development specific to it. Secondly, the development of the capitalist mode of production (i.e. its dynamics) must be analyzed, in order to theorize the possibility for different forms of capitalist penetration of non-capitalist modes. In addition, these different forms must be analyzed in order to see how they were articulated in the development of particular non-capitalist modes of production. Here, the specific effects of these different forms must be noted, both upon the dominant non-capitalist mode of production, and within the development of the social formation overall. Finally, what must be analyzed is "the extent to which these different forms establish the pre-conditions for the existence of the particular combination of elements that constitutes the capitalist mode of production."⁹⁸

Two preconditions must be met in order for the capitalist mode of production to exist and to reproduce itself.

(a) Monetary capital must be accumulated in the hands of non-productive labour which has effective control over the use of the means of production. (b) The direct producers must be separated from their means of production in order that they can function as wage-labourers for the controllers of the means of production.⁹⁹

Investigation of those particular elements which combine to form a specific mode of production--in this case, the capitalist mode--Taylor defines, after Balibar, as the genealogy, or origin, of a mode of production.

Its field is the history of the transition from the previously dominant to the contemporarily dominant mode of production within a given social formation. Its object is to analyse how the elements of the existing combination emerged from the process of dissolution of the previous mode of production.¹⁰⁰

What therefore has to be examined for each social formation in the specificity of its development, is "the genealogy of the elements of the capitalist mode as they were formed within the social formation and mode of production that pre-existed capitalist production."¹⁰¹

According to Taylor, it is the relations of production which determine specific forms of extraction of surplus labour, which has primacy over and structures the labour process. A particular mode of production's elements (labourers, and means of production) form "a particular combination of relations of production and labour processes, structured by the dominance of the relations of production."¹⁰² Thus, capitalist production is defined as a form of production in which the non-productive worker, the capitalist, is able to set the worker to work on means of production owned and controlled by the capitalist, due to the fact that the worker is both formally and legally separated from both ownership and control of the means of production. Therefore, unless a mechanism exists for the separation of the direct producers from their means of production--the basic requirement for the reproduction of capitalist production--then the mode of production previous to imperialist penetration will act to block the development of capitalism.¹⁰³

ii. The Transitional Period

According to Taylor, a basic characteristic of the transitional period--during which a social formation is structured by an articulation of different modes of production--is a 'displacement of the determinant

instance', which results from the effects on the economic structure of the increasing reproductive dominance of one of the modes of production which are together articulated within the social formation.

Capitalism requires a determinancy by the economic instance. It is through direct economic means (i.e. the appropriation by the capitalist of the surplus value generated in the process of production) that surplus labour is extracted from the labouring population under capitalism. All non-capitalist modes of production, by contrast, are characterized by a determinancy that is non-economic. Within these modes, surplus labour is extracted through other than economic means: political, ideological, etc. This, of course, by no means constitutes a denial of the fact that, in all modes, "economic practice is determinant in the last instance, in that it ultimately determines which of the practices (or combination of practices) occupies the determinant place within a social formation dominated by a particular mode of production..."¹⁰⁴ In other words, while the economic is ultimately determinant under all modes of production, it is dominant, as well as determinant, only under the capitalist mode.

As such, in order for the capitalist mode to ensure its enlarged reproduction within a social formation dominated by a non-capitalist mode of production, what must occur during the transitional period is a displacement of the determinant instance, from the instance that is determinant in the non-capitalist modes, to the economic instance.¹⁰⁵ One conclusion that follows from this is that analysis of pre-capitalist modes of production cannot be confined solely to the level of production (i.e. to the economic instance), as the dominant relations of production (between the labourer and the non-labourer) will remain hidden. Rather, what must be examined is "the overall reproduction of the total economic system in relation to the

social formation itself..,"¹⁰⁶ and not simply the process of production in pre-capitalist modes. Only then can the problem of the existence of determinant production relations, relations which provide the basis for the division of labour upon which the class structure is based, be posed.¹⁰⁷

Following Balibar, Taylor asserts that a social formation determined in the last instance by an articulation of modes of production is characterised by an entire series of 'dislocations', between the levels of the superstructure and the mode of production, as a result of the structure and reproductive requirements of different modes of production (i.e. as a result of the displacement of the determinant instance). The levels of the superstructure are "dislocated with respect to each other, and with respect to the existing economic structure itself."¹⁰⁸ These dislocations between instances "can only be examined by a dual reference: to the structure of the pre-existing mode of production, and to the reproductive requirements of the newly emerging capitalist mode of production..."¹⁰⁹

iii. The Dynamics of the Capitalist Mode

Taylor locates the possibility for capitalist penetration of non-capitalist modes in the dynamics of the capitalist mode of production itself (here following Marx and Lenin), in the tendency for the rate of profit to fall (TRPF), and the counter-effects to this tendency. One notable counter-effort to the TRPF is that "capital concentration and centralization...can intensify foreign trade and capital investment within other social formations, thereby lessening the tendency for the rate of profit to fall."¹¹⁰ The fact that capital is sent abroad because it can there be employed at a higher rate of profit explains imperialism. Capital emigrates to non-capitalist modes of production where the organic composi-

tion of capital is lower than in the capitalist mode in order to achieve a higher rate of profit.

Following Lenin's periodization of capitalism's relations with non-capitalist modes of production, Taylor distinguishes three stages of merchant capital's ascendance, the stage of commodity export, and the stage of capital export, or imperialism proper. Focusing in on changes in the relations of production produced by the intrusion of capital into societies dominated by non-capitalist modes of production, Taylor notes that, generally speaking, the major economic effect of penetration under the dominance of merchant's capital was to reinforce the already existing forms of extra-economic coercion characteristic of these modes, largely through strengthening the existing (pre-capitalist) relations of production. Here, the unity of the direct producers with their means of production was strengthened. Later forms of penetration (commodity export, and imperialism), by contrast, tended to break down this unity.

What distinguishes penetration under merchant's capital from other forms, therefore, is that whereas...the latter assist and then create the basis for capitalist development in non-capitalist modes of production, the former produces the dominance of relations of production that will later act as a barrier to capitalist development.¹¹¹

Penetration under the dominance of commodity export (i.e. the export of manufactured commodities), by contrast, has as its general economic effect

the gradual destruction of the existing circulation of commodities between the agricultural, rural artisan, and urban artisan sectors of the non-capitalist mode. The object of this destruction is twofold: to transform the indigenous structure of production in order to promote the production of commodities for export to capitalist (and other) social formations, and to create a market for capitalistically produced commodities.¹¹²

In this stage, the export of commodities, resulting from the tendency of the capitalist mode and the operation of its counter-effects, commodity export begins the process of separating the direct producers from their means of production, by strengthening the tendency towards production for exchange-value. Commodity export, contrary to the stage of merchant capital, begins, then, the process of the creation of relations of production that will enable the forces of production to develop. Rural workers, separated from their means of production, entered the towns with nothing to sell but their labour power. As such, these workers "provided the earliest concentrations of labour for the development of indigenous capitalist production."¹¹³

The effect of capitalist penetration under the dominance of capital export (i.e. imperialism) is to intensify the process of separation of the direct producers from their means of production, and to lay "the foundation of an economic basis for a transition towards dominance by a capitalist mode of production."¹¹⁴ Capital, seeking productive investment opportunities, needed production transformed. What this required was the development of specifically capitalist relations of production: the capital/wage-labour relation.

This task fell, at first, to the colonial state, "The main economic task of the colonial state was to create a labour-force in those sectors in which finance capital could be most profitably invested."¹¹⁵ Railway construction, for example, which was undertaken by the colonial state apparatus, "established a 'bridgehead' from which capitalist relations of production could develop."¹¹⁶ Armies of wage-workers (i.e. rural peasants separated from their means of production), employed in the construction of the rail-

ways, could then be employed in capitalist production units that either developed along the route of the railway, or emerged to supply and service construction of the railways themselves.¹¹⁷

iv. Restricted and Uneven Development

It was therefore only in the stage of imperialism proper that the capitalist mode of production was implanted in the third world. However, this did not mean that third world countries were hence embarked upon a process of development comparable to the process of industrialization that the west had undergone. The form of capitalist development taking place in the third world, according to Taylor, is a form of 'restricted and uneven development'. Thus, third world societies are undergoing "a transition to dominance by a form of restricted and uneven capitalist development, whose reproduction is dependent upon an effective domination of imperialist penetration in various sectors of its economic structure."¹¹⁸

Economic penetration by imperialism (i.e. foreign capital) means that development is confined to certain sectors only--notably, to the raw material extractive sector. The crucial role that this sector plays in third world economies "is directed overwhelmingly to meeting the reproductive requirements of industrial capitalist economies, rather than its own productive consumption."¹¹⁹ Third world economies, which reveal a "reproductive dependence on the enlarged reproduction possibilities restricted, meaning that balanced economic growth (i.e. along the lines of economic growth in the advanced capitalist societies) does not occur in these societies. Rather, the leading sectors of these economies are dependent on penetration by foreign capital. Thus, uneven and restricted development is to be traced to a situation "in which a dominant yet externally dependent sector restricts the development of other sectors."¹²¹ Trade with the advanced economies

constantly reinforces this pattern. As a result, the emergence of a system of production directed towards the requirements of the domestic market in third world countries is foreclosed.¹²²

It is this reality which the theorists of dependency addressed themselves to, according to Taylor. Yet they failed to provide an adequate theorization of that reality, particularly over the question of the relations of production in existence in the so-called dependent countries. The fact which distinguishes the production relations in existence in the formations of the third world is, that despite the increasing prevalence of capitalist production, elements of the previously dominant non-capitalist mode of production continue to be reproduced. It is the continuing reproduction of these elements (i.e. non-capitalist relations of production), even when the capitalist mode of production becomes dominant within a third world social formation, which puts up a barrier to the extension of capitalist relations of production.

Thus, in addition to the restrictions imperialism itself imposes on the form of capitalist development [i.e. uneven and restricted development], this process is also reinforced by the continuing existence of elements of the non-capitalist mode.¹²³

The articulation of the capitalist mode of production with the antecedent mode in third world social formations is thus structured by "the reproductive requirements of the capitalist mode of production on one hand and the resistance of the non-capitalist mode or its elements on the other, with both the requirements and level of resistance changing over time."¹²⁴ As such, a specific combination of capitalist and non-capitalist relations of production is produced, a combination which blocks the development of the productive forces by conserving the existing (i.e. pre-capitalist) division of labour in some areas, while it utterly transforms

it in others.¹²⁵ Most notably, pre-capitalist relations of production are conserved in the agricultural sector, and act to effectively restrict the development of capitalist relations of production in this sector.¹²⁶

v. The Articulation of Social Classes

The result of imperialist penetration of non-capitalist modes is that the class structure of the formations of the third world is "characterised by an uneven subsumption of non-capitalist divisions of labour under increasingly dominant capitalist relations of production."¹²⁷ The articulation of modes of production and divisions of labour which are produced by imperialist penetration, and the restricted and uneven development to which imperialism gives rise, establish the material basis for a class structure specific to third world social formations. The specificity of these class structures for those areas of the third world, such as Latin America, where those classes dominant within the capitalist mode of production have been unable to break down the reproduction of the non-capitalist mode, lies in the fact that "we are faced with an interpenetration of class structures required by two very different modes of production."¹²⁸

Thus, for Taylor, as for Rey, it is the class structure which is of crucial importance if 'development'--i.e. the further development of the capitalist mode of production, itself predicated on the development and extension of capitalist relations of production--is to occur. Further imperialist penetration (i.e. further capitalist development) is predicated on the existence of both a capitalist class and a proletariat, in both the agricultural, and industrial sectors. Yet the continued reproduction of non-capitalist relations of production makes this impossible,

unless the opposition of the alliance of classes on which this mode depends can be overcome by those classes whose actions are limited by this dominant alliance (e.g. the indigenous capitalist class producing for the domestic market), or who are exploited by it (e.g. the industrial and agricultural proletariat, agricultural tenant farmers, etc.).¹²⁹

Taylor distinguishes social classes in the third world according to whether their continued reproduction and existence is dependent upon further imperialist penetration, or opposed to it. For instance, merchants, who buy commodities from the non-capitalist mode, and then sell them in the home market created by capitalist production in the urban areas (thus acting as 'linkmen' between different modes of production) are clearly dependent upon the co-existence of disparate modes of production, or the restricted and uneven development that imperialist penetration has produced.¹³⁰ The interests of the formerly dominant class (or classes), by way of contrast, are clearly antithetical to imperialist penetration. As the dominant production relations of the non-capitalist mode are undermined by the increasing dominance of capitalist relations of production, the specific process of surplus-value extraction, upon which the political dominance of a particular class in the non-capitalist mode depends, is also undermined, as is that class' political dominance.

At first, the strategy of imperialism is to assist the incorporation of this class (or classes) into capitalist production, by allowing them to retain access to some of the surplus value realised in capitalist production, along with their political dominance. Then, in an about face, imperialism attempts to promote politically "those classes whose economic dominance resulted specifically from the mode of production that it forcibly introduced, as a result of the qualitatively new class structure that emerged

from this mode of production."¹³¹ Thus, imperialism acts to promote the political dominance of representatives of those classes that will ensure its continued penetration. This class is the comprador fraction of the bourgeois class, whose most parasitic section is the comprador-financier fraction. This fraction of the comprador bourgeoisie "has its material basis in the accumulations of banking capital realised in the comprador and foreign capital sectors..."¹³² As such, the interests of this fraction of the third world bourgeoisie are one and the same with those of imperialism: further penetration of national economies by foreign capital, and thereby the further extension of capitalist relations of production.

It is the holding of state power by the political representatives of the economically dominant capitalist class (more precisely, by representatives of the comprador fraction of the bourgeoisie) which is the political precondition for the reproduction of the capitalist mode of production. This "can only be established through the use of the oppressive apparatus of the colonial state."¹³³

Unless imperialism can establish the political dominance of a class or alliance of classes which can gain ideological support amongst sectors of the population and intervene, via the state, in the combination of modes of production to promote the dominance of the capitalist mode, the reproduction of the capitalist social relations necessary for the enlarged reproduction of the capitalist mode cannot be guaranteed.¹³⁴

Capitalist production requires not simply an economic foundation, but an ideological, and political foundation, as well, in order to guarantee its perpetuation. In a word, the bourgeoisie must become hegemonic.

Taylor also distinguishes what he terms a national capitalist class, whose emergence is "related to the degree of emergence of capitalist produc-

tion in those sectors not dominated or controlled by imperialism during the colonial period."¹³⁵ This fraction of the national bourgeoisie comes to face a choice either between "integrating itself with or becoming dependent on imperialist penetration (through the supply of capital equipment), or of remaining in the backward domestic sector producing for the domestic market [i.e. the least profitable industrial sector]."¹³⁶ Therefore, there exists a permanent source of tension between the national capitalist class, and the comprador fraction of the capitalist class. The national capitalist class tends to stress the need for limited protection of indigenous industries, whereas representatives of the comprador fraction tend to stress the need for the further extension of imperialist penetration.¹³⁷ This tension can be seen, for example, in different state developmental strategies. State functionaries tend to favour

the political dominance of alliances such as those between the representatives of the national and comprador classes, which will perpetuate restricted capitalist development and extend capitalist production into non-capitalist sectors.¹³⁸

The proletariat of the third world, according to Taylor, is

differentiated into a series of clearly-demarcated fractions [that] can be analysed as an effect of a restricted and uneven development, resulting from the particular articulation produced by imperialist penetration, in its different phases.¹³⁹

These fractions are: the permanent skilled, unskilled migrant, artisan-capitalist, and semi-proletariat. Increasingly, within specific sections of this class, the increasing dominance of conceptions of economic and political struggle appropriate to more technically advanced capitalist units of production, as compared with those generated during the colonial period, can be noted.¹⁴⁰

Investigation of the class structure of the peasantry must be based on the "degree of capitalist penetration of agriculture in the particular transitional third world formation that is the object of analysis."¹⁴¹ Capitalist relations have not developed in the agricultural sector in so many transitional formations for the simple reason that "the major barrier to penetration lies in the continuing reproduction of modes of production or their elements, which prevent or limit a large-scale separation of direct producers from their means of production."¹⁴² Thus, the differentiation of the peasantry along capitalist lines is limited; although, as Taylor notes, "the demarcations that do result are quite complex, since the possible combinations of labour...are multiple."¹⁴³

VII. CRITIQUES

Prior to moving on to consider a number of objections that have been advanced against the articulationist perspective, a few comments on Rey and Taylor. Rey and Taylor both begin by stressing the specificity of the class structure of third world social formations. As each emphasizes, the class structure of these formations cannot be understood without reference to the fact that each of these formations is defined by an articulation of modes of production. Consequently, we find within these formations an interpenetration of class structures required by (at least) two very different modes of production.

Each emphasizes the point that, while imperialism at first effects an alliance between itself and those classes whose social dominance results from the previous dominance of the non-capitalist mode prior to imperialist penetration (along the lines of the alliance that existed between the feudal ruling class and the rising bourgeoisie in Europe), this alliance must, at some

point, be sundered, as was the case with the alliance with the feudal land-owners effected by the rising European bourgeoisie. Rey and Taylor both make it clear that, at a certain stage of articulation, imperialism must act to promote the political dominance of the comprador bourgeoisie (either on its own, or in alliance with other classes), the class whose existence depends on the further penetration of foreign capital, and the further extension of capitalist relations of production.

Both stress that, in the final analysis, development depends on the class structure that prevails in social formations, on production relations. Without the prevalence of specifically capitalist relations of production (i.e. the capital/wage-labour relationship), capitalist development will find itself hindered. Thus, Rey's first stage of articulation, where exchange with capitalism reinforces the existant pre-capitalist mode, corresponds to Taylor's analysis of what occurs under penetration by merchant capital: a strengthening of the existing non-capitalist relations of production, relations whose reproduction will later serve as a barrier to the introduction of capitalist relations of production, and therefore to capitalist development.

Neither Rey nor Taylor, it should be noted, theorizes articulation in terms of the distinction, introduced by Wolpe, between a pre-capitalist mode of production, restrictively defined in terms of its forces and relations of production minus its laws of motion, and the capitalist mode, defined in extended terms. Taylor, in particular, tends to resort to the notion of the continued existence and reproduction of 'elements' or 'survivals' of relations of production from the antecedent mode. Hence his constant coupling of the terms 'pre-capitalist modes of production and/or divisions

of labour'. This last formulation, as Wolpe has shown, is clearly inadequate as a specification of the precise nature of the articulation between capitalism, and other modes of production. And, as we shall see, it has led Taylor into difficulties, difficulties surmountable only with the restricted/extended distinction between modes of production.

i. Functionalism

The distinguishing point of the modes of production theorists, according to Bradby, is that "they postulate an interest on the part of capitalism in the maintenance of pre-capitalist modes, rather than a unilinear destructive tendency."¹⁴⁴

Now, it is true that this 'functionalist' conception, as Wolpe terms it--the suggestion that "feudal or other pre-capitalist enterprises persist because they are functional for capital"¹⁴⁵--has penetrated concrete analyses of social formations characterized by the articulation of the capitalist mode of production with pre-capitalist modes. For example, both Meillassoux and Wolpe himself¹⁴⁶ have suggested that capital goes to areas where pre-capitalist modes of production continue to exist, in order to capitalize on the cheap labour of these countries. Here, workers and their families are maintained, for part of the year, by a real income coming from outside of the capitalist mode of production--a real income coming from, for example, subsistence agriculture. Hence, the wages that capital must pay in these countries does not include the long-term costs of reproduction of the labour force.

Leys, as well, interprets Rey as holding a functionalist conception of the articulation of modes of production. He notes that the 'field of contradictions' of the class struggles in social formations where this articulation occurs is, for Rey, "determined by capitalism's need to

'conserve' the precapitalist modes of production at the same time as it 'dissolves' them..."¹⁴⁷ Indeed, in this sense of the term, Rey's conception of articulation is functionalist, for he holds that, during an entire period, the capitalist mode necessarily must reinforce the existing pre-capitalist relations of production, in order to permit its own provisioning with goods whose production originates in these modes of production; that the only reason that pre-capitalist production relations are reinforced is because they are useful for capital.

Expressing a bias against functionalist explanations of this sort, Wolpe comments that it is not necessary to suggest that this can be the only reason why antecedent modes of production continue to exist and to reproduce themselves. Rather, their

persistence must be analysed as the effect of the struggle of agents organised under differentiated relations and forces of production. The relations of articulation are themselves relations of struggle and may have the consequence of disintegrating rather than maintaining the pre-capitalist modes...¹⁴⁸

As such, according to Wolpe, functionalism is in no sense inherent in the conceptual framework of the modes of production approach.

Yet Cohen has made a distinction between functional explanation, and the theory of functional explanation--Wolpe's objection has already been noted--but for a number of bad reasons, according to Cohen. First and foremost has been the historical association between functional explanation and the theory of functionalism, between which, Cohen holds, there is no necessary connection.

The theory of functionalism, which states that all social customs, beliefs, practises, etc. serve a useful purpose in cementing social cohesion, has been held by Marxists to be conservative and generally reactionary.

The Marxist verdict on functionalism can, I think, generally be upheld. As Cohen remarks, "[t]he conservative tendency of functionalism lies in its functionally explaining institutions as sustaining (existing) society."¹⁴⁹ Functional explanation, by contrast, Cohen defines as a "distinctive explanatory procedure, in which reference to the effects of a phenomenon contribute to explaining it."¹⁵⁰ For instance, Cohen sees functional explanation in historical materialism, not as conservative, but as revolutionary, in that "it predicts large-scale social transformations, and it claims that their course is violent."¹⁵¹ Cohen in fact goes so far as to present historical materialism as a 'functionalist' theory of history. Central Marxist explanations are functional, according to Cohen,

which means, very roughly, that the character of what is explained is determined by its effect on what explains it...For production relations profoundly affect productive forces, and superstructures strongly condition foundations. What Marx claims to explain has momentous impact on what he says explains it.¹⁵²

Thus, Wolpe's objection aside, there is nothing inherently conservative or anti-Marxist in the claim which posits an interest in capital's part on the partial maintenance of pre-capitalist modes of production. The continued reproduction of relations of production deriving from non-capitalist modes can, in some cases, serve a definite function for the capitalist mode, as Wolpe himself has shown. As such, capital can have a most definite interest in their preservation.

However, Wolpe's point does remain well-taken. To suggest an interest in capital's part, in specific instances, on the continued reproduction of non-capitalist production relations, is not to say that the relations of articulation are not themselves relations of struggle; relations which, as Wolpe says, may either disintegrate or maintain pre-capitalist forms of

labour. Either result, in a specific conjuncture, remains a possibility. While capital may desire the reproduction of specifically non-capitalist production relations, the possibility that these relations may be swept aside and replaced by others remains always a possibility, depending on the outcome of the class struggle.

ii. Levels of Abstraction

One criticism that has been made of the articulationist perspective is that it raises modes of production "to the level of real 'actors' with a life of their own above and independent from social classes."¹⁵³ For instance, according to Henfrey, instead of historicized ideas, modes of production become "an idealization of history, which is far from providing interpretations of "contemporary concrete situations"...Class relations and indeed the whole of history appear to be given by modes of production."¹⁵⁴ Indeed, one of the charges Henfrey levels at Laclau is that he reduces concrete social formations to the concepts applied to them, to articulations of modes of production. Laclau's postscript to his 1971 article, Henfrey notes,

disowns such reification of modes of production as empirical objects. Yet his outward posing of the problem as one of their historical conjunction, as distinct from their use as theoretical concepts for dealing with concrete class formation, encourages such literal searches for them.¹⁵⁵

Thus, Laclau is unable to give an adequate indication of how to apply the conceptual apparatus of articulation empirically, to specific class formations.¹⁵⁶

In like manner, Mouzelis, in critiquing Taylor, charges that he presents us, not simply with a conceptual framework with which to analyze specific third world formations, but "a presumptively closed theoretical system resorts to empirical investigation, if at all, only for purely

decorative purposes."¹⁵⁷ Thus, the possibility of an interchange between theoretical construction and empirical investigation is thereby closed, precluded by the 'logic of Althusserian structural determinism' adopted by Taylor.

If everything is fully explained by the reproductive requirements of imperialism or, more precisely, by the articulations of capitalist and non-capitalist modes (and the reproductive requirements of the former in combination with the restrictions imposed by the latter), then all an empirical investigation has left to do is simply to present any 'phenomenal forms' as the effect of this articulation and its determinants...The student is thus led into a type of empirical investigation which rules out surprises, discoveries, re-examination and reformulation of the initial theoretical framework.¹⁵⁸

Structures and reproductive requirements, according to Mouzelis, can cause nothing. Rather, the focus of analysis must, of necessity, "be on a different mode of determination where the projects, strategies and tactics of collective actors (operating within structural limits allowing a lesser or greater number of alternatives) are the centre of analysis."¹⁵⁹ Any attempt to present actors as 'mere effects of systemic constraints' must inevitably lead to teleological explanations, according to Mouzelis. Thus it is logically legitimate

to argue that the restrictive character of capitalist relations of production in the third world is beneficial to imperialism (in that it contributes positively to its reproductive requirements)...But to argue that uneven and restricted development and the class structure and alliances of third world formations are effects of imperialism's reproductive requirements, is to argue that whatever happens in the third world happens because imperialism 'needs' it.¹⁶⁰

Henfrey, here echoing Mouzelis' charge, states that the singular most important variable of a lower level of abstraction which the modes of production framework precludes analysis of, is the dynamic of overall class relations, for which the articulationist approach can only provide

a 'general conceptual and historical framework'. It is these historically specific class relations, Henfrey holds, which accounts for the very different patterns of development one finds in the periphery.¹⁶¹ Leys, in fact, goes so far as to state that exploration of the past and present courses of class formation and class struggles must substitute for an analysis of the articulation of modes of production.¹⁶²

Taylor, in reply to Mouzelis, re-emphasizes the fact that his study is presented precisely as a framework for analyzing concrete third world societies, and denies Mouzelis' charge of presenting a closed system, by definition closed to empirical investigation. The concrete situation, Taylor notes, "can never be formally deduced from any of the different theoretical levels of analysis...",¹⁶³ but rather must be explained in a conjunctural manner, as a synthesis of many determinations. Such an analysis would proceed "from a specification of a combination of modes of production, divisions of labour and labour processes to the political representation of class interests in a particular development strategy implemented by the state..."¹⁶⁴ Theoretical explanation, however, does, he notes, have a relatively autonomous role.

This relative autonomy is seen both in the heuristic limitations of existing concepts in analysing a given object, and in the entry of conceptual elements, both theoretical and ideological, into the various levels of marxist theory. By approaching the relationship between theoretical analysis of a concrete situation (through the concept of conjuncture) and the situation itself in this way, it seems to me that we can avoid both a formalist approach which deduces reality from the concept, and an empiricism which necessarily restricts itself to the given limits of this reality.¹⁶⁵

While admitting that "my analysis is directed primarily at transformations in the structure, reproduction and dynamics of different modes"¹⁶⁶ Taylor denies that such an emphasis necessarily entails an economic reductionism,

or a teleological form of explanation, as charged by Henfrey. Here, Taylor's defence rests on the distinction between mode of production and social formation, and the relative autonomy of the instances (economic, political, ideological) within the social formation. True enough, the instances of the social formation,

while being subject to general limits laid down by the determining instance in the social formation [which depends upon the structure of the dominant mode of production], have their own momentum, dynamics, and forms of inter-relation and dislocation...[Yet] his is far from being an economic reductionist conception of the social formation, in which all social phenomena are analysed directly as effects of an economic essence (the mode of production). . Politics and ideology are never conceived as expressions of economic requirements, but as having autonomy within a structure whose determining instance ultimately limits their variation.¹⁶⁶

Denying that he reduces the specificity of third world formations to the reproductive requirements of the capitalist mode, Taylor goes on to point out that, in his analysis of the political dominance of a non-capitalist landowning class in Latin American societies, and in the reproduction of kinship ideologies in West-Central Africa, "I focus on political and ideological forms which have no foundation whatsoever in the reproductive requirements of the capitalist mode of production. Nor could one usefully approach their analysis from such a position."¹⁶⁷

Indeed, what Taylor is here emphasizing is the very notion of articulation between modes of production. For to argue that "whatever happens in the third world happens because imperialism 'needs' it" would be to argue that the capitalist mode has all effectivity in the third world, and pre-capitalist modes, none. Far from reducing the specificity of third world formations solely to the reproductive requirements of the capitalist mode, and those of pre-capitalist modes of production, modes which continue to

reproduce their own conditions of existence, even though subordinated to the logic of the capitalist mode.

In response to Mouzelis' charge that he presents actors as 'mere effects of systemic constraints', Taylor rejoins that, for certain areas of analysis, Marxism is inappropriate--notably for the theorization of 'subjectivity', which Mouzelis wants to put at the center of analysis.

Taylor points out that he

refer[s] to the actions of classes, class fractions and other groups as being ultimately limited by phases in the development of the economic structure, or to the representation of the economic level to groups through ideologies which attempt to set limits on aspects of their world views. In neither case, however, are these analysed simply as effects of the reproductive requirements of the mode of production. They are approached as relatively autonomous, and as capable of transforming an economic level which is attempting to constrain their development...Such an analysis does not deal with the theorisation of the subject, nor could it. To attempt this would involve a conceptualization by other theories whose object is as this level.¹⁶⁸

Interestingly enough, the charges levelled by Mouzelis et al against Taylor and the articulationist perspective parallel the charges laid against Althusser by Thompson in his The Poverty of Theory, Thompson, as well, has charged Althusser with absolutizing the 'errors' of the Grundrisse and Capital by making Marxism into a theory of modes of production, resulting in "a systematic confusion of the capitalist mode of production with actual social formations, capital with capitalism."¹⁷⁰ Althusser is thus condemned for considering the 'mode of production in abstraction', a procedure which, according to Thompson, "tends towards a fatal laceration of the real historical process."¹⁷¹ And against Althusser's conception of history as constituting a 'process without a subject', Thompson argues that history, far from being a process without a subject, is rather 'unmastered human practice.'¹⁷²

Anderson, who has responded to these charges in his Arguments Within English Marxism, begins by reminding us that the primordial function of the concept mode of production, as used by Marx, is precisely "[t]o think the diversity of socio-economic forms and epochs--to give us the means of differentiating one major type of historical structure from another, in the evolution of mankind."¹⁷³ In fact, as he notes, it was precisely Althusser and Balibar "who invented the very distinction between mode of production and social formation..."¹⁷⁴ A distinction which precisely emphasizes the distance between 'capital', and 'capitalism' as it exists in any given social formation.

As for Thompson's conception of history as 'unmastered human practice', the pivot of this construction, as Anderson notes, is the notion of human agency.¹⁷⁵ As such, for Thompson, as for Marx, 'men make their own history'. However, unlike Marx, Thompson fails to qualify this statement with the proposition that men make their own history, true enough, but not in circumstances of their own choosing.

As Anderson notes, the notion of 'agency'--the notion of conscious human choice, value, action in history--"can be retained, even on rigorously determinist premises, if we mean by it conscious, goal-directed activity."¹⁷⁶ Of course, the goals pursued by individuals, and by social classes as well, of necessity are "characteristically inserted within a known structural framework, taken for granted by the actors."¹⁷⁷ And what else can this structural framework be other than the structure of a social formation which is constituted by the dominant mode of production within the formation in its articulation with other modes? It is precisely this structure which places limits on the extent to which men can make their own history, precisely "the dominant mode of production that confers fundamental unity on

a social formation, allocating their objective positions to the classes within it, and distributing the agents within each class. The result is, typically, an objective process of class struggle."¹⁷⁸

iii. Production Relations

One line of argument that has been advanced against the notion that concrete social formations typically contain an articulation of (at least) two modes of production centers in on the notion that, first and foremost, it is above all else the relations of production which define a mode of production. This notion must stand as the central tenet of the articulationist forms of labour which is pointed to when it is claimed that subordinate modes, although subsumed under the logic of capital, nonetheless continue to exist and to reproduce their conditions of existence. Thus, if it can be shown that forms of labour reminiscent of non-capitalist modes of production are in fact 'disguised' forms of labour typical of the capitalist mode, then the articulationist's claim that social formations contain a multiplicity of modes of production must fall by the way.

Here, I intend to deal with the above argument as advanced by three different theorists: Banaji, Chevalier and Denis. After reviewing their arguments, I then move on to discuss a crucial objection, posed by Mouzelis, to Taylor's phrasing of the precise nature of the articulation between two modes of production, and the stages that articulation must necessarily undergo.

a) Banaji: Forms of Exploitation vs. Mode of Production

Banaji begins by distinguishing between 'forms of exploitation of labour' and relations of production, defining as 'abstract scholastic formalism' that conception which distinguishes modes of production solely on the basis of their specific relations of exploitation--that conception

which sees as 'virtually identical' forms of exploitation and production relations. Here, according to Banaji, 'mode of production' is identified with 'form of exploitation', or the relations of production.¹⁷⁹

The notion "that the colonial 'social formations' typically 'combined' a number of 'modes of production'"¹⁸⁰ while true at one level of abstraction, is ultimately fallacious, Banaji holds, for it assumes

that modes of production other than capital which coexist within the structure of that economy figure only as "specific" forms of subjugation of labour perpetuated over time by the requirements of industrial accumulation. There are "modes of production" entirely deprived of their own laws of motion, vegetating on the periphery of an industrializing Europe like a vast reserve of labour-power periodically called into action by the spasmodic expansions of metropolitan capital.¹⁸¹

Even where the relations of exploitation are non-capitalist, the relations of production may still be capitalist. This is so, says Banaji, for the reason that the laws of motion of capital, dominant on a world-wide scale, are compatible with 'barbarous' (i.e. extra-economic) forms of labour.¹⁸²

In dissecting the relationship of capitalism to the simple commodity mode of production, Banaji argues that the subordination of this mode to capitalism "converts this mode into the embryonic basis of specifically capitalist production, but a capitalist production which retains the determinate organization of labour specific to the 'pre-capitalist' enterprise."¹⁸³ Here, because capital does not itself determine the nature of the labour process (finding it, in fact, impossible to do so), the enforced destruction of the independent commodity producers' self-sufficiency is here the only necessary foundation for capital's dominance, accomplished through the intervention of both merchant and industrial capital.

Therefore, though independent commodity producers function as units

of production without the labour-process specific to the capitalist mode of production, "the relations of production which tie the enterprise of small commodity producers to capital are already relations of capitalist production."¹⁸⁴ This is so, according to Banaji, because the simple commodity enterprise no longer imposes its own laws of motion on the production process--rather, capitalism has imposed its dynamics on the simple commodity enterprise. Banaji argues, in fact, that the price which the independent commodity producer receives "is no longer a pure category of exchange, but...a concealed wage."¹⁸⁵ Thus, independent commodity producers sell their labour-power; and subsistence production now figures

as the specific form of reproduction of labour-power within a capitalist process of production. It becomes misleading, therefore, to regard it as a specific, separate mode of production...in a system of modes of production dominated by capitalism.¹⁸⁶

Thus, for Banaji, "the significance of any 'element' of an epoch of production can be understood only in its relationship to the laws of motion that constitute that epoch."¹⁸⁷ Production relations which seem to be non-capitalist are, in fact, capitalist. Yet, as Wolpe remarks, it is the law of motion of the capitalist mode of production which Banaji posits "as the only element of explanation of the structure of the world economy at all stages of its history."¹⁸⁸ His argument is "that enterprises which are pre-capitalist in form are in substance capitalist because of their subordination to capitalist laws of motion."¹⁸⁹ Yet Banaji can only argue in this manner because he conceives of these laws of motion in isolation from the relations of production or the mode of exploitation, as somehow existing prior to them. He insists that the laws of motion of the totality of social production units is derived from that of the individual units of production.

Here, his difficulty lies in the fact that "he wishes to formulate the laws of motion without specifying the particular relations in terms of which these laws are to be constructed. Instead, he insists, first the laws must be elaborated and only then can the relations which specify them be formulated."¹⁹⁰ Banaji's position, as Wolpe thus argues, "results in the obliteration of the concept of social formations and the simple absorption of all relations...into the concept of that mode."¹⁹¹ As Leys notes, Banaji's position amounts to saying that while non-capitalist relations of production may continue to exist in a social formation, the fact remains that the social formation is completely capitalist.¹⁹²

Here, Banaji has repeated the mistake of Gunder Frank, so well criticized by Laclau, of conceiving of third world social formations as 'completely capitalist'; as being identical with, and reducible to, the capitalist mode of production. Yet, while Banaji rejects the notion of articulation, claiming thereby to have replaced the 'dualist' thesis, "his rejection of articulation actually results, in his analysis, in the restoration of the dualist thesis, in the clearest possible terms."¹⁹³ Where Banaji does recognize the 'co-existence' of two epochs, or modes of production, he asserts that each is governed by its own laws of motion, while meeting in the commodity market, without apparently affecting each other.¹⁹⁴

b) Chevalier and Denis: Independent Commodity Production and the Capitalist Mode

Chevalier and Denis, responding to a debate initiated by Leo Johnson on the status of independent commodity production in agriculture in Canada, have also criticized, along the lines initiated by Banaji, the notion that capitalism's relations with pre-capitalist modes of production take the form of articulation, or simultaneous co-existence of different modes of production.

By way of prefacing the debate, Denis has commented that, while Marx did not analyze in depth the relationship between simple commodity production and the capitalist mode, none the less, he did predict the eventual disappearance of simple commodity production in agriculture in societies dominated by the capitalist mode. And yet, in no developed capitalist country has simple commodity production completely disappeared. Almost eighty years after Marx's formulation, "no capitalist country has a predominantly capitalist agriculture."¹⁹⁵

Attempting to theorize this seeming discrepancy in Marxist theory, Johnson argues that independent commodity production--a 'distinct pre-capitalist mode of production'--remains an undissolved mode of production which continues to reproduce its conditions of existence within social formations dominated by the advanced capitalist mode, especially within the realm of agriculture. All social formations, Johnson noted--even those of advanced capitalism--are thus constituted by a multiplicity of modes of production.¹⁹⁶

Taking issue with this interpretation, Chevalier states that

a definition of capitalism as a polymorphous structure of variable relations of production may permit a better understanding of certain relations which deviate, at least on the surface, from the productive logic of the [capitalist mode of production].¹⁹⁷

Specific forms of simple commodity production (SCP), according to Chevalier, are thus 'variations of capitalism integral to its logic'. The Marxist account of simple commodity production as the embodiment of an earlier form of pre-capitalist production (i.e. Johnson's position) rests, says Chevalier, "in an artificially consistent portrayal of SCP as a form partly or fully governed by a precapitalist logic of its own."¹⁹⁸ Rather,

some cases of simple commodity production, in their own particular fashion, may be governed fully by the logic of capital, "without ever being transformed into what is strictly defined as proletarian labour."¹⁹⁹

Chevalier's case rests on the distinction, introduced by Marx in the originally planned (but never published) Part Seven of volume I of Capital, entitled 'Results of the Immediate Process of Production', between two mechanisms of subsumption of labour under capital, formal and real, "both of which are indispensable for capitalist production to establish itself as a 'mode of production sui generis'."²⁰⁰

By exchange-value, according to Chevalier, "is not meant the actual act of exchange, but rather the quality of measurable exchangeability which such an act presupposes."²⁰¹ Therefore, since the labour-power of a simple commodity producer is never purchased by capital, it is without an exchange-value, and is not a commodity. "In this sense the specificity of SCP would reside in its resistance to its formal subsumption under capital."²⁰² Yet, according to Chevalier, the labour-power of simple commodity workers can be commodified, and its exchange-value realized, even without directly entering the sphere of market transactions, if its consumption either affects or is affected by a wider market in both fixed and variable capital. "[F]ailing this, his labour-power...is consumed under non-capitalist conditions which bear little resemblance to the capital-dominated forms of SCP."²⁰³

Thus, Chevalier distinguishes between different forms of simple commodity production: those that are dominated by capital (i.e. subjugated to the logic of capital), and those not so dominated. Arguing against Marx, Chevalier claims that formal subsumption (i.e. the commodification and exploitation of self-employed labour)

is operative wherever the process of capitalist circulation and production 'becomes in effect the precondition of his production'. The labour-power of this not-so-independent producer may never enter the sphere of legal circulation and yet be economically purchased by capital. This occurs whenever it becomes a calculable ingredient which enters into the products that are purchased by capital either directly...or indirectly...²⁰⁴

This process, according to Chevalier, is not reducible to the continued reproduction of pre-capitalist production relations, as simple commodity workers can be totally dispossessed from the surplus value they produce "without being totally separated from the juridical ownership of means of production."²⁰⁵ In sum, for Chevalier, the functioning of capitalism is complex, and must be theorized to include the possible subordination, both formal and real, of simple commodity production to its logic.

Chevalier admits that pre-capitalist production relations do play an important role in third world economies. In fact, he contends that his thesis "does not mean that SCP can be reproduced without the active interference of non-capitalist or non-economic practices as such."²⁰⁶ However, he does deny that the essence of simple commodity production lies in the reproduction of its pre-capitalist conditions of existence; rather, the formal and real subsumption of labour to capital has contradictory effects "which account for many of the essential features of capital dominated SCP."²⁰⁷

Denis, for his part, begins by noting the distinction between social formation, and mode of production. Neither concept is reducible to the other; consequently, "[c]apitalist social formations have not become homogeneously capitalist."²⁰⁸ Denis gives the articulationist perspective kudos for its emphasis on the specificity of simple commodity production (i.e. for its refusal to reduce simple commodity production to a component

of the capitalist mode), yet ultimately rejects the approach. The articulationist school, Denis charges, along with under-development theory,

has tended to overemphasize this specificity and take capital for granted. The change in problematic also indicates a shift away from the analysis of economic laws of capitalism based on the labour theory of value and as exemplified by Marx's Capital.²⁰⁹

The approach Denis offers to replace the articulationist problematic is one which attempts to account for the specificity of simple commodity production in agriculture within social formations dominated by the capitalist mode of production on the basis of Marx's law of value; the central concepts here being exploitation, and the subordination of labour to capital.

Adopting the perspective of Mollard as set forth in his Les Paysans Exploites (published in France in 1977, but unfortunately not yet translated into English), the central question, for Denis, becomes "whether or not the peasants are exploited, and if so, by whom."²¹⁰ Orthodox interpretations of Marxist theory, as Denis notes, limit the concept of exploitation to wage workers who do not own the means of production on which they work. Yet Mollard, using Marx's distinction between the above-mentioned real and formal subsumption of labour to capital, states that "it is equally possible for peasant labour to be similarly exploited by capital, in as much as capitalist relations of production come to replace those of SCP."²¹¹

For Mollard, the integration of peasant agriculture into the reproductive circuit of capital means that it is inserted into the movement of accumulation and valorization of capital, and that the conditions necessary for the extraction of peasant surplus by capital become generalized. As such, the stage is set for the further integration of peasants into the circuits of the capitalist mode of production, and the regression, or reproduction

on an ever decreasing base, of peasant agriculture. It is by means of this integration, Mollard argues, that peasant labour is exploited by capital. For him, "[e]xploitation occurs if peasant commodities are purchased below their value."²¹²

Accepting Mollard's argument, Denis argues that "[w]ith the generalization of exchange between peasants and the CMP there is no doubt that the law of value operates in SCP agriculture."²¹³ The law of value as it operates in agriculture, he argues, allows for the transfer of value from simple commodity producers to capital.

Denis' position, it should be noted, is here identical with that of Chevalier's. Both state that exploitation--a phenomenon that, according to Marx, occurs only in the realm of production--in fact occurs in the realm of exchange, in the reproductive circuit of capital. It is true that Denis does criticize Mollard's conception of exploitation, noting that he begins his analysis with a 'naturalist' conception of surplus. According to Denis,

[i]f surplus exists independently of capital, appropriation of that surplus, by whatever means, consists in a relation of distribution between capital and peasants. It is, therefore, inappropriate to seek relations of production from such a definition of surplus which dissociates its creation from its appropriation.²¹⁴

Yet, in spite of Mollard's admittedly inadequate conceptualization of exploitation--a conceptualization which 'dissociates its creation from its appropriation'--Denis goes on to claim that Mollard's work has the merit of 'transcending' the articulationist problematic, "and of seriously attempting to ground such an analysis in Marx's law of value."²¹⁵ Mollard identifies relations of exchange with relations of exploitation--the distribution of surplus value with its production. Yet this distinction is crucial, as Denis himself admits, to an adequate analysis of exploitation of simple

commodity production in the agricultural sphere.

The distribution, or transfer of value, as he notes, is not exploitation; certainly not, if exploitation is conceived of in a strictly Marxist sense, as the extraction of surplus value from the producers at the point of production which, by definition, necessitates control of the process of production itself by the class of exploiters. Yet Denis is, in fact, reduced to advancing a concept of exploitation which depends on the extent to which capital can exercise a degree of control over the production process, and over the commodities which are produced through simple commodity production, through formally exchange relations--'indirect exploitation', as he calls it.²¹⁶

Thus, in the final analysis, Denis' case, like Chevalier's, ultimately rests on an identification of exploitation--in Marxist terms, the extraction of surplus labour from the labourer directly at the point of production--with a relationship that occurs, not in the sphere of production, but that of exchange: a circulationist position that confuses the production of surplus value with its distribution, a relation of production with a relation of exchange. Chevalier is clearly in the wrong when he argues that formal subsumption--the monetization of all factors of production, and the dispossession of workers from all means of production (i.e. the monetization and purchase of labour power by capital)--can occur in the sphere of exchange, that labour power is economically purchased by capital whenever it becomes a calculable ingredient which enters into the products that are purchased by capital.

Here, one must ask, what is it that is being purchased? Is it labour power? Or merely the products produced by a labour power which is organized

along non-capitalist lines? If it is not labour power itself, but merely the products of labour which are purchased, then one of the conditions indispensable for capitalist production to establish itself as a 'mode of production sui generis'--the formal subordination of labour to capital, the proletarianization of labour power--has failed to establish itself.

Chevalier is also mistaken when he claims that the articulationist perspective consistently portrays simple commodity production as a form of production governed by a pre-capitalist logic of its own, by laws of motion other than those of capital. In reality, articulationism defines those examples of simple commodity production existing within social formations dominated by the capitalist mode as subsumed under the logic of capital--i.e. its laws of motion--and thus affected by the operation of the law of value. Thus, Denis' point that the law of value as it operates in the agricultural realm allows for the transfer of value from simple commodity producers to capital, remains valid.

Also valid is his remark that the change in problematic introduced by the articulationist school does indicate a shift away from analysis of the economic laws of capital based on the labour theory of value, to a recognition of the specificity of simple commodity production within social formations dominated by the capitalist mode. However, his contention that simple commodity production can be analyzed solely on the basis of the operation of the law of value (and value was, for Marx, ultimately not a thing, but precisely a social relationship) will not stand up to criticism.

What the theory of value is useful for is analysis of the capitalist mode of production in its core form, or pure state. However, when it comes to analyzing concrete social formations dominated by the capitalist mode--

social formations defined by an articulation of two or more modes of production--an analysis based simply on the law of value is insufficient. Rather, what is required, in conjunction with analysis of the manner in which the law of value operates, is a specification of the nature of the articulation between modes of production. As Engels once put it,

the law of value and the distribution of the surplus-value by means of the rate of profit...attain their most complete approximate realisation only on the presupposition that capitalist production has been everywhere completely established, i.e., that society has been reduced to the modern classes of landowners, capitalist (industrialists and merchants) and workers--all intermediate stages having been got rid of. This condition does not exist even in England, and never will exist--we shall not let it get that far.²¹⁷

There is no doubt that the law of value is operative within simple commodity production, via the realm of exchange. This is precisely the nature of the articulation, where simple commodity production is subordinated to the dynamics of the capitalist mode. However, to deny that the operation of the law of value is itself affected by the fact that non-capitalist social relations of production continue to reproduce themselves, is to give all effectivity to capital, and none to pre-capitalist modes; in other words, to deny the fact of the articulation of modes. Thus, in the final analysis, the position of both Denis and Chevalier--that relations of production which appear to be non-capitalist are in fact 'disguised' forms of the capital/wage-labour relationship--remains identical with that of Banaji's: the empiricist identification of mode of production and social formation.

c) Mouzelis: Relations of Production, and Labour Processes

Mouzelis begins by agreeing that

the attempt to conceptualize specific third-world structures by using a mode-of-production analysis is basically sound and useful. As a basic instrument of analysis, the mode-of-production concept, as well as the idea of articulation of modes, is better able to account for the specificity of third-world economies and class structures than alternative formulations...²¹⁸

Yet Taylor's formulation of the articulation of modes of production, he argues, "does not make clear when and under what conditions different relations of production constitute a different mode, and when they merely refer to a labour process within one single mode."²¹⁹

Taylor, in replying to Mouzelis' charge that his formulation blurs the distinction between labour processes and relations of production, argues that, in order to analyze the determinants of restricted and uneven development, the focus must lie

not on the articulation of modes of production, but on the articulation of a capitalist mode with non-capitalist divisions of labour and labour processes. An articulation of modes characterises only the transitional period produced--in the main--by the colonial impact, where the reproduction of the previously dominant non-capitalist relations of production has not yet been undermined. Consequently, the 'choice' of either an articulation of modes or an uneven subsumption of non-capitalist labour processes under capitalist relations of production is hardly relevant for analysing twentieth century forms of economic development in Third World formations. One does not have to opt for one or the other.²²⁰

Now, it is apparent that Taylor's reply to Mouzelis remains problematical, on a number of levels. For Mouzelis, in drawing out the implications of what Taylor is saying here, notes that

Taylor seems to me to be saying that the articulation of modes of production was an early feature of colonial penetration and that at the present moment, given further imperialist penetration and the further dominance of the CMP in Third-World formations, the non-capitalist modes of production are completely undermined (i.e. they can no longer ensure their production).²²⁷

As Mouzelis notes, Taylor's reply posits two very distinct stages of imperialist penetration: one, an early stage characterized by the articulation of the capitalist mode with the antecedent mode, and a second stage, characterized "by the existence of a single capitalist mode with relations of production which subsume under their dominance various labour processes."²²²

Of course, this newly emphasized distinction goes counter to the basic themes of Taylor's book, as, "[t]hroughout the book contemporary Third-World formations are described in terms of an articulation of capitalist and non-capitalist modes..."²²³ Instead of theorizing the articulation of modes of production in terms of the necessary distinction, introduced by Wolpe, between an extended mode of production in possession of the capacity of self-reproduction through the operation of its laws of motion, and a restricted mode of production which does not possess this capacity, we see Taylor again having to resort to the notion of 'elements' (non-capitalist divisions of labour and labour processes) of previously dominant non-capitalist modes of production continuing to reproduce themselves in terms of their articulation with the newly-dominant capitalist mode, instead of conceiving of articulation as occurring between modes of production per se.

As a result of his confusion on this point, Taylor is thus forced to a conclusion which, as Mouzelis has charged, is at variance with the basic theme of From Modernization to Modes of Production: the notion that third world formations can be profitably analyzed as contained a number of modes of production articulated in combination; with one mode, the capitalist, dominant within these formations. In fact, Taylor's reply conceives of articulation as coming to a halt after the transitional period produced by the colonial impact is finished; of contemporary third world formations as

being comprised, not of an articulation of the capitalist with antecedent modes of production, but of an 'articulation of a capitalist mode with non-capitalist divisions of labour and labour processes'.

Taylor's reply can thus be read as implying that third world social formations--concrete third world societies--are to be seen as containing only one mode of production, the capitalist, which subsumes under its dominance various non-capitalist divisions of labour and labour processes. This formulation, it may be noted, is almost identical with the position which posits that social formations are identical with, and can be reduced to, modes of production--that social formations are to be seen as 'completely capitalist', even given the prevalence of non-capitalist relations of production within them.

Rey, for his part, does manage to avoid this error, conceiving of all third world social formations as being comprised of an articulation of modes of production. According to Rey, the capitalist mode of production has not yet succeeded in replacing the formerly dominant modes of production in the third world, to the extent that these formations have become identical with the capitalist mode of production. Rey's stage three, in other words, has not yet been reached in any third world formation.

VIII. THE INTERNATIONALIZATION OF CAPITAL: CHRISTIAN PALLOIX

The articulationist perspective, I would argue, is a perspective that is adequate to the task of explaining the uneven levels of development that prevail within the world capitalist economy, an adequate theory with which to explain the phenomenon referred to in dependency theory as underdevelopment.

However, it is not the only Marxist framework of analysis to have emerged within recent memory. The 'internationalization of capital' approach has been put forward by a number of influential Marxists, among them Nicos Poulantzas,²²⁴ in order to account for what Poulantzas terms an 'imperialist chain' characterized by uneven levels of economic development.²²⁵

The internationalization problematic was pioneered by Bukharin, for whom

there is a general trend of internationalization inherent in the expansive nature of capitalism which tends to create a specifically capitalist world economy. Increasingly this capitalist world economy is subject as a whole to the laws of motion of capitalism; national economies both influence and are influenced by it. Hence...there is an international law of value which is more than just a simple average of national values, in fact value being determined at an international level.²²⁶

Today, the major theorist of the internationalization approach is the French Marxist Christian Polloix, who takes as his point of departure

the relatively simple proposition that the analysis of the intertwining of the three circuits of capital--money-capital, productive capital, and commodity capital--discussed by Marx in the second volume of capital, might be usefully extended to the international economy.²²⁷

In the stage of competitive capitalism, Polloix holds, "the process of self-expansion, the reproduction of capital, was supported by the internationalization of commodity capital."²²⁸ In this early stage of development of the capitalist mode of production, foreign trade, or the export and import of commodities, internationalized the circuit of commodity capital. With the stage of imperialism, analyzed by Lenin, the export of capital, as opposed to the export of commodities, served to internationalize the circuit of money capital. Today, Polloix holds,

internationalization has spread not only to the circuits of commodity capital and of money capital, but it has reached its final stage, the internationalization of productive capital. This is usually called the

internationalization of production.²²⁹

Thus, a new international division of labour has emerged out of the internationalization of production. Having internationalized itself, and its circuit of reproduction, capital's process of self-expansion today takes place on a world scale, and is no longer confined within the borders of a single country.

i. International Value

International value, in the phase of the internationalization of commodity capital, resulted from the confrontation of different national values. This gave rise to an average value on the world market which served as a system of standards, imposed externally on the internal productive apparatus of each nation state. However, with the arrival of the phases of the internationalization of money-capital and productive capital, international value comes into its own, as relations between commodities on the international market are replaced by relations between capitals.

[T]he confrontation of national productive processes, where the commodity rules as master, has given way to the interpenetration of productive processes, to the internationalization of production..."National" value in these branches fades away in the face of international value... There are no longer commodity relations... There are relations between capitals, established during the internationalization of capital.²³⁰

Thus, the law of value, having been displaced to the world level, 'regulates' the international economic system in a chaotic and anarchic manner, producing vast inequality in development.²³¹

ii. Critique

The strong point of the internationalization thesis lies in its focus on the dynamics, the laws of motion, on the laws of expansion of the capitalist mode of production; ultimately, on the process of the

accumulation of capital on a world scale. Thus, the thesis is correct in its central thrust: capitalism has internationalized itself, and is the dominant mode of production on a world scale. Therefore, I would agree with Poulantzas when he states that "criticisms of Palloix are in no way intended to detract from the importance of his writings, which are indispensable for an understanding of contemporary imperialism."²³²

Yet, it is clear that the laws of motion of the capitalist mode of production--laws of motion which follow from the law of value--cannot be seen as the only element of explanation of the structure of the world economy at all stages of its history, for the simple reason that the laws of motion of capital do not exist in isolation from the relations of production which define the mode of exploitation of labour power.

Capital, in pressing outwards from the centre, encounters social formations which are dominated by non-capitalist modes of production, social formations in which pre-capitalist relations of production predominate. Thus, in order to fully internationalize itself, capital must, as well, internationalize its relations of production, substituting for pre-capitalist relations of production the capital/wage-labour relation.

Palloix, for his part, does realize this to be the case. While the internationalization of capital is, at one point, the internationalization of the self-expansion of capital, on the other hand it is nothing other than the internationalization of capital as a social relation; i.e. the internationalization of the capital/wage-labour relations.²³³

Thus, Palloix admits, it is not enough to describe the movement of capital's self-expansion, of the laws of accumulation on a world scale. In addition, the "relation of the process of internationalization to the

class struggle must be elucidated."²³⁴

Yet the specificity of the class struggle in the countries of the third world--countries in which we find an interpenetration of class structures required by (at least) two very different modes of production--again, cannot be understood without reference to the fact that each of these countries comprises a social formation defined by an articulation of modes of production, a social formation in which the capitalist mode has subsumed under its own dynamic pre-capitalist modes of production. In this sense, the internationalization approach fails to account for the specificity of third world social formations--social formations defined by specific combinations of capitalist and pre-capitalist relations of production and productive forces; forces and relations which act, as Taylor argues, to block the development of the productive forces.²³⁵

Palloix does refer to the continued presence of pre-capitalist modes of production in a passage where he talks about the impossibility of conceiving of a 'national' process of self-expansion of capital

whose elements do not "overflow" the limits of the strictly capitalist mode of production (through the inclusion of "products" coming from pre-capitalist modes and transformed into "commodities" in circulation)...²³⁶

Yet, what Palloix seems unaware of is that if 'national' capitals are themselves dependent on their provisioning with goods coming from non-capitalist modes of production--non-capitalist modes which continue to reproduce their conditions of existence within specific third world social formations--the fact remains that even though these products are transformed into commodities in the process of circulation, again, they must first be reproduced, and to this extent the capitalist mode of production is conditioned

on modes of production lying outside of its own stage of development.

It is not sufficient to conclude, as does Palloix, that capital subsumes existing pre-capitalist production relations under its own laws of motion, thereby extracting surplus value from 'proletarianized' non-wage labourers. Rather, what must be explained is why capital does not simply immediately replace existing pre-capitalist relations of production with capitalist production relations. What must be explained is why capital has an interest in the preservation of non-capitalist relations of production--why the preservation of pre-capitalist modes of production is functional for capital. And what the internationalization approach does not provide, the articulationist perspective does. Thus, although the internationalization approach may contribute to an understanding of capital's dynamic, of its process of self-expansion, by itself the approach is inadequate to explain the specificity of third world formations, formations characterized by an articulation of modes of production.²³⁷

IX. THE COLONIAL MODE OF PRODUCTION

The notion of the simultaneous co-existence of several modes of production within a single social formation, according to Alavi, the theorist of the 'colonial mode of production', misses an essential point.

That is the problem of the necessary contradiction between modes of production in historical development; a new emergent mode of production stands in contradiction to the old disintegrating mode of production... The issue is not simply whether 'capitalist' relations of production exist, nor indeed whether they have completely done away with all feudal survivals, but precisely of the relative weight of each, the alignment of classes that represent each mode of production vis-a-vis each other and therefore the thrust of political conflict and the nature of the class struggle.²³⁸

In order to grasp the concrete specificity of these various classes in the third world, Alavi holds that it is necessary to conceptualize what he terms a colonial mode of production. Referring to the Frank-Laclau debate, Alavi points out that he is in basic agreement with Laclau over the definition of the capitalist mode of production: the existence of generalized commodity production (i.e. market relations) is not a sufficient condition for defining the capitalist mode.²³⁹ However, Frank does emphasize an important aspect of the colonial mode of production (which Alavi holds exists in Latin America, as well as in India), "namely its integration into a world capitalist system, so that its structural specificity cannot be understood except in that framework."²⁴⁰ Yet Alavi faults Laclau for defining the mode of production that exists in the Latin American countryside as 'feudal'. Large elements of the Latin American agrarian economy, he feels, apart from the haciendas, cannot be properly grasped using the conception of a feudal mode of production.²⁴¹

Now, Alavi rightly chastises Laclau on this point. For, as Anderson has shown, Laclau's definition of the mode of production prevailing in the Latin American countryside as 'feudal' is an error symptomatic of Marxist scholars in this century, who,

persuaded of the universality of the successive phases of socio-economic development registered in Europe, have by contrast generally asserted that feudalism was a world-wide phenomenon, embracing Asian or African states as much as European.²⁴²

Thus, as he notes, "[n]o term has undergone such an indiscriminate and pervasive diffusion as that of feudalism..."²⁴³ The Term has been used by Marxist scholars to define any society in which a combination of large-scale agrarian exploitation and peasant production founded on extra-economic relations of coercion and dependence obtains--precisely Laclau's use of the term 'feudal'. Yet, as Anderson states, if the feudal mode of production

can be defined in such a manner, "the problem then arises: how is the unique dynamism of the European theatre of international feudalism to be explained?"²⁴⁴

The industrial capitalist mode of production developed spontaneously only in Europe, and its American extension--nowhere else. If the feudal mode of production did predominate on a world scale, and yet only one area of the globe produced the industrial capitalist revolution, then

the determinant of its transcendent success must be sought in the political and legal superstructures that alone distinguished it. Laws and States, dismissed as secondary and insubstantial, reemerge with a vengeance, as the apparent authors of the most momentous break in modern history.²⁴⁵

Thus, usage of such a definition of the feudal mode of production must lead, as Anderson pronounces, to a 'perverse idealism', "incapable of appreciating the real and rich spectrum of diverse social totalities within the same temporal band of history..."²⁴⁶

Returning to the theory of the colonial mode of production, Laclau's formulation of a 'feudal' and a capitalist mode coexisting within a single social formation in an 'indissoluble unity' (a unity which exists, according to Alavi, "precisely because it expresses a hierarchical structural relationship within a single mode of production, namely the colonial mode of production"²⁴⁷) is extremely problematical, according to Alavi. This is so because Marxist theory posits the 'conception of the necessity of contradiction between coexisting modes of production, one in the ascendent and the other in disintegration, within a single social formation.'²⁴⁸

It is true that imperialism fails to bring about a revolutionary transformation of feudal production relations in colonial agriculture, instead creating and reinforcing them. Yet, Alavi holds, the continued reproduction of non-capitalist relations of production in colonial social formations does

not indicate the presence of separate and antagonistic modes of production; instead, imperialism (I take it that Alavi here means the presence of capitalist production relations) and 'feudal' relations of production "are embraced within the framework of the colonial mode of production..."²⁴⁹ The dominant relations of production that once existed in the third world have, according to Alavi, been transformed by the colonial impact. As such, they are no longer 'pre-capitalist'.

Although the form of such a relationship often remains unchanged, its essential nature and significance undergoes a revolutionary transformation. That is why it is wrong to describe colonial economies to be those in which pre-capitalist relationships 'coexist' with 'capitalist' relations.²⁵⁰

i. Critique

Alavi's formulation of the colonial mode remains problematical, for several reasons. To begin with, Alavi defines the colonial mode of production as a capitalist mode of production,²⁵¹ but fails to realize the problems that this characterization creates for his colonial mode.

Does this statement mean that the colonial mode is identical with the capitalist mode? If so, then on what grounds does Alavi distinguish the colonial mode from the capitalist mode? If the two are identical, then why does Alavi not simply speak of the capitalist mode of production as it exists in the social formations of the third world? If the colonial mode is not identical with the capitalist mode, then how does it differ from capitalism? Alavi creates the impression that the basis for distinguishing between the two lies in the fact that the colonial mode as it exists in the third world is 'disarticulated internally', in Amin's sense of the term; i.e. that segments of the colonial economies do not trade with each other, meaning that they are articulated only through their links with the metropolitan economies.²⁵²

Yet this is far from being a basis upon which to construct the notion of a colonial mode of production as somehow a part of, yet distinct from the capitalist mode. We are led to ask, is it, in fact, a mode of production which Alavi identifies? Is he, in fact, not speaking of social formations which exhibit a reproductive dependence on the advanced capitalist formations?²⁵³

As McEachern argues, it is much more useful to view the 'colonial mode of production', so-called, as a colonial form of the capitalist mode of production. With this conception, there is no need to invent a new conception of a new and distinctive mode of production.²⁵⁴ As regards Alavi's criticisms of the articulationist perspective, the viewpoint by no means denies the 'necessity of contradiction' between coexisting modes of production, as Alavi posits.²⁵⁵ In fact, theorists who do use the approach are emphatic in stating that it is precisely the capitalist mode of production which is in the ascendance world wide, with antecedent modes subsumed under the logic of capital.

However, the modes of production theorists do deny that the disintegration of pre-capitalist modes takes place all at once, emphasizing precisely the necessity of understanding this disintegration dialectically, as a process, a process that necessitates, by definition, for a greater or lesser period of time, precisely an articulation, or co-existence, of modes of production within a single social formation, one (the capitalist mode) in the ascendant, and the other (the antecedant mode) subsumed under its laws of motion. In fact, Alavi's conceptualization of the articulation between modes of production (one in the ascendant, and the other, by virtue of that fact, disintegrating), it should be pointed out, in fact does not deny that more than one mode of production may be present in a social formation. And this, of course, is the essential point made by the modes of production theorists.

As Foster-Carter notes, it remains true that, for Rey, who introduced the ter

and for the modes of production theorists generally,

articulation defines and specifies the nature of the contradictions [between modes]...articulation without contradiction would indeed be static and anti-Marxist; but contradiction without articulation (or transition without articulation) fallaciously implies that the waxing and waning of modes of production are quite separate activities, each internally determined, whereas in fact they are linked as are wrestlers in a clinch.²⁵⁶

Laclau has rightly characterized the concept 'colonial mode of production' as "a theoretical inflation of the concept of mode of production to a point where the specific level of economic systems [i.e. social formations] disappears altogether."²⁵⁷ As he notes, the phenomenon of colonialism, which, by definition, must be analyzed at the level of concrete social formations--a level which, of course, presupposes the mode of production, although is not reducible to it--is here transferred, illegitimately, to the level of modes of production.

Laclau, following Tandeter, traces this illegitimate transposition of levels of analysis to "the peculiar reception of Althusserianism in Latin America."²⁵⁸ This reception, he notes, was

seriously compromised by a failure to bear in mind the abstract character of the concept of mode of production. The result was that any 'empirical' differentiation was considered sufficient to announce urbi et orbi the discovery of a new mode of production.²⁵⁹

Tandeter has traced this 'peculiar reception of Althusserianism' to ambiguities inherent in the initial formulation of the concept of mode of production by Althusser and Balibar.²⁶⁰ Yet, as noted by Foster-Carter, it is perhaps also the case that the concept of colonial mode of production is in some sense derived from the notion of 'transitional mode of production', employed both by Rey, and by Balibar himself.²⁶¹ In commenting on the period of the transition to the capitalist mode of production in Europe,

Balibar makes the comment that "[t]he forms of transition are in fact necessarily modes of production in themselves."²⁶²

Now, it is obvious that this statement precisely constitutes the very illegitimate transposition of levels of which the theorists of the colonial mode of production have been accused. In making such a statement, Balibar specifically negates the distinction, first formulated by Althusser, between the mode of production, and the social formation; i.e. a social formation which, in this instance, is in the process of becoming dominated by the capitalist mode of production.

As Balibar himself noted, in his self-critique of the period immediately after the publication of Reading Capital, concrete social formations "are in reality the only object which is transformed, because it is the only one which really implies a history of class struggle."²⁶³ If social formations alone are concrete, really existing objects, while the mode of production is necessarily a conceptual abstraction used to clarify knowledge of social formations, then it makes no sense whatsoever to posit a 'transitional', let alone a 'colonial' mode of production. Since social formations alone can be transformed, social formations alone can be spoken of as in transition: in transition from dominance by one (or more) modes of production to dominance by another mode of production.

Thus, we can see that peripheral social formations can only be understood in their complexity as societies defined, not by a colonial mode of production, but rather by an articulation of disparate modes of production. Capitalism, clearly the dominant mode in the majority of these formations, has subsumed under its own dynamics those pre-capitalist mode of production formerly dominant within these formations. In one sense, therefore, peripheral formations exhibit the same kinds of features as do the social

formations of advanced capitalism. In another sense, however, these formations exhibit important differences, as relations of production characteristic of non-capitalist modes continue to be much more widespread. Of course, the extent to which these relations are to be replaced in toto by capitalist relations of production will vary tremendously between formations. And this depends, in the final analysis, on the pace and extent of the process of capital accumulation, not just on a world scale, but within each of these formations themselves.

Footnotes to Chapter 3

1. Ernesto Laclau, Politics and Ideology in Marxist Theory (Great Britain, 1979), p. 61.
2. Norma Chinchilla and James Dietz, 'Towards a New Understanding of Development and Underdevelopment' (Latin American Perspectives 30-31, 1981), p. 142.
3. Harold Wolpe, 'Introduction'. In Harold Wolpe, ed., The Articulation of Modes of Production (Great Britain, 1980), p. 6.
4. Ibid., p. 35.
5. Chinchilla and Dietz, 'Toward a New Understanding', p. 143.
6. Ibid., p. 145.
7. Ibid.
8. Aidan Foster-Carter, 'The Modes of Production Controversy' (New Left Review No. 107), p. 54.
9. Foster-Carter, above cit., p. 53; Wolpe, op. cit., p. 6.
10. Foster-Carter, op. cit., p. 53.
11. Louis Althusser and Etienne Balibar, Reading Capital (Great Britain, 1979), p. 197.
12. Ibid.
13. Ibid.
14. Ibid., p. 198.
15. Ibid., p. 207 ft.
16. Ibid., p. 308.
17. Ibid., p. 301.
18. Ibid., p. 201.
19. Karl Marx, 'Preface to a Contribution to the Critique of Political Economy: In Robert Tucker, ed., The Marx-Engels Reader (New York, 1978), p. 4. What is interesting to note in this passage is that Marx here assigns primacy to the relations of production, the 'sum total' of which constitutes the 'economic structure of society', the 'real

foundation' upon which rises a legal, political, and ideological super-structure.

20. Balibar, op. cit., p. 204. My agreement with Althusser and Balibar on this point--that Marx theorized history as a succession of modes of production--by no means implies agreement with Althusser's notion that the difference between modes of production "is necessarily and sufficiently based on a variation of the connexions between a small number of elements which are always the same" (Louis Althusser, quoted by Andre Glucksmann, 'A Ventriloquist Structuralism', in New Left Review no. 72, 1972, p. 78). Althusser's notion that every mode of production can be defined as a combination of three elements (the labour force, the object and means of labour, and the non-worker who appropriates surplus labour) which are combined by the play of two relations (the production process, and the exploitation process)--elements whose content varies according to the mode of production in which they are combined--is a notion that, as Glucksmann has argued, adds nothing to the specificity of non-capitalist modes of production, applying only to the capitalist mode (Glucksmann p. 77-83).
As such, Althusser's claim that 'historical materialism is basically a theory of the variant combinations of five structural items that make up all modes of production' (Perry Anderson, 'Introduction to Glucksmann', in New Left Review no. 72, 1972, p. 63) can be seen for what it is: ahistorical and empiricist.
21. Marx, op. cit., p. 4-5.
22. Althusser, Reading Capital, p. 195.
23. As Marx states in the Grundrisse, "the method of rising from the abstract to the concrete is only the way in which thought appropriates the concrete, reproduces it as the concrete in the mind. But this is by no means the process by which the concrete itself comes into being (Karl Marx, Grundrisse, U.S.A., 1973), p. 101.
24. Karl Marx, Capital, Vol. I (Moscow, 1977), p. 19.
25. Lucio Colletti, From Rousseau to Lenin (New York, 1974), p. 3.
26. Ibid., p. 3.
27. Ibid., p. 10.
28. Claude Meillassoux, 'From Reproduction to Production: A Marxist Approach to Economic Anthropology', in Wolpe, The Articulation of Modes of Production, p. 192.
29. Ibid., p. 192-93.

30. According to Laxenburg, in order for capitalism to continue to reproduce itself, an external source of demand--an external market--was required, a source of demand originating 'from without', i.e. from non-capitalist modes of production. It was from these undissolved modes that this external source of demand originated. As she herself put it: "Capitalist production as proper mass production depends on consumers from peasant and artisan strata in the old countries, and consumers from all countries, but for technical reasons, it cannot exist without the products of these strata and countries... in the non-capitalist regions, capitalism finds new customers and thus new opportunities for accumulation on the ruins of the native forms of production [i.e. on the ruins of pre-capitalist modes of production]." (Rosa Luxemburg, 'The Accumulation of Capital: An Anti-Critique'. In Kenneth Tarbuck, ed., Imperialism and the Accumulation of Capital (Great Britain, 1972), p. 59.
31. Marx, Capital, Vol. III, p. 237.
32. Ibid.
33. Ibid., p. 232-40.
34. True enough, Marx does speak in terms of country to country interaction in these passages, yet he notes as well that "this exess is pocketed, as in any exchange between labour and capital, by a certain class. (Marx, Capital, Vol. III, p. 238).
35. Meillassoux, op. cit., p. 193.
36. Wolpe, 'Introduction', p. 1.
37. Ibid., p. 5.
38. Robert Brenner, 'The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism' (New Left Review, No. 104, 1977), p. 25.
39. Karl Marx, 'The Communist Manifesto'. In Robert Tucker, ed., The Marx-Engels Reader, p. 476-7. Quoted in Brenner, 'The Origins of Capitalist Development', p. 25-6, and in Wolpe, 'Introduction', p. 4.
40. Wolpe, p. 2.
41. Marx, Grundrisse, p. 105-6. Quoted in Dan Nabudere, The Political Economy of Imperialism (London, 1978), p. 235. My italics.
42. Marx, Capital, Vol. I, p. 716. Quoted in Wolpe, op.cit., p. 4.
43. Marx, ibid., Vol. II, p. 113.
44. Ibid. Quoted in Wolpe, p. 3-4.
45. "But it is the tendency of the capitalist mode of production to transform all production as much as possible into commodity production.

And developed commodity production itself is capitalist commodity production". (Marx, Capital, Vol. II, p. 113-14).

46. Wolpe, 'Introduction', p. 4.
47. Marx, Capital, Vol. III, p. 333. Quoted by Wolpe p. 4-5, and by Brenner, p. 26 ft.
48. James Cypher, 'The Internationalization of Capital and the Transformation of Social Formations: A Critique of the Monthly Review School' (Review of Radical Political Economics, Winter, 1979), p. 41.
49. C. Laclau, Politics and Ideology in Marxist Theory, p. 34-5.
50. Ibid., p. 39.
51. Ibid., p. 40.
52. See Ch. 1.
53. Richard Leaver, 'The Debate on Underdevelopment: On Situating Gunder Frank' (Journal of Contemporary Asia, no. 1, 1977), p. 111.
54. Ibid.
55. Laclau, Politics and Ideology, p. 42.
56. Ibid., p. 34.
57. Wolpe, 'Introduction', p. 7.
58. Ibid.
59. Ibid., p. 9-11, p. 19-27. See Nicos Poulantzas, Political Power and Social Classes (London, 1973), and B. Hindess and P. Hirst, Pre-Capitalist Modes of Production (London, 1975). A consideration of the positions of these authors is, unfortunately, beyond the bounds of this thesis.
60. Wolpe, p. 36.
61. Balibar, Reading Capital, p. 264. Reproduced in part by Wolpe p. 8-9.
62. Marx, Capital, Vol. II, p. 36-7. Quoted by John Taylor, From Modernization to Modes of Production (Great Britain, 1979), p. 107. My italics.
63. Wolpe, p. 11.
64. Laclau, p. 43. Quoted by Wolpe p. 13.
65. Laclau, p. 43.

66. Wolpe, p. 14.
67. Laclau, p. 43 ft. Quoted by Wolpe, p. 14-15. Wolpe's emphasis.
68. Wolpe, p. 41.
69. Ibid., p. 37.
70. Ibid., p. 38.
71. Ibid., p. 39.
72. Ibid., p. 38.
73. Ibid., p. 38-9.
74. Ibid., p. 38.
75. Foster-Carter, 'The Modes of Production Controversy', p. 56.
76. Rey, quoted in Foster-Carter, above cit., p. 63.
77. Ibid., p. 56.
78. Wilfrid Denis, 'Capital and Agriculture: A Review of Marxist Problematics' (Studies in Political Economy, no. 7, 1982), p. 135.
79. Ibid., p. 135-6.
80. Rey, quoted in Foster-Carter, p. 58.
81. Ibid., p. 59.
82. Foster-Carter, p. 56. Barbara Bradby, 'The Destruction of Natural Economy', in Wolpe, ed., The Articulation of Modes of Production, p. 113-14.
83. Georges Dupre and Pierre-Philippe Rey, 'Reflections on the Pertinence of a Theory of the History of Exchange', in Wolpe, ed., The Articulation of Modes of Production p. 144.
84. Ibid., p. 155.
85. Ibid., p. 157.
86. Foster-Carter, p. 60.
87. Bradby, op. cit., p. 109.
88. Rey, quoted in Foster-Carter, p. 60.
89. Ibid., p. 61.

90. Bradby, p. 110.
91. Only in the transition from feudalism to capitalism, Rey holds, is the working class created directly from the productive base. In the colonies, it is created through the superstructure, through the policies of the colonial state (Bradby, p. 112-13).
92. Rey, quoted in Foster-Carter, p. 64.
93. Foster-Carter, p. 64.
94. Taylor, From Modernization to Modes of Production, p. ix. As such, Taylor analyzes no particular third world formation in detail in his book; yet does state, in his Introduction, his intent to use the theoretical framework of analysis developed in this work to analyze one particular third world society during the post-war era, in a subsequent text. (Ibid. p. xii). So far, this text has not been forthcoming.
95. Ibid., p. xi.
96. Ibid., p. xi-xii.
97. Ibid., p. 101-2.
98. Ibid., p. 102.
99. Ibid., p. 143.
100. Ibid., p. 117.
101. Ibid., p. 149.
102. Ibid., p. 109.
103. Ibid., p. 79.
104. Ibid., p. 112-13.
105. Ibid., p. 139-40.
106. Ibid., p. 152.
107. Ibid.
108. Ibid., p. 103. *Italicized in original.*
109. Ibid., p. 217. *Italicized in original.*
110. Ibid., p. 127.
111. Ibid., p. 197.

112. Ibid., p. 137.
113. Ibid., p. 204.
114. Ibid., p. 138.
115. Ibid., p. 209.
116. Ibid., p. 212.
117. Ibid.
118. Ibid., p. xi-xii.
119. Ibid., p. 52.
120. Ibid., p. 44.
121. Ibid., p. 69.
122. It was, of course, Leon Trotsky who first formulated the theory of uneven and restricted (or 'combined') development. According to Chevalier, the more recent theory of the articulation of modes of production "may be seen as a methodological reformulation of Trotsky's law of uneven and combined development, or the notion that pre-capitalist or semi-capitalist modes of production may serve an important function in the multi-linear evolution of capitalis,.." (Jacques Chevalier, 'There is Nothing Simple About Simple Commodity Production'. In *Studies in Political Economy*, no. 7, Winter 1982, p. 90-91.)
 Trotsky was, of course, very much concerned with capitalism's articulation with the pre-capitalist mode of production (Trotsky termed it 'feudal') that existed in Russia at the end of the nineteenth century (i.e. one in which a pre-capitalist mode of production was predominant) could assimilate the 'material and intellectual conquests' of more advanced countries, a repetition of the forms of development by different nations was, by definition ruled out. Rather, "[t]he privilege of historic backwardness...permits, or rather compels, the adoption of whatever is ready in advance of any specified date, skipping a whole series of intermediate stages." (Leon Trotsky, The History of the Russian Revolution, Great Britain, 1977, p 26-7).
 For Trotsky, the development of historically backward nations lead necessarily "to a peculiar combination of different stages in the historic process..." (Ibid., p. 27). In more modern language: to peculiar combinations of disparate modes of production within a single social formation.
 Observing that the introduction "of certain elements of Western technique and training, above all military and industrial, under Peter I, led to a strengthening of serfdom as the fundamental form of labour organization...", (Ibid.) Trotsky formulated his now-famous thesis of 'uneven and combined development', "by which we mean a drawing together of the different stages of the journey, a combining of separate steps, an amalgam of archaic with

more contemporary forms." (Ibid., Italics mine.)

Noting the speed and extent to which the introduction of capitalism into Russia had developed the country economically (viewing this process as the development of capitalism within Russia), Trotsky posited that "the possibility of this swift growth was determined by that very backwardness which, alas, continued not only up to the moment of 'liquidation of the old Russia, but as her legacy up to the present day." (Ibid., p. 31). In other words, even though the capitalist mode of production had been introduced into the Russian social formation, and was clearly becoming the dominant mode of production, production relations characteristic of the previously dominant mode of production continued to exist, and to articulate, or combine, with the relations of production (the capital/wage-labour relationship) introduced by capitalism.

Trotsky noted that peasant land-cultivation, for example, continued to remain at the level of the seventeenth century, right up to the revolution of 1917, years after the introduction of capitalist social relations into Russia. Similarly, while the working class of the western position of Russia (most notably in Petrograd) had made a 'complete break' with the country--that is, were dependant solely upon wages for their means of livelihood--"in the Urals the prevailing type was half-proletarian, half-peasant." (Ibid., p. 133).

Perhaps one might want to quibble with Chevalier's contention that the theory of the articulation of modes of production may be seen as a reformulation of Trotsky's theory. The theory was, after all, developed by Althusser and his followers, for whom Trotsky does not exist, to all interests and purposes. Taylor, infact, nowhere mentions Trotsky (not even in his bibliography), nor the pedigree of the theory of uneven and combined development. There is no mistaking the fact, however, that the similarities between Trotsky's theory, and the theory of the articulation of modes of production, are immense.

123. Taylor, From Modernization to Modes of Production, p. 222. Italicized in the original.
124. Ibid., p. 228. Italicized in the original.
125. Ibid., p. 235.
126. Ibid., p. 216.
127. Ibid., p. 215.
128. Ibid., p. 254.
129. Ibid., p. 222.
130. Ibid., p. 226.
131. Ibid., p. 237.
132. Ibid., p. 249.

133. Ibid., p. 236. Italicized in the original.
134. Ibid., p. 236-7.
135. Ibid., p. 247.
136. Ibid., p. 233.
137. Ibid., p. 249.
138. Ibid., p. 252.
139. Ibid., p. 242.
140. Ibid., p. 241-2.
141. Ibid., p. 243.
142. Ibid.
143. Ibid.
144. Barbara Bradby, 'The Destruction of Natural Economy'. In Wolpe, ed., The Articulation of Modes of Production, p. 95.
145. Wolpe, 'Introduction,' p. 40.
146. Claude Meillassoux, 'From Reproduction to Production: A Marxist Approach to Economic Anthropology', and Harold Wolpe, 'Capitalism and Cheap Labour-Power in South Africa: From Segregation to Apartheid'. Both in Wolpe ed., The Articulation of Modes of Production.
147. Colin Leys, 'Underdevelopment and Dependency: Critical Notes'. In Journal of Contemporary Asia, Vol. 7, no. 1, 1977, p. 104.
148. Wolpe, 'Introduction', p. 40.
149. Cohen, G.A., Karl Marx's Theory of History: A Defence (New Jersey, 1980), p. 285.
150. Ibid., p. 250.
151. Ibid., p. 285.
152. Ibid., p. 278. See ch. VI.
153. Ronaldo Munck, 'Imperialism and Dependency: Recent Debates and Old Dead Ends'. In Latin American Perspectives 30-31, Summer-Fall 1981, p. 173.
154. Colin Henfrey, 'Dependency, Modes of Production, and the Class Analysis of Latin America'. In Latin American Perspectives 30-31, Summer-Fall 1981, p. 41.

155. Ibid., p. 42.
156. Ibid., p. 43.
157. Nicos Mouzelis, 'Modernization, Underdevelopment, Uneven Development: Prospects for a Theory of Third World Formations'. In Journal of Peasant Studies, Vol. 7, no. 3, April 1980, p. 368.
158. Ibid. Henfrey makes the same point vis-a-vis. Taylor's roots in Althusserianism, tracing Taylor's supposed difficulties in this area back to Balibar's project of conceptualizing the dynamics of specific modes of production in terms of "a self-contained exercise in defining 'objects of thought', not applying them". See Henfrey, above cit., p. 40.
159. Mouzelis, op. cit., p. 367.
160. Ibid.
161. Henfrey, op. cit., p. 48.
162. Leys, op. cit., p. 105. Petras has by no means endorsed this viewpoint, but his own work consists essentially of just such an exploration.
163. John Taylor, 'Underdevelopment and Modes of Production: A Reply to Nicos Mouzelis'. In Journal of Peasant Studies, April 1981, p. 388.
164. Ibid., p. 387.
165. Ibid., p. 388.
166. Ibid., p. 384-5.
167. Ibid., p. 385.
168. Ibid., p. 391.
169. E.P. Thompson, The Poverty of Theory and Other Essays (New York, 1978).
170. Perry Anderson, Arguments Within English Marxism (London, 1980), p. 60.
171. Ibid., p. 68.
172. This is the grand theme of Thompson's polemic.
173. Anderson, Arguments, p. 64.
174. Ibid., p. 67., i.e. the manner in which the distinction is employed today.
175. Ibid., p. 17-18.
176. Ibid., p. 19.

177. Ibid., p. 20.
178. Ibid., p. 55. Williams, as well has objected to the shifting of focus from human agency to structural frameworks, i.e. to the anatomy of the capitalist mode of production. In his Marxism and Literature, he writes, "there is a more modern theoretical tendency (the Marxist variant of structuralism) in which the living and reciprocal relationships of the individual and the social have been suppressed in the interest of an abstract model of determinate social structures and their 'carriers'." (Raymond Williams, Marxism and Literature, Oxford, 1978, p. 194). Yet it would seem that Williams is here positing a contradiction where none, in reality exists.
179. Jairus Banaji, 'Modes of Production in a Materialist Conception of History'. In Capital and Class, no. 3, Autumn, 1977, p. 5-6.
180. Ibid., p. 11.
181. Ibid., p. 14.
182. Ibid., p. 12.
183. Ibid., p. 33.
184. Ibid., p. 34.
185. Ibid.
186. Ibid.
187. Harold Wolpe, 'Introduction', p. 30.
188. Ibid., p. 27.
189. Ibid., p. 32.
190. Ibid., p. 31-2.
191. Ibid., p. 32. This is Banaji's interpretation of the feudal mode-- that it was identical with the social formations in which it was to be found. See Ibid., p. 30.
192. Leys, 'Underdevelopment and Dependency', p. 104.
193. Wolpe, 'Introduction', p. 33.
194. Ibid., p. 33-4.
195. Wilfrid Denis, 'Capital and Agriculture: A Review of Marxist Problematics'. In Studies in Political Economy, no. 7, Winter, 1982, p. 128, 133.

196. Leo Johnson, 'Independent Commodity Production: Mode of Production or Capitalist Class Formation.' In Studies in Political Economy, no. 6, Autumn, 1981, p. 109-10.
197. Jacques Chevalier, 'There is Nothing Simple About Simple Commodity Production'. In Studies in Political Economy, no. 7, 1982, p. 92.
198. Ibid., p. 93.
199. Ibid., p. 94.
200. Ibid. 'Formal' subsumption consisted of two mechanisms: "the monetization of all factors of production, and the dispossession of workers from all means of production." (Ibid.) This, of course, implies the monetization and purchase of labour-power by capital--the capital/wage-labour relationship. The 'real subsumption of labour under capital', according to Marx, was the application of capitalist productive techniques to the production process, the production of relative surplus value being the material expression of the real subsumption of labour under capital.
201. Ibid., p. 96.
202. Ibid., p. 97.
203. Ibid., p. 99.
204. Ibid., p. 100-01.
205. Ibid., p. 107.
206. Ibid., p. 118.
207. Ibid.
208. Denis, 'Capital and Agriculture', p. 133.
209. Ibid., p. 137.
210. Ibid., p. 138.
211. Ibid., p. 139.
212. Ibid., p. 141.
213. Ibid.
214. Ibid., p. 154, ft, no. 55.
215. Ibid., p. 144.
216. Ibid., p. 148.

217. Friedrich Engels, letter to Conrad Schmidt, 12 March 1895. Quoted in Ernest Mandel's Late Capitalism (London, 1978), p. 45. Mandel's italics.
218. Mouzelis, 'Modernization, Underdevelopment, Uneven Development', p. 365.
219. Ibid., p. 366.
220. Taylor, 'Underdevelopment and Modes of Production', p. 389.
221. Nicos Mouzelis, 'Teleology and Uneven Development: A Reply to Taylor', in Journal of Peasant Studies, Vol. 8, no. 4, July 1981, p. 535.
222. Ibid.
223. Ibid.
224. See part one, 'The Internationalization of Capitalist Relations and the Nation-State, of Poulantzas' work, Classes in Contemporary Capitalism (London, 1979).
225. Ibid., p. 42.
226. Hugo Radice, 'Introduction', in Hugo Radice, ed. International Firms and Modern Imperialism (Great Britain, 1975), p. 17. See also Nikolai Bukharin, Imperialism and World Economy (London, 1972).
227. David Barkin, 'Internationalization of Capital: An Alternative Approach', in Latin American Perspectives 30-31, Summer-Fall, 1981, p. 156.
228. Christian Palloix, 'The Self-Expansion of Capital on a World Scale', in The Review of Radical Political Economics, no. 2, 1977, p. 11.
229. Ibid.
230. Ibid., p. 13.
231. Ibid., p. 24.
232. Poulantzas, Classes in Contemporary Capitalism, p. 49 ft.
233. Palloix, 'The Self-Expansion of Capital on a World Scale', p. 14.
234. Ibid., p. 16.
235. John Taylor, From Modernization to Modes of Production (Great Britain, 1979), p. 235.
236. Palloix, op. cit., p. 14.
237. No doubt, the reason for the failure of the internationalization approach on this score, and the relative success of the articulationist perspective, relates back to the respective objects of the two discourses. The internationalization approach attempts to explain the emergence

and dynamics of the international capitalist economy, and not the uneven levels of development which prevail between countries. On this point, see Barkin, op. cit., p. 156.

238. Hamza Alavi, 'India and the Colonial Mode of Production'. In Ralph Miliband and John Saville, eds., The Socialist Register (London, 1975), p. 171.
239. Ibid., p. 172.
240. Ibid., p. 174.
241. Ibid.
242. Perry Anderson, Lineages of the Absolutist State (London, 1975), p. 401.
243. Ibid.
244. Ibid., p. 402.
245. Ibid., p. 403.
246. Ibid. Apart from acknowledging the looseness with which Laclau uses the term feudal, I feel I cannot at this point take a position on what the actual mode of production prevailing in the Latin American countryside is--if it is even a single mode of production, and not a combination of different modes. However, I am sure that it is not capitalism, as the predominant social relations of production are not those of the capitalist mode. Several recent studies using the modes of production approach have claimed that "the main concrete form of articulation between the capitalist and non-capitalist sectors in twentieth century Latin America is simple commodity production in all its varieties, rural and urban". (Henfrey, 'Dependency, Modes of Production, and the Class Analysis of Latin America', p. 46). Yet, this position has its difficulties, as well.
247. Alavi, 'India and the Colonial Mode of Production', p. 175
248. Ibid.
249. Ibid., p. 176.
250. Ibid., p. 182.
251. Ibid., p. 191.
252. Ibid., p. 184.
253. On these inherent difficulties, see Foster-Carter, 'The Modes of Production Controversy', p. 72.

254. Doug McEachern, 'The Mode of Production in India', in *Journal of Contemporary Asia*, Vol. 6, 1976, p. 451.
255. This is the position of Warren, as well, who has labelled the articulationist viewpoint as 'anti-Marxist in the literal sense'. The Marxist position, he says, "does not deny the possibility of preservation of pre-capitalist modes of production in specific cases; but it regards such cases as transitory, exceptional, or secondary, since the economy and society as a whole will be unable to resist the erosive and disruptive pressures of the capitalist market indefinitely". (Bill Warren, Imperialism: Pioneer of Capitalism (Great Britain, 1980), p. 154).
The articulationist school, of course, by no means argues that third world formations will indefinitely be able to resist the disruptive pressures of the capitalist world market. However, it is denied that cases of preservation of pre-capitalist modes are transitory, exceptional, or somehow secondary.
256. Foster-Carter, op. cit., p. 72-3.
257. Laclau, Politics and Ideology in Marxist Theory, p. 48.
258. Ibid.
259. Ibid.
260. Ibid., p. 48-9.
261. Foster-Carter, op. cit., p. 63.
262. Balibar, Reading Capital, p. 302.
263. Balibar, quoted in Laclau, op. cit., p. 48-9.

CHAPTER 4 - CONCLUSION

- I. SUMMARY
- II. IMPLICATIONS FOR MARXIST THEORY
- III. IMPLICATIONS FOR DEVELOPMENT

CHAPTER FOUR

CONCLUSION

I. SUMMARY

Dependency theory, which arose initially as a response to western bourgeois developmental theory, clearly exposed the pretensions of this theory to scientific status. 'Stages' of economic growth, far from being the same for all countries in all historical periods, were in fact shown to differ greatly for different countries in different historical conjunctures.

In addition, the ideological content of a theory which stated that the crucial determinant vis-a-vis development was the extent to which a country was receptive to foreign capital was thus revealed by dependency as little more than a rationale for imperialism: the export of capital from the advanced capitalist economies to the periphery. Thus, the 'unmasking' of the ideological bias of western developmental theory still stands, as perhaps the most important contribution made by the dependency school.

However, the theoretical system with which dependency proposed to undertake an examination of the reasons for what it termed the 'underdevelopment' of the peripheral nations--the theoretical system offered as a replacement for the so-called Sociology of Development--has itself been unmasked as inadequate to its object.

Thus, it has been shown that the essential mistake made by the theorists of dependency was to fetishize spatial relationships: to conceive of exploitation, not in class terms, but as occurring between nations, or

geographical units. Yet nations do not act. Nations are but abstractions, in fact composed of concrete social classes--social classes which exploit within societies, while exchanging outside of them.

By definition, the fetishization of spatial relations thus precludes an investigative analysis of class formation, and must produce an ideal-type non-history which explains the course of world historical development in terms of some nations 'exploiting' other nations. Dependency's difficulties in this area are to be traced back to Baran's notion of the 'economic surplus', which lends itself to the idea of one nation extracting another's surplus. If Baran, and dependency after him, had substituted for the notion of economic surplus Marx's concept of surplus-value, it would, again by definition, have placed class analysis at the forefront of investigation.

Therefore, because dependency begins with spatially-defined regions, and not concrete social classes, it has no choice other than to focus in on exchange between nations, and not on production within nations, on production relations--that is, on class and class structures. Thus, the central thrust of dependency is to ignore class relations not only within the periphery, but also within what it terms the metropolis. Thus, dependency fails to analyze the dynamics, or laws of motion, of the capitalist mode of production, dominant within the 'metropolis' and on a world scale as well, and imperialism, which preceeds from this mode.

Yet, above all else, dependency was wrong to theorize the impossibility of development within the social formations of the third world. The metropole, or advanced capitalist formations, far from having an interest in keeping the countries of the third world 'underdeveloped', in fact has a direct material interest in the development and industrialization of these countries. This is so because of the fact that the structure of monopoly

capital in the imperialist countries has changed. Late capitalism (to use Mandel's phrase) today exports machines, vehicles and equipment goods, along with capital. Thus, in order to use these goods, third world societies must be in the process of industrialization. Otherwise, they couldn't use these goods. As Mandel states,

[i]n the final analysis it is this--and not any philanthropic or political consideration--which constitutes the main root of the whole 'developmental ideology' which has been fostered in the 'Third World' by the ruling classes of the metropolitan countries.¹

As it is not really possible to resolve the tension between dependency and development, neither is it possible to integrate dependency with the Marxist theory of imperialism--to claim for dependency the status of a 'problem' within Marxist theory. Rather, dependency theory must be situated outside of Marxism. For what dependency suggests is that capitalism develops, not on the basis of the extraction of surplus labour, and hence of surplus value, from the direct producers, but on the basis of the extraction of one country's economic surplus by another--the exploitation of one country by another, of the periphery by the metropolis. And this constitutes a fundamental revision of Marx's method.

To understand the impact of capitalism on the less-developed countries--to understand the uneven levels of development that prevail within the world economic system--capitalism must first be conceptualized as a mode of production, a mode of production with its own dynamic, its own laws of motion and of development. This is precisely what dependency lacks: the concept of mode of production, the notion of capitalism as a specific mode of production.

As a result of this omission, one finds no analysis in dependency

of the different modes of production that were dominant in the social formations of the third world prior to their penetration by the capitalist mode. Such an analysis is precluded, in fact, when dependency defines all third world social formations as 'fully capitalist'.

Dependency, its variants, and the thesis of 'unequal exchange' must therefore be rejected in favour of a theory which begins with the initial historical development of the capitalist mode in Europe, and a subsequent periodization of that mode in terms of its relations with the pre-capitalist modes that dominated social formations outside of Europe.

As the transition to dominance by the capitalist mode in Europe and North America was not made possible primarily through the appropriation of the surplus product of peripheral societies, neither was this the reason why development within the periphery has taken the peculiarly restricted form that it has. Rather, the transition to capitalism in the advanced capitalist countries was made possible only through the progressive development of the productive forces, and not from the redistribution of a surplus product from the periphery to Europe.

This development of the forces of production depended precisely upon the presence, and eventually predominance, of capitalist relations of production; the capital/wage-labour relation. It is class relations of free wage-labour which allow capitalism to develop the forces of production through accumulation. Thus, it becomes apparent that capitalist class relations are in fact the basis for, and not the result, of the progressive development of the forces of production. In fact, changes in the relations of production typically precede the further development of the productive forces.²

Because dependency fails to examine the different relations of production characteristic of different modes of production, it cannot even

pose the question which must be asked at this point, which is why relations of production characteristic of pre-capitalist modes of production continue to reproduce themselves in social formations clearly dominated by the capitalist mode of production; that is, why the capitalism of the advanced economies has an interest in the preservation of these pre-capitalist production relations--in short, why capitalism has an interest in the preservation of pre-capitalist modes of production.

The articulationist perspective, on the other hand, does ask these questions. To begin with, articulationism understands development in the third world as capitalist development. Unlike dependency, which sees imperialist penetration as blocking economic development, articulationism sees imperialist penetration as creating the preconditions for the development of capitalism within these formations.

Beginning with an account of the historical development of the capitalist mode of production within Europe, articulationism periodizes this development in terms of analyzing the effects of capitalist penetration of social formations dominated by pre-capitalist modes of production. Thus, it examines the historical development of non-capitalist social formations, and the effects of various forms of capitalist penetration upon them--the historical process by means of which capitalist production relations come to predominate over, and to articulate with, pre-capitalist relations of production.

As Marx made clear, capital presses outward from the centre, its historic birthplace, towards the periphery in order to combat the tendency for the rate of profit to fall. The lower organic composition of capital in the periphery increases the rate of profit on invested capital. Thus, the

too-rapid destruction of the modes of production dominant in peripheral social formations--modes of production characterized by pre-capitalist production relations--would impede the functioning of capitalism itself. Therefore, during an entire historical period, capitalism must reinforce the existing pre-capitalist relations of production in peripheral social formations. The tendency, of course, is towards the complete destruction of pre-capitalist modes of production. Yet this remains but a tendency, and is counteracted by the continued existence and reproduction of the forces and relations of pre-capitalist modes of production.

Pre-capitalist modes of production come to exist on the basis of capitalism, and are accordingly modified. Thus, as Nabudere states,

the hitherto existing modes of production and social formation were subjugated and made 'answerable' to the dominant capitalist mode on a world scale. This did not imply that all the forms of production relations of the old modes were immediately destroyed. On the contrary, those that suited the new capitalist property relations were preserved to serve it, their original essence having been destroyed by capital.³

Thus, articulationism defines third world societies as social formations in which several different modes of production co-exist, and studies these laws of co-existence and hierarchy.

The capitalist mode, imposed from the outside, is seen as dominant, though not exclusive. Contemporary third world social formations are thus defined as societies that have undergone transition to dominance by the capitalist mode of production; as being comprised of a dominant extended mode of production, capitalism, capable of self-reproduction through the operation of its laws of motion, and subordinate, restricted pre-capitalist modes of production, defined only in terms of their relations and forces of production, relations and forces subsumed under the dynamics of the dominant

capitalist mode.

Yet the transition that these social formations have undergone has led to their dominance by a specific form of uneven and restricted capitalist development, whose reproduction depends upon an effective domination of imperialist penetration of various sectors of the economic structure of third world economies. Thus, we find development restricted to certain sectors only--most notably, to the raw materials extractive sector. This sector is directed towards meeting the reproductive requirements of the advanced capitalist economies, and depends upon penetration by foreign capital.

Third world formations thus exhibit a reproductive dependence on the enlarged reproduction of the advanced capitalist economies, a dependence which restricts their potential for balanced economic growth. In other sectors of third world economies, most notably agriculture, pre-capitalist production relations continue to reproduce themselves, putting up a barrier to the extension of capitalist relations of production, thereby acting as 'fetters' on further capitalist development.⁴

II. IMPLICATIONS FOR MARXIST THEORY

Marxist theory, as we have seen, has historically been deficient in the manner in which it has theorized pre-capitalist modes of production. Often, these modes have been specified only in terms of their differences from capitalism--a type of explanation pioneered by Marx himself. Yet, obviously, such a procedure is insufficient. As Anderson notes, a precondition of establishing a comprehensive typology of pre-capitalist modes of production is an exact taxonomy of the political, legal and ideological super-structures which define them, "since these are what determine the type of

extra-economic coercion that specifies them."⁵

If Marxism has been historically deficient in the manner in which it has conceived of pre-capitalist modes of production, then it should come as no surprise to realize that Marxism has also been deficient in the manner in which it has theorized the relationship of capitalism to pre-capitalist modes of production. In fact, not only has Marxist theory traditionally been lacking in the manner in which it has explained the relationship, or articulation, between capitalism and pre-capitalist modes dominant within third world formations, but it has also been deficient in the manner in which it has conceived of the transition to capitalism in Europe itself.

If Marx was correct to insist on the distinction between the genesis, and the structure of modes of production, "he was also wrongly tempted to add that the reproduction of the latter, once assured, absorbed or abolished the traces of the former altogether."⁶ Thus, in order to grasp the secret of the emergence of capitalism in Europe,

it is necessary to discard in the most radical way possible any conception of it as simply an evolutionary subsumption of a lower mode of production by a higher mode of production, the one generated automatically and entirely from within the other by an organic internal succession, and thereby effecting it... Even triumphant capitalism itself--the first mode of production to become truly global in reach--by no means merely resumed and internalized all previous modes of production it encountered and dominated in its path. Still less did feudalism do so before it, in Europe. No such unitary teleology governs the winding and divided tracks of history in this fashion.⁷

As Anderson has shown, contrary to all structuralist assumptions, there was no inherent drive within the feudal mode which inevitably compelled it to develop into capitalism. Rather, the concatenation, or synchronic articulation, of both the ancient slave and feudal modes of production was necessary in order to yield the capitalist mode of production in Europe. Thus,

the course towards capitalism reveals a remanence of the legacy of one mode of production the ancient slave mode within an epoch dominated by another the feudal mode , and a reactivation of its spell in the passage to a third the capitalist mode .⁸

Historically, Marxist theory has conceptualized capitalism's relations with other modes of production only in terms of their incorporation and subordination as autonomous modes. Thus, Marxism has tended to see only one side of the process, the dissolution of pre-capitalist modes due to the corrosive influence of capitalism, and not the other--namely, the conservation, in 'stunted' form, of pre-capitalist modes of production and their elements. This is an oversight that must be corrected, if Marxism's claim to scientific status is to have anything more than a polemical meaning attached to it.

Neither in the third world, nor even in Europe itself, can capitalism's relations with pre-capitalist modes be reduced to the simple dissolution of the pre-capitalist mode of production, to a simple subsumption of a lower mode of production by a higher one. Thus, as Anderson remarks, in reference to the European transition to capitalism,

the actual movement of history is never a simple change-over from one pure mode of production to another: it is always composed of a complex series of social formations in which a number of modes of production are enmeshed together, under the dominance of one of them. This is, of course, why the determinate 'effects' of the ancient and preimitive-communal modes of production prior to the feudal mode of production, could survive within mediaeval social formations in Europe, long after the disappearance of the Roman and Germanic worlds themselves.⁹

III. IMPLICATIONS FOR DEVELOPMENT

Dependency theory's prescription for development is for the underdeveloped countries to break free from their dependence on the advanced capitalist economies and achieve non-satellite status. Unfortunately, this is precisely where dependency theory is at its weakest, as Taylor argues, and not simply for the reason that dependency nowhere specifies how the less-developed countries of the periphery are to break free of imperialist domination.

For the logic behind this prescription is that the simple 'removal' of capitalist penetration will, in some undefined manner, 'create' the required conditions for development. Yet this assertion is as unfounded as the assertion of modernization theory that penetration by foreign capital will create a basis for indigenous capitalist development.¹⁰

In spite of the fact that some dependency theorists do call explicitly for non-capitalist paths of development, the fact remains that dependency's prescription leaves open the possibility for local capital, whether it be private or state, to simply replace foreign capital. Thus, the danger of dependency theory degenerating into nothing more than an ideological substantiation of capital accumulation on the part of the local dominant classes in the third world becomes clear, and should serve as a warning to all those who would 'marry' Marxism with dependency.

Many countries in the third world are today experiencing massive development of the forces of production due to penetration by foreign capital. Yet the question remains as to whether or not this development benefits the mass majority of the populations of these countries.

The evidence at hand indicates dramatically that this is not the case. Penetration by foreign capital in fact accelerates the relative impoverishment of these populations, making it absolute. Millions of people in the third world, having been expropriated from their property in land held under traditional pre-capitalist social arrangements, find themselves propertyless and poverty stricken. Forced into the slums of the cities, these people have no alternative other than to become wage-labourers (if they can find employment), and to procure their means of subsistence in the commodity economy.

The situation as regards those sections of the population still residing on the land, engaging in pursuits organised along non-capitalist lines, or those sectors who work in traditional pursuits for part of the year, and who sell their labour power for a wage for the other part, is perhaps not as drastic. Yet, even for these sectors, the tendency is towards an absolute worsening of their conditions of life, as private property in land is increasingly concentrated in smaller and smaller numbers of hands, and more and more people are forced out of the traditional economy altogether.

If the immense majority of the populations of the third world are to benefit from economic development, and not just small minorities tied to world imperialism, it will be necessary for this development to acquire a non-capitalist character.

What the capitalist mode of production does, above all else, is, as Marx stated, to create the preconditions for socialism. Thus, imperialism has produced the fundamental prerequisite for socialism in the third world: a proletariat, divorced from the means of production, forced to sell its labour-power to a capitalist for a wage.

Perhaps nowhere in the third world have the productive forces matured to the extent that a workers and peasants revolution, forced to move on to socialist measures in the face of its own bourgeoisie and world imperialism, could complete the construction of a socialist society. However, it is true that each anti-capitalist revolution in the third world does weaken the power of capital on a world scale. Hopefully, this brings us closer to the day when capital can be expropriated in its historical homeland.

Footnotes to Conclusion

1. Ernest Mandel, Late Capitalism (London, 1978), p. 65. Interestingly enough, Mandel notes that, while capitalist commodities created and conquered the capitalist world market, "at the same time it did not everywhere universalize the capitalist mode of production. On the contrary, in the so-called Third World it created and consolidated a specific mixture of pre-capitalist and capitalist relations of production which prevents the universalization of the capitalist mode of production, and especially of capitalist large-scale industry, in these countries. Therein lies the chief cause of the permanent pre-revolutionary crisis in the dependent countries for over half a century, the basic reason why these countries have so far proved to be the weakest links in the imperialist world system." (Ibid., p. 61.).
2. On this point, see Perry Anderson, Passages from Antiquity to Feudalism (London, 1978), p. 204. Quoted by Ralph Miliband, 'Political Forms and Historical Materialism', in Ralph Miliband and John Saville, eds., The Socialist Register (London, 1975).
As Anderson writes, "...contrary to widely received beliefs among Marxists, the characteristic figure of a crisis in a mode of production is not one in which vigorous (economic) forces of production burst triumphantly through retrograde (social) relations of production, and promptly establish a higher productivity and society on their ruins. On the contrary, the forces of production typically tend to stall and recede within the existent relations of production; these then must themselves first be radically changed and reordered before new forces of production can be created and combined for a globally new mode of production. In other words, the relations of production generally change prior to the forces of production in an epoch of transition, and not vice-versa."
3. Dan Nabudere, The Political Economy of Imperialism (London, 1978), p. 235.
4. Concerned to refute the view that alleges the impossibility of development in the third world within a capitalist framework (i.e. dependency), Warren sees little else other than "titanic strides forward in the establishment consolidation, and growth of capitalism in the Third World..." (Bill Warren, Imperialism: Pioneer of Capitalism (Great Britain, 1980), p. 252).
While admitting that development has been highly uneven, Warren nonetheless, leaves his reader with a picture of a "vibrant, 'grass-roots' capitalist development in the Third World..." (Ibid., p. 253) with the added implication that the countries of the Third World are now embarked on a course of capitalist development that will result in "movement towards the present characteristics of advanced countries..."

(Ibid., p. 250).

Yet, if the characterization of capitalist development in the third world as uneven and therefore restricted is correct, it is obvious that movement towards the present characteristics of advanced countries--i.e. movement towards balanced economic growth, something that not even advanced countries are, or even have been, guaranteed--will never come about in third world formations in which the capitalist mode is dominant. In fact, the best that these countries can hope for is that the advanced capitalist nations to which they have 'hitched' their own development will suffer no interruptions in their own accumulation processes. Such interruptions, as the present economic crisis clearly shows, have the effect of vastly retarding the development of the productive forces, not only in the advanced capitalist economies, but especially in the third world.

For a thorough-going critique of the Warren thesis, see Philip McMichael et al., 'Imperialism and the Contradictions of Development', in N.L.R. no. 85.

5. Perry Anderson, Lineages of the Absolutist State (London, 1975), p. 404. Here, the debate surrounding Marx's conceptual construction of an 'Asiatic' mode of production should be mentioned. In a 'note' on the concept of the Asiatic mode in his Lineages of the Absolutist State, Anderson claims that the indices of divergence between Islamic, Indian and Chinese civilization--all examples of social formations dominated by the Asiatic mode, according to Marx--are simply too great to merely assimilate these civilizations together "as simple examples of a common 'Asiatic' mode of production." (Anderson, Lineages, p. 548). Thus, Therborn has claimed that this notion's claims to scientific status have effectively been demolished (Goran Therborn, Science, Class and Society (Great Britain, 1980), p. 378 ft). Krader, on the other hand, continues to uphold the validity of the notion of the Asiatic mode. See his The Asiatic Mode of Production (Assen, 1975), p. 314-15, p. 327-39.
6. Anderson, Lineages, p. 421.
7. Ibid., p. 420-41.
8. Ibid., p. 421.
9. Ibid., p. 423.
10. Taylor, From Modernization to Modes of Production, p. 96-8.

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