

# Underdevelopment as Super-exploitation: Marini's Political-Economic Thought

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## Abstract

This paper presents an appreciation of the originality and salience of Ruy Mauro Marini's political-economic thought, specifically that he posits the super-exploitation of labour as the driving category of capitalist underdevelopment.

Writing from the Marxist wing of the Latin American dependency school, Marini made a novel contribution that addresses the continent's unequal exchange with Britain from the mid-nineteenth century onwards. Marini derives super-exploitation from the import of cheap food and raw materials sought by the most developed capitalist nation. An inequality between capitals sets in, the primary export-producing capitals compensate for their lowering prices and lower rate of profit by driving down wages. Through this mechanism, Marini connects super-exploitation in the raw material exporting countries with the consolidation of relative surplus value in the developed countries. Once super-exploitation (a higher rate of surplus value) is established it shapes the dependent social formation.

The paper explores Serra and Cardoso's critique, arguing that Marini's response in the debate raises a fundamental issue: distinctive combinations of absolute and relative surplus value as the explanation for the divergent social formations of developed and underdeveloped capitalism.

The paper examines the relationship between super-exploitation and the mechanisms of increasing surplus value. It argues for sympathetic modifications to Marini's argument, principally that price tends to cost of production rather than value. This refers to the necessary divergence of price from value in a system of sectors with different value compositions of capital, as unfolded by Marx in the early chapters of Volume 3 of *Capital*. This modification reinforces the general direction of Marini; however it introduces complications into the limiting assumptions of Marx's transformation schema.

The paper concludes that the revolutionary wing of the Latin American dependency theory provides a fruitful and necessary conceptual basis for the analysis of capitalist imperialism.

**Warm up exercise:** The four Mars test – how many of you have heard of/read? Marx, Martí, Mariátegui, Marini ?

## Introduction

Marini provided a novel analysis: an original theoretical synthesis on the fundamental role of super-exploitation that should be placed at the centre of future work on imperialism. The Marxist wing of dependency school is largely ignored in English language reviews, except by Cristobal Kay, who reviews the work of Marini and his debate with Cardoso (Munck 1981 mentions, but does not enter the debate). The Marini-Cardoso debate is hugely important politically – it's on a par with Bernstein and Luxemburg, and the issue at stake is fundamentally the same, reform or revolution, except here in the Latin American context. The debate certainly generated heat, but also light through a dialectical clarification of the concepts.

In Latin America at least, it is the work of Ruy Mauro Marini that is most associated with founding 'the Marxist theory of dependency'. (Sotelo 2002: 5; see also Chilcote 2009). Marini's critical breakthrough was to connect dependency and underdevelopment with the super-exploitation of labour. His theory illuminated and resonated with the experience of Latin American workers, both as Latin Americans and as workers.

As Sotelo explains, the concept of super-exploitation is central to the interconnected strategic concepts theorising Latin American reality, including: unequal exchange; sub-imperialism and the state; and a bourgeoisie integrated with imperialism. Marini's first significant work, *Subdesarrollo y Revolución* published in 1967, places him firmly in the dependency tradition; following A G Frank, Marini argued that

“the history of Latin American underdevelopment is the history of the development of the world capitalist system”.

Marini introduces the concept of super-exploitation *Subdesarrollo*, but it is in *Dialéctica de la Dependencia* published in 1973 that he develops the idea systematically, and responds to some initial criticism from Cardoso. There is a fuller response from Marini published in 1978, and in 1979 he published "*Plusvalía extraordinaria y acumulación de capital*", in his own estimation a necessary complement to *Dialéctica*. I am not here writing a full appreciation of Marini's political-theoretical contribution, but rather a rudimentary introduction and will concentrate on the relevant aspects of just these four closely related works.

*Sub y Rev* is a broad-brush historical materialist interpretive analysis starting with the late nineteenth century inflow of foreign capital, with special focus on Brazil. Marini introduces the concepts of super-exploitation and sub-imperialism. From the examples given, super-exploitation could be easily understood as absolute surplus value (with some ambiguities), however at the same time Marini understands, indeed emphasises, that Brazil industrialised, i.e. through relative surplus value, under a technocratic military dictatorship. There is a strong emphasis in Marini on intra-bourgeoisie faction fights

being portrayed as a struggle of the masses, especially through the political form of populism.

### **Direct Commentary on *Dialéctica de la dependencia* (DD)**

Marini here approaches Latin America's condition of dependency dialectically. He notes that hitherto Marxists have fallen into two types of error when analysing capitalism in Latin America. The first type of error is of a doctrinaire orthodoxy, characteristic of economic histories, that seeks to render Latin America through pre-given theoretical categories giving rise to a parallel discourse between the abstract and the concrete. The second type of error, characteristic of Marxist sociological studies, is an eclecticism whereby social phenomena are explained by recourse to other theories that rather than an enrichment of Marxism, are its negation.

The difficulty is real, one that arises because the Latin American economy presents peculiarities or deformations when measured against a 'pure capitalism'. It is therefore not accidental that some studies conceive of it as being pre-capitalist, but what needs to be understood is that capitalism in Latin America "will never be able to develop in the same way as it has developed in the capitalist economies that are called advanced."

The challenge then is to study and explain "the particular form that dependent Latin American capitalism ended up adopting".

In DD, Marini places the necessity of super-exploitation of labour *before* the appearance of imperialism as a world system as portrayed by Lenin, and not in the export of capital, nor in the export of commodities per se, but more specifically in the import of commodities into the most developed capitalist countries. Marini's analysis is tied to Britain's imperial relations from the mid-nineteenth century, which Lenin also pointed to as anticipating elements of imperialism as a world system.

He argues: "The full development of capitalism in England was based on cheap food imports allowing full specialization on industry. Industrialisation and urbanisation could not have taken place if they hadn't counted on agriculture means of subsistence supplied in large part from Latin America. This allowed the industrial countries to become world producers of manufactures."

Marini presses the point theoretically as well as historically:

"Beyond facilitating quantitative growth, the participation of Latin America in the world market would contribute to the axis of accumulation of the industrial economy displacing from the production of absolute surplus value to relative surplus value, that is to say, that the accumulation depended more on the increase in productivity of the worker more than their simply their exploitation. Nevertheless, the development of Latin American production, that allowed the region to cohelp this qualitative change in the central countries, is due fundamentally to a greater exploitation of the worker. It is this contradictory

character of Latin American dependency, that determines the relations of production in the overall capitalist system, which must claim our attention.”

The shift to modern industry and production of relative surplus value had as a condition greater exploitation of the Latin American worker.

In Marini’s argument, the secret of unequal exchange relies on first clarifying the nature of relative surplus value:

“It is essential to clarify the confusion that often occur between the concept of relative surplus value and productivity. In effect, although it constitutes the condition for relative surplus value, a greater productive capacity does not in itself assure an increase in relative surplus value.”

He argues that

“Increase in labour productivity leads to more than a proportionate increase in consumption of raw materials, this is associated with an increase in the value composition of capital, we have at the same time an increase in the rate of surplus value and a decrease in the rate of profit.”

“This contradiction, (trpf) which is crucial for capitalist accumulation, is counteracted through various means, directed at increasing the surplus value even more, with the parallel of lowering constant capital to brake the decline taking place.”

Marini distinguishes between the organic composition of capital, the reflection in value relations of greater productivity, and the value composition as such. Latin American imports can be either raw materials or foodstuffs,

“Latin America does not only feed the quantitative expansion of the capitalist production in the industrial countries, but contributes to overcoming the stumbling blocks that the contradictory character of the accumulation of capital creates to its expansion.” [15]

He argues that the international market price of LA commodities is below their value; and that to compensate for this squeeze on their profits, Latin American producers suppress wage levels below the value of labour power, this is the driver for super-exploitation.

The problem presented by unequal exchange for Latin America is not precisely that of counteracting the transfer of value, but more to compensate for a loss of surplus value, which, incapable of stopping at the level of international relations, the reaction of the dependent economy is to compensate for it in the dimension of internal production. The increase in the intensity of work appears, in this

perspective, as an increase in surplus value, achieved through a greater exploitation of the worker and not in an increase in his productive capacity.

In other words Marini proceeds from circulation to production in the free trade period to establish the logical necessity of super-exploitation. He then proceeds to analyse class dynamics in the dependent economy founded on super-exploitation. The core problem for dependent economies is that their

“axis of articulation was constituted by the industrial countries, and centred moreover in the industrial countries, Latin American production did not depend on the consumption capacity of the internal market for its realization”

Although not an underconsumptionist, Marini recognises the underconsumption of the masses as a huge problem in the dependent economies geared to the export of commodity production. He takes forward the analysis to the industrialisation of the mid -20th century and later turns of the spiral, neither of which overcame this problem.

### **Marx and Marini**

Its important that Marini sought to establish

“an intermediate theory, based on Marx’s theoretical construction, that would lead to an understanding of the carácter of underdevelopment and dependency of the Latin American economy and its specific legality”

The strength of Marini’s argument is that it both fits in with and develops Marx’s theory of capitalism *as a system*. To grasp how this dialectic of theory and perspective works we need to recall the discussion in Chapter 16 of Volume 1 of *Capital* entitled ‘Absolute and Relative Surplus Value’ where Marx states:

“Once the capitalist mode of production established and become general, the difference between absolute and relative surplus-value makes itself felt, whenever there is a question of raising the rate of surplus-value. Assuming that labour-power is paid for at its value, we are confronted by this alternative: given the productiveness of labour and its normal intensity, the rate of surplus-value can be raised only by the actual prolongation of the working day; on the other hand, given the length of the working day, that rise can be effected only by a change in the relative magnitudes of the components of the working day, viz., necessary labour and surplus-labour; a change, which, if the wages are not to fall below the value of labour-power, presupposes a change either in the productiveness or in the intensity of the labour.”

But what about the assumption that labour-power is paid for at its value? Marx introduces Chapter 17 ‘Changes of Magnitude in Price of Labour-Power and in Surplus-Value’ with the following:

“The value of labour-power is determined by the value of the necessaries of life habitually required by the average labourer. The quantity of these necessaries is known at any given epoch of a given society, and can therefore be treated as a constant magnitude. What changes, is the value of this quantity”.

Marx does say there are two other factors, but excludes them from the investigation. He comes again to the double constraint at this point in the analysis:

“I assume (1) that commodities are sold at their value; (2) that the price of labour-power rises occasionally above its value, but never sinks below it.”

‘On this assumption’ Marx then considers in detail the interplay between three factors determining ‘the relative magnitudes of surplus-value and of price of labour-power’:

- “(1) the length of the working day, or the extensive magnitude of labour;
- (2) the normal intensity of labour, its intensive magnitude, whereby a given quantity of labour is expended in a given time;
- (3) the productiveness of labour, whereby the same quantum of labour yields, in a given time, a greater or less quantum of product, dependent on the degree of development in the conditions of production.”

The assumption that commodities are sold at their value is, as we know, relaxed in Volume 3 where the necessary divergence of price from value of commodities that are the product of capitals is examined, through the analysis of a series of mediating concepts. But what are we to make of the assumption Marx makes here that the price of the special commodity labour-power never sinks below its value? The commodity labour-power is different to all others, it is not a direct product of capital, rather it is the product of social reproduction through class society. But what of labour-powers reproduced in significantly *different* class societies, rather than in one given society? It is exactly this possibility, *operating at the same level of abstraction as absolute surplus value and relative surplus value* within the established capitalist mode of production, that Marini’s treatment obliges us to confront.

Marini suggests at this point that super-exploitation can be best understood as a modification of Marx’s concept of absolute surplus value;

“The same thing would be able to say of the extension of the workday, that is to say, of the increase of the absolute surplus value in its classical form; as opposed to that, what is treated here is to simply increase the time of surplus labour, that is that in which the laborer continues producing after having created an equivalent value to that of the means of subsistence for his own consumption. There would have to be indicated, finally, a third procedure, that consists of reducing the consumption of the laborer beyond its normal limit, by which "the necessary fund of consumption of the laborer is converted in fact, inside certain limits, in a

capital accumulation fund" ,[19] implying thus a specific way of enlarging the time of surplus labour.”

Returning again to Marini’s concept of super-exploitation:

“So now, the three mechanisms identified —the intensification of work, the extension of the working day and the expropriation on behalf of the necessary work to the laborer to replace its labor force— configure a way of production founded exclusively in the greater exploitation of the worker, and not in the development of his productive capacity”

He goes on:

“In capitalist terms, these mechanisms (that besides can occur, and normally do occur, in combined form) signify that the labour [power] is paid under its value, [22] and they correspond, therefore, to a super-exploitation of labour.”

### **Cardoso’s Critique**

At first sight Marini’s concept of super-exploitation is none other than a synonym for absolute surplus value, a point which Cardoso seizes on. Cardoso asks, if the periphery is defined by absolute surplus value how can it industrialise, ie. how is that capital in the periphery can adopt production methods of increasing relative surplus value?

The second main critique is this, Cardoso agrees that:

“there is a real tendency in existence to maintain a wage differential to the damage of the workers in the periphery. That is important economically and politically, provided that it be understood that the base dynamic of that relation is the process of the class struggle, and not an imaginary iron law. But Marini inverts the analysis and trips in the logic. He inverts because he takes as cause, instead of the real history, a tendency that he supposes theoretically to exist. And it trips because confuses cat with the hare.”

(cats and hares I think that this means putting the cart before the horse (??))

### **Marini’s Response to Cardoso**

Methodologically, Marini argues that Marxism needs to explain the class struggle:

“to examine the abstract as well as the concrete. Even though marx said history is the history of class struggle he distinguished the capitalist mode of production and studied its laws and contradictions in order to arm the proletariat in its struggle against the bourgeoisie. He constructed a conceptual apparatus of how the proletariat struggles in this mode of production”

Within the capitalist mode of production, then, for Marini (taken from his immediate response in DD):

“the dependent economy – and hence labour superexploitation – appears as a necessary condition of world capitalism, contradicting those, like Fernando Henrique Cardoso, understand it as an accidental event in its development.”

Cardoso is wrong to confuse super-exploitation with absolute surplus value, Marini argues, and it is false to portray Marini’s thesis as that “That the capitalist development of Latin America excludes increasing productivity”

Cardoso himself is only interested in relative surplus value. His error lies in assuming that the higher form of surplus value *precludes* other forms. In contrast, Marini argues

“First, that capitalist production, on having developed the productive force of labour, does not suppress but accentuates, the greater exploitation of the worker; and second, that the combinations of forms of capitalist exploitation are carried out in an unequal way in the setting of one system, generating socially different formations according to the predominance of a certain form”.

There has to be a different type of capitalist development in the dependent country, that does not block industrialisation, but conditions it. In the context of industrialisation of Brazil and LA:

*“The problem then is to determine what character the production of relative surplus value and the increase in labour productivity assumes in the dependent economy.”* (emphasis in original)

Marini made further clarifications in 1978:

“In conditions marked by a net technological superiority in the advanced countries, the dependent economies had to fall back on a compensation mechanism that, allowing the increase in realised value and surplus value, as well as its rate, would counteract at least partially the losses of surplus value that it had to subject itself to; this mechanism was the super-exploitation of labour. This explains the strong development of the Latin American export economy, despite the unequal exchange, and the transfer of value that this implied.”

“Labour superexploitation is spurred by unequal exchange, but does not derive from it, but from the profit [fever?] that the world market creates, and is based fundamentally in the formation of a relative surplus population. But once an economic process based on super-exploitation gets going, it sets in motion a monstrous mechanism whose perversity, far from mitigating, is accentuated on the increase of the productiveness, by means of the technological development, is also applied in the dependent economy.” [10]



“My central thesis, upon which I insist in all my texts, is other: dependent capitalism, based on the super-exploitation of work, divorces the productive apparatus from the necessities of consumption of the masses, aggravating a general tendency capitalist mode of production; that is expressed, at the level of diversification of the productive apparatus, in the monstrous growth of sumptuary (luxury) production, with respect to the necessary goods production sector and, therefore in the equivalent distortion registered in the capital goods sector.”

### **Evaluation of Marini**

Marini’s main strengths are, in my evaluation:

- a) he seeks to show inductively and deductively, i.e. dialectically, how dependency comes about through the workings of the capitalist system.
- b) he adopts a consistent class standpoint, he puts working class to the fore, both in his analysis and politically
- c) his concept of super-exploitation is a mode of extra-exploitation that does not exclude absolute surplus value and relative surplus value but interacts with these two forms, workers can be paid less and increase their productivity.
- d) he provides a basis, necessary but not sufficient, for tackling the question of unequal exchange.

But I also believe that Marini’s theoretical contribution is incomplete; his solution is only partially successful with respect to a) unequal exchange and b) the conceptualisation of super-exploitation against Marx’s surplus value categories. I say this not to diminish what I believe are huge achievements, Marini has already done enough to prompt a completely new reading of Marx.

### **Consequences of Marini’s Thought for Readings of Marx**

From this aspect, the laws of motion of what is presumed to be the capitalist system Marini’s analysis opens the following observations:

Imports of cheap foodstuffs and raw materials offset the tendency of the rate of profit fall;

The value composition of capital, proportion of constant capital to variable capital, will change for a reason other than the rise in organic composition due to increased productivity;

Modern Industry is based not only on the production of relative surplus value by

the factory workers, but on commodities supplied by labour overseas. Whilst Marx recognises this concretely in the cases of slave production of cotton (“the veiled slavery of the wage-workers in Europe needed, for its pedestal, slavery pure and simple in new world” p711) and Ireland (pp 652-666), Marini pushes this recognition further. Beyond the phase of primitive accumulation, the Latin American worker’s contribution was a condition of the transition from absolute surplus value to relative surplus value within the established and generalised capitalist mode of production, i.e. in the ‘free trade’ period.

What Marx termed the general law of capitalist accumulation, that production of surplus value expels labour and tends to generate a relative surplus population in society as a whole, has to be modified to take into account dependent capitalism.

Marini’s mode of analysis points out the divergent characteristics of export-oriented dependent capitalism in Latin America from modern industry capitalism in England and Europe, whilst retaining both within a conception of the system as a whole. But his conception of the system is not only social relations in Europe, the development of dependent capitalism is undeniably both part of the overall mode of production and is constrained and shaped by its subordinate relation within the system. The generalisation of capitalist production into Latin America involved more than the repetition and diffusion of existing forms, it involved new forms of surplus value extraction.

Note that this is a completely different framing than the Laclau, Althusser approach. The emphasis here is on modifying Marx’s ‘general law of capital accumulation’ rather than the so-called primitive accumulation. To put it succinctly, rather than the external articulation of the capitalist mode of production with pre-capitalist modes of production, what is here conceived is the articulation of different modes of exploitation of labour within the expanding capitalist mode of production. Of necessity this involves deepening the concept of capitalist mode of production to include the forms of exploitation characteristic of the dependent economies. This then is a theoretical challenge to be grappled with.

### **Developing the theory of Unequal Exchange**

The crucial point to get here is that *value follows cost of production*, not the other way round (as one might assume from Marx’s exposition). Marx’s explanation of how relative surplus value comes about provides an example of this chain of reasoning. The individual capital that first introduces machinery is able to take advantage of the extra productivity of its workforce by what Marx calls in Volume 1 the ‘individual value’ of the commodity which is less than the ‘social value’. The capitalist is able to sell at a price above the ‘individual value’ yet below the social value and reap not only normal surplus value, but an extraordinary surplus value.

[post presentation footnote: This thesis needs to be explored in relation to the opening chapters of Volume 3 and using Dussel’s careful delineation of mediating categories.]

What Marini shows above all is that to recognise dependency is not to forego class struggle nor abandon the struggle against one's own bourgeoisie. We might contrast this with the converse case, those northern Marxists whose efforts to deny dependency can only lead to the opposite, abandonment of the class struggle for the sake of compromise with their own bourgeoisie. Imperialism as atrocity: northern marxism generally in denial of the dependency thesis, in denial in Cohen's sense, both factual and interpretive denial.

### **General Conclusions**

Unequal exchange is real, even if we still do not have an adequate theory of it. Reality precedes the concept (Enrique Dussel)

Under capitalist production exploitation tends to super-exploitation (Balibar 1991:177); we conceive of super-exploitation specifically as a counteracting influence of the tendency of the rate of profit to fall.

This in turn raises a chain of distinct but ultimately combined contradictions in the economies dominated by super-exploitation and those benefitting from it; as we see in a world of currency wars, we used to say if pigs could fly, well now we have falling pigs and flying BRICSAs; in the confrontation of the G-2 within the G-20.

What distinguishes Marini from Frank is that he addresses political economy as system as well as history. What further distinguishes him from Frank is he analyses the relations of production as well as circulation.

Marini's is not only a theory of unequal exchange, but the phenomena of what is called unequal exchange can be understood from his class analysis of dependency.

Super-exploitation is the key concept in Marini's analysis that has concerned us here, in his words "la tesis central que allí se sostiene, es decir, la de que el fundamento de la dependencia es la superexplotación del trabajo"

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