

# Super-Exploitation and Dependency in Latin America

Adrián Sotelo Valencia\*

## Abstract

Dependency theory in the tradition of Ruy Mauro Marini emphasized the super-exploitation of labor and helped direct attention to capital's quest to further expropriate part of the consolidated consumption fund historically won by labor. Marini's work represented a significant departure from the ECLAC conception of vulnerabilities exhibited by developing countries, opting instead to take Lenin's theory of imperialism as the key point of departure for analyzing dependency. Marini was critiqued on intellectual grounds by more conservative dependency theorists such as Cardoso, Serra and Cueva, consequently blunting the critical leading edge of dependency theory. This exploration of Marini's critical Marxist formulation helps contextualize the continuing relevance of dependency theory for comprehending the ongoing class struggle and large-scale transformations of capitalism in 21st century Latin America.

## Keywords

Latin America, dependency theory, super-exploitation, Marxist political economy, capitalist globalization, sociology of development, imperialism, sociology of labor

## Introduction

In this article, the relationship between the concepts of dependency and exploitation is analyzed in the specific socio-historical context of contemporary Latin America. In the first section, the concept of labor exploitation is reassessed with regard to its role in Marxist theory. In the second, the rise of dependency theory is discussed and its principal components and approaches are set out. Then in the third part the debate and main arguments that have been put forth against the theory of labor super-exploitation are reviewed. Finally, the errors and limitations of these criticisms are highlighted and the current significance of dependency theory for the analysis of contemporary capitalism is considered, with particular emphasis on the theory of labor super-exploitation.

In order to understand the influential dependency approach put forth by Ruy Mauro Marini, one can first appreciate his definition of the exploitation of labor as found throughout his texts. We find that the system for ensuring the maximum exploitation of labor, in addition to increasing working hours and intensity and labor productivity, also attempts to expropriate part of the worker's consumption fund in order to convert it into an additional source of capital. These three mechanisms can be expressed in general terms as the practice of remuneration of labor power below its value, which implies the existence of an entire social system that yields low

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\* Adrián Sotelo Valencia, Center of Latin American Studies, Faculty of Political and Social Sciences, National Autonomous University of Mexico. Email: solova@gmail.com. Translated by Andy Higginbottom, Kingston University, UK.

wages for labor, insufficient for its reproduction under normal conditions.

Whether or not one agrees with Marini's views on dependency theory, what cannot be denied is the original contribution that he makes to the theorization of labor exploitation. His approach manages to connect, organically and dialectically, the realization of relative and absolute surplus value to the development of labor productivity, and therefore to technology. From this proposition, it is clear that dependency theory has no place among neoclassical theories of economic stagnation, as some critics claim, but instead encompasses the development of capitalism within macro and microeconomic conditions of structural dependency.

This is due to the following reason. Dependency, as understood in Marini's terms, implies the negation of the central belief that the UN Economic Commission for Latin America proposed from the very start, namely, that economic "autonomy" in Latin America would come with industrialization, import substitution, technical progress, and the development of internal markets. Not only has their thesis not proven true over the last three decades, but as Marini warned in various works<sup>1</sup> dependency has in fact deepened.

It is worth exploring in greater detail Marini's argument that Latin America contributed to the shift from absolute to relative surplus value in classic capitalism in England during the industrial revolution. It is argued that the region played this role particularly from 1840 onwards when it created a global food supply that affected the cheapening of the English labor force in the industrial revolution, thus helping to strengthen the transition towards the production of relative surplus value.<sup>2</sup> As one of his original contributions in this area, this idea forms the basis of any contemporary theorization of labor's super-exploitation.

In light of this approach, we are led to consider the role that contemporary Latin America is playing as a labor pool for the development of industrialized countries such as the USA, Western Europe and Japan – particularly in view of the conversion of many of our countries, such as México, into net importers of food and raw materials. The utilization of labor super-exploitation as a lever for the development of productivity implies a strong relationship between the increasingly "flexible" management of labor currently under way and the dynamic of technology deployment in Latin America.

The latter issue is of great importance as it relates to the introduction of production systems and work organization of a Toyotist nature that significantly increases the intensity of work and sponsors the improvement of productivity per employed laborer at the expense of wages and overall working conditions. This forms part of a historic process in Latin America. Indeed, from the very beginning, advanced capitalism articulated and subordinated labor in the appropriation of absolute surplus value through extended working hours and the intensification of the labor force, and relative surplus value (lowering the value of the labor force), at least from the time of the industrial revolution in England, and gradually incorporated workers in the consumption of goods

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<sup>1</sup> MARINI, R.M. *América Latina: democracia e integración*. Caracas: Editorial Nueva Sociedad, 1993.

<sup>2</sup> MARINI, R.M. *Dialéctica de la dependencia*. México: Editorial ERA, 1973. p.16.

produced by the factories of big industry.

It was this that influenced Marx himself in *Capital* to visualize the possibility of exploiting labor by reducing wages below the value of workforce as a phenomenon aimed at countering the tendency for the rate of profit to decline.<sup>3</sup> By conceptualizing this possibility as a long-term structural practice and making it part of his general analysis of capital analysis, he found it consistent with his larger methodological premise as developed in *Capital* that the value of labor power (like any other commodity) always corresponds to its market price.<sup>4</sup>

Subsequently, a new period was originated, one famously characterized by students of the sociology of work as the Fordist-Taylorist system of mass production where the newly inserted worker on the assembly line was both producer and consumer of goods produced by modern industry as in the illustrative case of automobiles.<sup>5</sup> The merit and novelty of the dependency approach proposed by Marini is that he forged the super-exploitation category that was left out of the overall analysis of Marx's *Capital* as the core and guiding principle of capitalist development in the underdeveloped socioeconomic formations of the periphery of the world system. This has allowed us to historically and structurally differentiate such countries from the development of countries under classical capitalism.

Applying that category to the analysis of contemporary capitalism, and in particular to the new historical stage that opened in the late 1980s with the fall of the Berlin Wall in 1989, the disintegration of the Soviet Union and the US invasion of Iraq in the so-called Gulf War (1991), all of which coincided with a widespread and large-scale transition to tangible and intangible production and telecommunications (a third industrial revolution), Marini points out three conditions that capital had to first address in order to open this new stage of history.

First, he emphasized the achievement of the higher degree of exploitation of labor throughout the system in order to increase the mass of surplus value, something only possible with the defeats of the labor movement insurgent in the countries of the capitalist center and in the periphery, including Latin America. Second, there was a need to intensify the concentration of capital in advanced economies in order to ensure investment in scientific and technological development and industrial upgrading, thus implying large transfers of value from the dependent countries of Latin America (the so-called unequal exchange) in order to increase capital accumulation. This development consequently aggravated the problems of employment, salary, social exclusion and poverty in large parts of the population in the periphery. Third, an expansion of market scale was needed in order to put into place the large investments required to modernize the industrial apparatus. Marini concludes that all of this updated the laws and basic mechanisms of the capitalist system: "especially the law of value ... which operates by comparing the actual value of the goods, the working time invested in its creation, and therefore including the time that meets

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<sup>3</sup> MARX, K. *El Capital*, III. México: FCE, 1974. p.235.

<sup>4</sup> MARX, K. *El Capital*, I. México: FCE, 2000. p. 177.

<sup>5</sup> BRAVEMAN, H. *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century*. New York, NY: Monthly Review Press, 1974.

the demand for inputs and means of production and reproduction of the labor force”.<sup>6</sup>

During the 1990s, the achievement of these three conditions allowed the conversion of the Latin American economy into a neoliberal economy dependent on a sustained pattern of accumulation and reproduction of capital subordinated to capital-cycle dynamics of hegemonic countries of advanced capitalism, and, increasingly, the reproductive cycle of the Chinese economy. The structural setting of the Latin American economy as geared to the world market, based on reproductive patterns embedded in processes of “re-technology import” and central countries, is a reflection of this new form of dependency that makes it more vulnerable to external contradictions imposed by the global capitalist accumulation in the 21st century.

We can therefore suggest three themes that permeate dependency theory today and suggest the agenda for future research. They are:

- 1) The “new dependency” which is the propensity for the specialization of production in Latin American economies that is stimulated by the systematic application of neoliberal economic policy;
- 2) The concentration of income as one of the perverse features of the dependent economy that requires investigation; and
- 3) The politically derived tensions that obtain between democracy and the growing propensities to political authoritarianism.
- 4) A pronounced tendency to extend the exploitation of labor, even in the advanced countries.

### **Theory and Method of Capitalist Exploitation**

Marx’s theorization of labor exploitation incorporates some observations that have been frequently misunderstood or misinterpreted by critics of Marxism and dependency theory. Firstly, when Marx elaborates his theory of value in *Capital*, he constructs it at a very high level of abstraction (although we must not forget that Marx employs distinct levels of abstraction in developing the thematic and theoretical structure of that work). So that, for example, in relation to the value of commodities and, in particular, labor power, Marx starts from the supposition that value corresponds to price. In this respect he tells us that “We began with the supposition that labor-power is bought and sold at its value. Its value, like that of all other commodities, is determined by the labor-time necessary to produce it”.<sup>7</sup>

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<sup>6</sup> For this comment, consult MARINI, R.M. “Preface”. In: SOTELO VALENCIA, A. *México, dependencia y modernización*. México: El Caballito, 1993. Available at <[http://www.marini-escritos.unam.mx/028\\_modernizacion\\_es.htm](http://www.marini-escritos.unam.mx/028_modernizacion_es.htm)> Accessed on February 24, 2013.

<sup>7</sup> MARX, K. *Op.Cit.*, 2000, p.206. See also Volume 3, Chapter 10 of *Capital* where Marx writes “since it was assumed that commodities are bought and sold at their values....” MARX, K. *Op.Cit.*, 1974. p.207.

Secondly, the concept of labor exploitation as the core social relation of capitalist society in Marx is a concept upon which the theories of surplus value and profit within the capitalist mode of production are based. In the absence of the concept of exploitation, it would not be possible to understand the labor theory of value as a fundamental axis of capitalist accumulation and production.

This brings us to a third observation. In defining the labor theory of value, Marx sets out the methods of exploitation associated with relative and absolute surplus value as those that are essential for the long term reproduction of the capitalist system in a historical context. This implies an understanding of both forms of surplus value as dialectically linked concepts within a specific socio-historical formation, within which labor processes and social relations of production are articulated. From these two concepts of surplus value, we can identify distinct periods in the development of capitalism by the relative predominance of productivity increases rooted in technological development over increasing the length of the working day as opposed to the intensity of work, or both.

### **The Emergence of Dependency Theory**

During the 1960s and 1970s, dependency theory emerged in Brazil as an attempt among Latin American thinkers to explain the problems of the region in an international context.<sup>8</sup> There were two principal currents within dependency theory.<sup>9</sup> The first, which defined itself as an approach and rejected the possibility of developing a theory, saw dependency as essentially a temporary or transitional situation. This current was primarily associated with the São Paulo school, led by Fernando Henrique Cardoso, and employed a method based in socio-political analysis.<sup>10</sup>

The other theoretical current emphasized the need to forge a theory of dependency, considering it as a structural phenomenon within the capitalist mode of production that could only be overcome by overthrowing dependent capitalism itself. The most prominent figure of this position was Ruy Mauro Marini who used an analytical method based on Marx's *Capital* and Lenin's theory of imperialism.<sup>11</sup> In this article, the focus is on the second current of Latin American social thought, since it is the one which endures, even now in the era of neoliberalism and TINA ("There is no alternative") thinking. We now turn to discuss the main thesis of Marini followed by a discussion regarding dependency theory in the Marxist perspective so as to highlight and assess its relevance for the present day.

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<sup>8</sup> BAMBIRRA, V. *Teoría de la dependencia: una anticrítica*. México: ERA, 1978; CARDOSO, F.H. "Notas sobre el estado actual de los estudios de la dependencia". In: BAGÚ, S. et al., eds. *Problemas del subdesarrollo latinoamericano*. México: Editorial Nuestro Tiempo, 1976. pp. 90–125.

<sup>9</sup> BLOMSTRÖM, Magnus and ENTE, Bjorn. *La teoría del desarrollo en transición*. México, Fondo de. Cultura, 1990; KAY, C. *Latin American Theories of Development and Underdevelopment*. London: Routledge, 1989.

<sup>10</sup> See CARDOSO. *Op.Cit.* and CARDOSO, F.H. and FALETTTO, E. *Dependencia y desarrollo en América Latina*. 16th Edition. México: Siglo XXI, 1979.

<sup>11</sup> See Kay. *Op.Cit.* and MARINI. *Op.Cit.*, 1973.

## Marini's Theses

Marini takes Lenin's theory of imperialism as a starting point, drawing on Marx in the formulation of the theory of labor super-exploitation, and later incorporating the theory of unequal trade. This synthesis is put forth in Marini's 1973 book *Dialectic of Dependency* (*Dialéctica de la dependencia*) and consists in connecting labor super-exploitation with productivity (which, in turn, is linked to relative surplus value) in dependent countries, thereby discovering their intimate correlation. Marini argues that "impacting on a productive structure that is already based in greater exploitation of the workers, technical progress made possible capitalist intensification of the rhythm of the worker's labor, increasing his productivity and, simultaneously, sustaining the tendency to remunerate him at a lower rate than his real value".<sup>12</sup> And in another essay he affirms that "once an economic process based on super-exploitation takes hold, a monstrous mechanism is set in motion, whose perversity, far from being mitigated, is accentuated in the mobilization of the dependent economy to increase productivity through technological development".<sup>13</sup> The reorientation of the export-focused Latin American economy towards the exterior was a phenomenon that stretched over the long period from the middle of the 19th century until the 1930s/1940s, and has been well documented by historians in the region<sup>14</sup>. From the 1950s – when Mexican industrialization (and that of other Latin American countries such as Argentina and Brazil) began to take off – relative surplus value began to co-exist with absolute surplus value in the emergent sphere of high-tech industries.

This was especially the case in the transnational companies which imported their investments, their technologies, their business management models, and their workforce – for example, in the automotive industry with the Ford-Taylorist system of mass production.<sup>15</sup> However, beginning in the 1970s, the largest dependent countries in the region (in particular Brazil) began to experience recurrent structural crises and crises of realization. While previous crises had taken place within the old export-oriented economy, these now involved a certain degree of an industrial base.<sup>16</sup> This situation would bring, over the course of the 1970s, countries such as Chile, Argentina, and Brazil to undertake a process of restructuring of productive capacity to align their economies with the world market. This process has been addressed within dependency theory as the pattern of reproduction of capital.<sup>17</sup>

<sup>12</sup> MARINI. *Op.Cit.*, 1973. pp.71–72.

<sup>13</sup> MARINI, R.M. "Las razones del neodesarrollismo". [A response to Fernando Henrique Cardoso and José Serra] *Revista Mexicana de Sociología*. N. 40 (Núm. Extraordinario [E]), 1978. pp. 63–64.

<sup>14</sup> See for example DONGHI, Tulio Halperin. *Historia contemporánea de América Latina*. Madrid: Alianza Editorial, 1993 as well as CARDOSO, Ciro Flamarion Santana and BRIGNOLI, Hector Pérez Brignoli. *Historia económica de América Latina, 2. Economías de exportación y desarrollo capitalista*. Barcelona: Editorial Crítica, 1979.

<sup>15</sup> See GUTIÉRREZ GARZA, E. "De la relación salarial monopolista a la flexibilidad del trabajo", México, 1960–1986. In: GUTIÉRREZ GARZA, E. ed. *Testimonios de la crisis 2. La crisis del Estado del bienestar*. México: Siglo XXI, 1988. pp. 129–179.

<sup>16</sup> MARINI. *Op.Cit.*, 1973. p.75.

<sup>17</sup> MARINI, R.M. *El patrón de reproducción de capital en Chile*. Cuadernos de CIDAMO 7. 1982. Available at: [http://www.marini-escritos.unam.mx/index.htm#op\\_capitalismo](http://www.marini-escritos.unam.mx/index.htm#op_capitalismo) Accessed on February 24, 2013.

While many thought that with this transition, dependency was ‘extinguished’, and with it, dependency theory, Marini’s thesis of labor super-exploitation continued to reflect the socio-economic reality of the region. Super-exploitation as a production regime is not negated in dependent countries when relative surplus value emerges, even to a limited extent, and imposes its logic – though not its hegemony – in the production and accumulation of capital. This is particularly true in periods of intense industrialization of the economy such as occurred in Latin America in the last quarter of the 20th century, in particular in the largest countries of the region such as México, Brazil and Argentina, which significantly increased their industrialization coefficients following the Second World War.

This is the substantive difference between industrialized and dependent capitalism. In the former, as productive capacity increases, the hegemonic regime imposed, especially after the first industrial revolution in England, is that of relative surplus value. This is particularly true when it contributes to the reduction of the socially necessary amount of labor required to produce the value of labor power, and, as a consequence, the necessary labor time. Moreover, relative surplus value heavily influences the reproduction of capital, and shapes, among other things, the concrete forms that labor exploitation assumes in the context of specific historical-structural formations. In the dependent economies, things are different. Here, the super-exploitation of labor is the hegemonic category that overpowers both relative surplus value and remnants of archaic forms of exploitation and production. While the increase in manufacturing exports in Latin America changed some historical forms of structural dependence, however, it did not change the dependency itself, because those countries today, in the 2000s, still rely on the *super-exploitation* of the workforce.<sup>18</sup>

The essence of the theses Marini developed along with his wider work on dependency theory and labor super-exploitation, consists of remunerating labor power below its value. This is seen as the structural basis of the cycle of capital in dependent economies. This super-exploitation develops and reproduces, even with increasing labor productivity and the rise of relative surplus value, to such an extent that the latter does not manage to become hegemonic in the economy and society. From here arises the thesis of the amplified reproduction of dependency that expands and intensifies in accordance with the development of global capitalism, both internally and along with the advanced countries and the international economy.

### **Critiques of Labor Super-Exploitation: Cardoso, Serra and Cueva**

Marini’s debate with Fernando Henrique Cardoso and José Serra at the end of the 1970s was undoubtedly

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<sup>18</sup> This argument is discussed in greater detail in SOTELO VALENCIA, A. *Los rumbos del trabajo. Superexplotación y precariedad social en el Siglo XXI*. México: Editorial Porrúa-UNAM, 2012.

the most important theoretical-ideological confrontation that has taken place around dependency theory.<sup>19</sup> In contrast to Marini, Cardoso and Serra conceived of labor super-exploitation as a conjunctural phenomenon and not as a process endogenous to capital accumulation in dependent economies. In the same manner as Ricardo (whose work Marx critiqued thoroughly), moreover, they calculated the increase in the rate of profit in a way that conflated the rate of surplus value with the rate of profit. Nonetheless, the authors accepted that income inequality increased in Brazil under the military government. Cardoso and Serra recognized that durable consumer goods constituted the backbone of the economy, not only in Brazil but also in other Latin American countries. They also accepted a growing polarization in a capitalist market between modern consumption in the dependent countries and the existence of income sources and markets that did not correspond to this modern consumerist pattern, including the wages received by the labor force.

Based on the preceding points, Cardoso and Serra (in contrast to Marini) misunderstand the thesis of labor super-exploitation and incorrectly represent it as the impossibility of producing relative surplus value by further cheapening the social value of labor power in the dependent country, either due to the null or limited consumption of consumer durables by the working class. Because of this, they argue that Marini leaves the door open for capitalists to prolong the working day indefinitely and/or cut wages without limit (i.e. absolute surplus value). This would make it impossible for the system to reduce the social value of labor power through an effective increase in labor productivity.

Instead of continuing to explore the relationship between productivity and (absolute and relative) surplus value, Cardoso and Serra are diverted into “demonstrating” that a reduction in the cost of constant capital achieved fundamentally by an improvement in its quality or its more efficient use “would increase the value relation of productive capital” (and it seems that both authors understand this relation as equivalent to the Marxist concept of the organic composition of capital) so that by “keeping constant the productivity of labor and the rate of surplus value (supposing that wages do not go up in value), the rate of profit would rise, notwithstanding that these last two are constant”.<sup>20</sup>

Like Ricardo, Cardoso and Serra confuse the rate of profit and rate of surplus value. They forget that the rate of profit is calculated as the relation between the surplus value produced by the workers and the constant and variable capital employed, something that any accountant attentive to the financial state of a business knows. Beyond this, they also fail to understand that the very reduction in the cost of constant capital and that the increase in its efficiency in a concrete capitalist economy increases the rate of profit by merely changing distribution patterns, stimulating the concentration of capital without adding a single atom of new value transformed into surplus value, and therefore, profit. This is true because constant capital only transfers its pre-existing value to the

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<sup>19</sup> CARDOSO, F.H. and SERRA, J. "Las desventajas de la dialéctica de la dependencia". *Revista Mexicana de Sociología*. n. 40 (Núm. Extraordinario [E]), 1978. pp. 9-55; MARINI. *Op.Cit.* 1978.

<sup>20</sup> CARDOSO and SERRA. *Op.Cit.* pp.43-44.



final product rather than creating new value.

In summary, labor super-exploitation is seen by Cardoso and Serra as a passing phenomenon that will be “overcome” with technological progress. In doing so, they completely bypassed any attempt at explaining the now undeniable fact of labor’s increasing exploitation in Latin America over recent decades despite the increasing integration of cutting edge technologies in production processes and the growing social productivity of labor.

Prolific in his critiques rife with arguments that enrich the debates within Latin American social sciences and Marxism, Agustín Cueva developed a critique of the theory of labor super-exploitation that we should consider.<sup>21</sup> The first thing we must say, at the risk of appearing repetitive, is that Cueva commits an initial error of tarring with the same brush a group of authors of highly diverse ideological affiliations and currents of thought. This group includes André Gunder Frank, who, strictly speaking, is not a dependency theorist, and developmentalist authors such as Cardoso or Faletto, alongside Luis Vitale, Aníbal Quijano and Marini, supposedly all connected by the problematic notion of “dependency”. When labor super-exploitation enters the picture, however, the theoretical and conceptual differences between the authors become much clearer. In other words, it is when we come to labor super-exploitation, one of the central concepts in the Marxist theory of dependency, that the various authors diverge. There are radical differences between authors who favor other analytical categories such as class struggle (Cardoso), articulated modes of production (Cueva), and “styles of development” (Varsavsky), that distinguish them from other vertices of “dependency theory” (Frank) and in particular from Marxist dependency theory (Marini, Dos Santos).

Agustín Cueva’s principal thesis can be summarized as follows: dependency theory originated as a sort of neo-Marxism “at the margins of Marx”.<sup>22</sup> It has a markedly nationalist character, both in that it substitutes class struggle for the nation-state contradiction and nurses a nostalgia for “autonomous” capitalist development which has been frustrated. By using a homogenized concept of “dependency” and “dependent”, class analysis and class struggle are overshadowed and nullified. This “constitutes the Achilles heel of dependency theory”.<sup>23</sup> Moreover, this theory works with “models” rather than laws, closely paralleling bourgeois thought along the lines of Max Weber’s “ideal types”. From this criticism, Cueva derives his argument that a Marxist analysis of the particularities of Latin American capitalism must be based “in the specific articulation of several modes of production, and of the phases of a given mode” falling into the “endogenism” that characterizes the work of many other authors.<sup>24</sup>

<sup>21</sup> CUEVA, A. "Problemas y perspectivas de la teoría de la dependencia". *Historia y Sociedad*. v. 3, Fall 1974. pp. 55–77.

<sup>22</sup> *Ibid.*, p.56.

<sup>23</sup> *Ibid.*, pp.62–63.

<sup>24</sup> *Ibid.* pp.58–65. This author is categorized in the “endogenist” current due to his conception of Latin American capitalism, based on its own internal conditions and contradictions, as evidenced by the following: “This is to say, the inherent limitations of this deeply-rooted obsession with explaining the internal development of social formations as a function of their articulation with other social functions, instead of approaching it the other way around”. CUEVA. *Ibid.* p. 74. Other authors share the same endogenist conception and focus on the articulation of modes of production, including Fernando Arauco in "Observaciones en torno a dialéctica de la dependencia". *Historia y Sociedad*. V. 3, 1974, pp. 79-92: “The important contributions of Marini are centred on the analysis of this cycle, but the overall explanation of its functioning must also take into account – if it is to be able to adequately represent all of its causal structures – the issues that fall under the general category of articulation of modes of production”. Authors such as Roger Bartra use apparently novel concepts

For Cueva, Marini ends up working with models rather than laws, stepping outside the boundaries of Marxist practice. Instead, with the theory of the articulation of modes of production, which, in our view, fits neatly in the realm of structuralism, Cueva rejects the category of super-exploitation, incorrectly equating it with that of “pauperism”, alluding to Marx. However, we should point out that for the latter this category, in the context of the reserve army of labor, is reserved for the poor, and corresponds to a “part of the working class that has lost its condition of existence (the sale of labor power), and vegetates on public alms”.<sup>25</sup> Moreover, for Marx, pauperism is part of relative overpopulation and is made up of three categories:

- 1) Those able to work,
- 2) Orphans and children of the poor, and
- 3) Those unable to work: disabled, widows, etc.

It is obvious that this category has nothing to do with labor super-exploitation, since the latter implies a conceptual definition in terms of production, the methods of creation of surplus value, and wages. Cueva’s argument is based on a conceptual confusion between pauperization and labor super-exploitation.<sup>26</sup>

The final element of Cueva’s critique is dependency theory’s problematic handling of the “internal-external” relation which, in his opinion, cannot be resolved due to the economistic and developmentalist nature of this theory. Cueva’s approach to resolving the conflict between the internal and external is the opposite of the one taken by dependency theory: “would it not instead be the nature of our societies that in the last instance determines their linkage with the international capitalist system?”<sup>27</sup>

Cueva’s conclusion is unequivocal: there is no theoretical space within Marxism to develop a theory of dependency; it is enough to apply the general laws discovered by Marx and Lenin to “understand” the specificities of capitalism in our countries. It is precisely that proposition that we are challenging in this essay. Nevertheless, in the final years of his life, the intellectual honesty of Agustín Cueva led him to recognize the theoretical and political legitimacy of dependency theory, and to accept that he had actually done an enormous favor to the intellectual right wing in Latin America with his arguments against dependency theory in the 1970s and 1980s.<sup>28</sup>

### **Conclusion: The Enduring Relevance of Dependency Theory**

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such as “subcapitalism” while still sharing the same beliefs on the articulation of modes of production and “structural dualism”. *Estructura agraria y clases sociales en México*. México: Editorial Era, 1974. pp. 24, 102.

<sup>25</sup> MARX, K. *Op.Cit.*, 2000. p. 807.

<sup>26</sup> As Cueva states: “Because of this, super-exploitation, which Marini highlights as a defining feature, can easily be named in quite classical terms: the process of pauperization....” CUEVA. *Op.Cit.*, 1974. p.67.

<sup>27</sup> *Ibid.*, p.75.

<sup>28</sup> *Las democracias restringidas en América Latina: elementos para una reflexión crítica*. Quito: Editorial Planeta, 1988.

In contrast to the cheery picture painted by liberals, social democrats and neoliberals of “developing” countries, as they like to call the dependent countries, and their talk of “independence” and of “sovereignty” of nations and workers, the dependency thesis on labor super-exploitation sees a tendency towards the exacerbation of this super-exploitation, currently driven by the so-called labor flexibilization in the productive sectors of our societies. Some initial progress has been made on developing the sort of in-depth critical analysis that these points deserve. These include, for example, the more recent work by Marini in which he defines globalization as the process by which the scale at which the labor theory of value operates becomes global – i.e. the determination of the socially necessary labor time for the production and reproduction of the workforce takes place for the first time in truly international conditions.<sup>29</sup> Moreover, this concept of globalization applies not only to labor power, but also to other elements (fixed capital) that determine the cost of production. This includes means of production, tools, etc., as well as land, which is considered a means of production, but also a means of circulation in its capacity as a raw material incorporated in the final product.

What these three elements (labor power, land, and capital) have in common is that the process of globalization is simultaneously disseminating technological progress via the incorporation of cutting edge production processes and technologies: information technology, biotechnology, new materials, and microelectronics. These technologies, developed in the major scientific and financial centers, have brought about a new technological paradigm qualitatively different and superior to the Fordist-Taylorist paradigm of mass production that dynamized industrial production in the long period of post-war capitalism.

In addition to conceiving of globalization as a juridical-institutional reference point that shapes how nations must manage their international relations, Marini’s reflections provoke the need for a contemporary debate on the question of labor super-exploitation. His analysis makes it clear that it is no longer a tendency exclusive to the dependent economies, but one which, with the globalization of capital and the structural and superstructural processes that accompany it, will become generalized into ever less regulated labor markets and processes in the developed countries, affecting increasingly broad segments of the working class in those countries.

To address the current condition between dependency and exploitation it is necessary to conduct research in three directions. On the economic plane, one of the characteristics of what we may call the “new dependency” is the propensity to the specialization of production in the Latin American economies stimulated by the systematic application of neoliberal economic policy. The specialization of production is a concept that defines the new profile of these economies in terms of the orientation of their resources (capital, the labour force, and land) to the most profitable activities of the world market, to the detriment of production and internal markets, provoking strong internal recessionary movements, capitalist crises and recurring imbalances.

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<sup>29</sup> See MARINI. *Op.Cit.* 1993 in SOTELO VALENCIA. *Op.Cit.* 1993.

The second line of necessary research is from the social perspective, tackling the concentration of income as one of the perverse features of the dependent economy, that continues to encourage production at the borders of the restricted market, with the bulk of production focused on luxury goods which does not enter, or enters only to a limited extent, into the consumption of the majority of the labour force. Only limited segments of the population – particularly the dominant classes that constitute the fringes of society who have purchasing power capable of stimulating effective demand markets – continue to benefit from the condition of dependent capitalism. This concentration of income reflects the changes under way in the productive sphere; that is to say where the incomes of the distinct classes in society are forged. In this way, a structure of polarized production leads to growing polarizations in the upper and lower spheres of internal markets and hence in incomes.

Finally, a third direction of research, which we can only mention briefly here, takes place in the political level, highlighting the tensions between democracy and growing propensities to political authoritarianism. This working hypothesis is that of a necessary concentration of power in the state in order to ensure both the specialization of production (the new model of the reproduction of dependent capitalism) and the maintenance of a polarized and highly concentrated income structure in favor of capital and to the detriment of labor.

Fortunately, researchers are discussing these issues today as well enriching analyses in the following broad areas:

- a) The role of the state in dependency.
- b) The question of the meaning of “sub-imperialism” in light of the theory of dependency.
- c) The question of the relationship between the exploitation of labor and relative surplus value in developed countries.
- d) The question of the informality and precariousness of labor.

In the final analysis, the super-exploitation of labor, the specialization of production, the concentration of income, unemployment, misery and exclusionary policies of the Latin American capitalist states, formally democratic but in reality rooted in counter insurgency and authoritarian power structures, configure the perverse features of a structural dependency that is opposed to the demands for democratization by Latin American workers and popular classes, who demand greater participation in the decisions that affect their lives.