

# The *Longue Durée* of the Marxist Theory of Dependency and the Twenty-First Century

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*A critical review of the 50-year-old Marxist theory of dependency and its current situation includes discussion of its analyses of the world-system, the concepts of superexploitation and subimperialism, its reflections on development, democracy, and proposals for emancipation, and its perspectives on the rise of the Latin American left in the twenty-first century and the prospects of neoconservatism. It concludes that with the globalization of capital, Marxist dependency theory must oppose not only internal structures of dependency but the imperialist world order, and this will call for the socialization of the forces of production and the development of national, continental and global strategies.*

*Uma revisão crítica dos 50 anos de debates sobre a teoria marxista da dependência e seu estado da arte, que inclui a discussão de suas análises do sistema-mundo, os conceitos de superexploração e subimperialismo, suas reflexões sobre desenvolvimento, democracia e propostas de emancipação, e suas perspectivas sobre a ascensão da esquerda latino-americana no século XXI e as perspectivas do neoconservadorismo. Conclui que, com a globalização do capital, a teoria marxista da dependência deve assumir sua vocação de luta não apenas contra as estruturas internas da dependência mas também contra a ordem mundial imperialista, e isso exigirá o desenvolvimento de estratégias nacionais, continentais e mundiais.*

**Keywords:** *Dependency, Development, Superexploitation, Subimperialism, World-system*

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The Marxist theory of dependency was initially formulated between 1967 and 1982, in response to the crisis of national developmentalism, by exiles in Chile and Mexico, deepening preliminary thoughts during 1961–1966 in the Organização Revolucionária Marxista–Política Operária (Marxist Revolutionary Political Workers’ Organization—POLOP) and the National University of Brazilia. The Centro de Estudios Socio-Económicos (Center for Socioeconomic Studies—CESO) in Chile and Universidad Nacional Autónoma de México (National Autonomous University of Mexico—UNAM) in Mexico, where the exiled individuals were received, played a fundamental role, focusing on the socialist transformation at the former and the redemocratization of the Southern

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Cone at the latter. Among the main formulators of the theory were Theotônio dos Santos, Ruy Mauro Marini, Vânia Bambirra, Orlando Caputo, and Roberto Pizarro. The following publications may be highlighted: CESO (1967); Santos (1968; 1969; 1972; 1978a); Marini (1968; 1973; 1978b; 1979a; 1979b; 1982), Bambirra (1974; 1978), and Caputo and Pizarro (1974).

This period was preceded, from 1890 to 1930, by a first flowering of dependency theory in anti-imperialist thought whose main expressions were the works of José Martí and José Carlos Mariátegui (Marini, 1992). Martí denounced the cultural colonialism of Latin American oligarchies as the basis for submission to European and American imperialism. He pinned his hopes on a radical liberalism that broke with the internal colonialism that had survived independence and established an alliance between the nationalist middle classes and the masses based on liberating political parties that forged a greater awareness of a national project and Latin American and Caribbean integration. Mariátegui pointed to the persistence of colonial capitalism in Latin America because of the place that the world capitalist economy had reserved for it in the international division of labor. Analyzing the Peruvian case, he argued that the severe limits to industrialization that ensued had prevented the full development of a proletariat, turning the indigenous into the agents of the transformation to socialism because of their hybrid condition as semiproletarians and bearers of the communal relations in which the values indispensable for the reproduction of the workforce were produced. For him it was up to socialism to pursue the path toward development and national sovereignty.

The second flowering of dependency theory, crystallized in the Marxist theory of dependency, was established when the international division of labor was restructured after the crisis of the world market and the establishment of U.S. hegemony. Multinational corporations prioritized investment in the domestic markets of host countries, industry was partially decentralized and transferred to the periphery, import substitution was established and promoted, and most of the countries in the periphery were freed from European colonial rule. The Marxist theory of dependency analyzed dependency as part of a monopolist, dynamic, and competitive world capitalist economy that transcended national states, creating relations of complementarity, subordination, commitment, and/or conflict among its various hegemonic internal bourgeoisies. The analytical emphasis was not primarily on colonial relations but on the dynamics of capitalist accumulation that created them and on the structures of the world economy that they forged.

For the Marxist theory of dependency, dependency was based on internal features of peripheral economies that incorporated them in a subordinate way into a capitalist world economy initially based on European colonialism. These features were linked to a pursuit of extraordinary profits that, under conditions of asymmetry, took the form of access to foreign technology, the markets of the central countries, and international credit. This ensured, internally, the formation in the periphery of monopolist bourgeoisies that were limited by their incorporation into complementary branches of the international division of labor, where they suffered transfers of surplus value through commercial, productive, and financial relations. The higher value transfers imposed on dependent countries by big international capital in all these formations—and

by the monopolist internal bourgeoisie on the other fractions of capital in these countries—were partially or totally compensated for by the superexploitation of labor.

The concept of superexploitation of labor found its most advanced development in the work of Ruy Mauro Marini (1973; 1979a; 1979b), which synthesized it as the reduction of the cost of labor power below its value in order to reestablish surplus value and profit in competition with sectors and firms with higher technical and organic capital. This was achieved by appropriating part of the workers' consumption fund or by increasing the length of the workday or the intensity of work without remuneration equivalent to the greater wear-and on the workforce. The centrality of the superexploitation of labor in dependent accumulation patterns implied other economic, political, social, and historical developments analyzed by Marxist dependency theorists, such as the fragility of democracy in dependent capitalism and subimperialism.

The Marxist theory of dependency also advanced in several other directions, such as the analysis of the major stages of development of dependency, patterns of capital accumulation, and cycles of capital accumulation. The stages of development of dependency established their long-term periods, their most dynamic sectors, and the state organizations that guided their productive forces. Theotônio dos Santos (1978a) called these "colonial dependency," "primary export or technological-financial dependency," and "technological-industrial dependency," to which I would add "scientific-technical/financial dependency" for the period beginning in the 1980s. The concept of accumulation pattern sought to designate intermediate levels within these stages and national specificities. Vânia Bambirra (1974) and Ruy Mauro Marini (1982) produced the first of these elaborations, with Jaime Osorio and Adrian Sotelo Valencia standing out as followers.

With regard to the way dependent countries fit into the major cycles of capital accumulation in the world economy and added their specific cycles to it, Santos's work was a reference for the studies of Orlando Caputo and Roberto Pizarro and their followers, which considered Kondratiev cycles and, more recently, the systemic ones formulated by Giovanni Arrighi and the cycles of inflow and outflow of foreign capital specific to dependency. The thesis was advanced that, in the long run, there were more outflows than inflows because foreign capital provided a profit rate for the nonresident owner, with an initial period in which inputs exceeded outputs being followed by a period in which outputs were dominant.

From the 1990s on, there was a third flowering of dependency theory, in which the Marxist theory of dependency gained hegemony over the dependency analyses it shared with Weberian theory, whose main exponents were Fernando Henrique Cardoso and Enzo Faletto (1984). The Weberian theory of dependency lost strength because of the weakness that neoliberalism imposed on development and autonomy in the dependent periphery, the analytical dimensions on which it focused, and the emergence of the left in South America in response to the crisis of this pattern of accumulation. During this period the themes that gained prominence were the postulation of the Marxist theory of dependency as the first stage in the development of a Marxist theory of the capitalist world-system (Santos, 2000); the revision of the concept of

superexploitation, either extending it to the central countries on the basis of neoliberal globalization or developing and reframing its analytical foundations; the reevaluation of the concept of subimperialism in the face of the advance of neoliberal globalization; the assessment of contemporary limits to development and democracy in dependent capitalism; the analysis of the left wave that arose in the region from 1999 to 2015 and the neoconservative restoration imposed in recent years; and the proposal of paths for the emancipation from dependency in the twenty-first century.

In this article, I will take stock of the Marxist theory of dependency's main strengths and how they have been reformulated on the basis of the debates of the past 50 years to analyze the challenges of the contemporary world and Latin America today.

### **MARXIST DEPENDENCY THEORY AND THE DEVELOPMENT OF A MARXIST THEORY OF THE WORLD-SYSTEM**

The 1990s, with the end of the import-substitution period under the leadership of foreign capital and the assertion of neoliberalism in Latin America, witnessed an assessment of the contributions of the Marxist theory of dependency by its founders. This assessment, especially that of Ruy Mauro Marini (1992) and Theotônio dos Santos (2000), was permeated by the view that neoliberal globalization represented an advance in the degree of integration of the world economy and the law of value on a global scale that demanded new theoretical developments going beyond the Marxist dependency theory of the 1970s/1980s. It was Santos—who taught in 1979 at the Fernand Braudel Center under the direction of Immanuel Wallerstein and headed the UNESCO Chair on Globalization and Sustainable Development, where he held two major international seminars on the world economy in 2003 and 2005 with the participation of Immanuel Wallerstein, Giovanni Arrighi, Samir Amin, Beverly Silver, and André Gunder Frank—who pointed out its most promising direction: conceiving the Marxist theory of dependency as the first stage in the development of a Marxist theory of the world-system.

Formulated before the seminal work of Wallerstein (1974), Marxist dependency theory paved the way for and converged with it by adopting the following theses: (1) the existence since the sixteenth century of a world capitalist economy under the control of commercial and banking capital as the starting point for the constitution of what Immanuel Wallerstein called the modern world-system; (2) the expression of the monopolist asymmetrical and dynamic character of this world economy in an international division of labor that transferred surpluses and tended to increase the distances between centers and peripheries; (3) the subordinate role of dependent countries in the world-system, which was linked not only to the interests of the dominant classes in the center but to their interests in the periphery, configuring a pacted situation; and (4) the cyclical rise and decline of the hegemonic centers of the world economy, initially attributed mainly to Kondratiev cycles.

The analyses of the world-system drawn up by the Fernand Braudel Center group went beyond these contributions to add rich interpretive material.

Through the concept of the modern world-system, Wallerstein theorized the political superstructure of capitalism, pointing out in the interstate system the asymmetry between the circulation of capital, on the one hand, and the spatial reach of political power and workers' mobility, on the other hand, which favored the dominance of capital and its unlimited accumulation in mediation with other actors. He also added the discovery of the semiperiphery as an analytical area, while Giovanni Arrighi (1978; 1994) analytically constructed the systemic cycles, critically reviewing Lenin's theory of imperialism, pointing out its circumstantial character, and highlighting that neither political annexation nor financial capital represented the last phase of capitalism or the only form of imperialism.

Advances were made in Marxist dependency theory, but the Braudelian world-system approach had its limitations. It broke with dogmatic and mechanistic Marxism, which was incapable of recognizing that, in the transitions between modes of production, the most decisive element was the control of the state by new social and economic forces that would drive, from the political superstructure, changes that would affect future relations of production and productive forces. However, it also rejected the Marxist concept of mode of production in favor of that of historical capitalism and in doing so replaced analysis of syntheses and contradictions between social forces, labor relations, and productive processes with generalizing historical descriptions. The critique by Samir Amin (1996) of Wallerstein's and Arrighi's rejection of the concept of mode of production, although correct at a certain level of abstraction, was not a very concrete advance. It supported dogmatism by claiming the existence of a mercantilist world-system different from the capitalist world between the sixteenth and eighteenth centuries. But where Samir Amin's critique was most insufficient was in the analysis of the prospects of the modern world-system, where he dismissed the revolutionary character of the postindustrial productive forces. Here the contributions made by the Marxist theory of dependency were decisive.

The concept of a scientific-technical revolution introduced by Santos (2000) to Latin American thought from the work of Radovan Richta pointed to contradictions in the capitalist mode of production between relations and forces of production that were capable of producing a revolutionary and civilizational crisis. The concept was based on Marx's theses, expressed in *Capital* and in the *Grundrisse*, that linked the productive force base typical of the capitalist mode of production and its degree of civilization with the development of the industrial revolution. This did not mean that capital could not appropriate other productive forces to impose its project of unlimited accumulation. It effectively did so, both in precapitalist productive and institutional forms (typically in the long period of primitive accumulation) and in postcapitalist productive forces (through the scientific-technical revolution), but on the basis of significant contradictions that could not be resolved in the descriptive concept of historical capitalism. The absence of this analytical framework in the works of Wallerstein, Arrighi, and the world-system theorists in general represented an important gap that limited the scope of their propositions on the emergence of a systemic chaos affecting the secular tendencies of capitalism and opening options for the creation of a new world-system.

From the path opened by the contributions of Santos, Arrighi, and Wallerstein, I have described three major long-term trends in the contemporary conjuncture (Martins, 2011; 2018b; 2020 [2011]): the scientific-technical revolution, which started in the 1970s; Phase B of the U.S. systemic cycle, which has also prevailed since the 1970s; and Phase A of a Kondratiev cycle that began in 1994. In my *Dependency, Neoliberalism and Globalization in Latin America* (2020 [2011]) I have approached the formulations of the Marxist theory of dependency and the world-system analysis on the development of a Marxist theory of the modern world-system, broadly systematizing this theoretical-methodological proposition. I postulate that the exhaustion in the coming years of the current Kondratiev Phase A should open a 30-year period of systemic chaos that will reshape the current world-system, whether in the direction of a new stage of the construction of socialism in the world that goes beyond the limits of its early forms in the twentieth century or in the direction of fascism.<sup>1</sup>

### THE POLITICAL ECONOMY OF THE MARXIST THEORY OF DEPENDENCY: AN ASSESSMENT

One of Marxist dependency theory's main contributions was the proposal of a political economy for analyzing dependent capitalism that was also designed for interpreting the world economy. Here I highlight Marini's concepts of the superexploitation of labor and subimperialism and the theses about the limits that dependency places on development in the periphery formulated by Santos (1978a), Marini (1979a), and Caputo and Pizarro (1973) and expressed in the assertion of the decapitalizing role of foreign capital in the *longue durée* of the inflow and outflow cycles of dependent countries.

Marini extended his 1973 concept of superexploitation to the central countries in the 1990s on the basis of the political economy of globalized capitalism, arguing that the concentration of the technological monopoly in science, knowledge, and immaterial factors made it possible to decentralize industrial production to the periphery, which destined it for the world market and thus created a new form of extraordinary surplus value that combined high technology with superexploited labor. This trend put downward pressure on workers' wages in the center, extending the superexploitation that until then had been typical of dependent capitalism (Marini, 1996). His provocative and stimulating ideas, based on a rigorous handling of the Marxist method, continue to generate controversy in the Latin American and world social sciences. The debate about the genesis of the concept of superexploitation, its ability to describe accumulation processes in dependent capitalism, and its extension to the imperialist countries with the globalization of the law of value has produced a set of more recent interventions on the Marxist theory of dependency (see Carcanholo, 2017; Luce, 2018; Martins, 2017; 2018a; Osorio, 2013; 2018; Sotelo, 2018a; 2018b).

The main criticisms of Marini's theses on superexploitation came from the developmentalist versions of dependency theory, neodevelopmentalist thinking and endogenism. Fernando Henrique Cardoso (1993), representing the former, argued that relative surplus value was inherent to industrial capitalism

and was extended to dependent and peripheral countries as they embarked on industrial development and adopted its technologies. For him superexploitation could become structurally established in dependent countries only if they represented a specific mode of production when in fact they were subject to the global laws of capitalist development on the basis of their specific conditions. Only cyclical political variables such as the imposition of states of exception could, provisionally, sustain superexploitation, and this contradicted the structural tendencies of capitalism. Cardoso (1993) rejected the status of theory for the analysis of dependency, pointing out that the interpretive emphasis had to be on the concept of development because it was responsible for establishing its dynamics.

Agustín Cueva (1974), representing endogenist Marxism, initially said that superexploitation had to be explained in terms of underdevelopment, which was due much more to the internal relationship between the capitalist mode of production and other precapitalist modes than to the link between the peripheral countries and imperialism. Subsequently he revised this assessment, attributing superexploitation to the link between internal capitalism and imperialism, which produced a deviation from the pure laws of capital accumulation (Cueva, 1989). Castañeda and Hett (1978) and José Valenzuela Feijoó (1997), representing, respectively, neodevelopmentalist and Marxist views on methodological nationalism,<sup>2</sup> asserted that there was no basis for saying that the prices of labor power were less than its value, since these were determined by the class struggle. More recently, Claudio Katz (2018) has said that what exists in the periphery is low value of labor power resulting in low wages because of the level of productivity, class struggle, and cultural standards of each country.

However, what Marini pointed out was that capitalism represented not only the production of relative surplus value but also its appropriation through competition by mechanisms such as extraordinary surplus value in the sector, market value, prices of production, and extraordinary surplus value among different sectors. Under pressure from monopolist competition, the sectors that had below-average production conditions and that accounted for most of the jobs compensated for the disadvantage in the dynamics of productivity by resorting to superexploitation, establishing the general parameters of the labor market. This situation would not only be present in industrial capitalism but would be reinforced by the development of the forces of production. Superexploitation would be not a historical reality unconnected with the theory of capital accumulation but a reality articulated with it.

Marini's weakness lay in his attempting to deny that superexploitation was compatible with broader forms of relative surplus value linked to increased productivity, restricting this possibility to the intensification of work that did not produce a corresponding increase in the prices of labor power, which he considered, controversially, a variant of relative surplus value.<sup>3</sup> This assumption limited the scope of his work and was unnecessary to the radicalism of the concept he formulated and its political ramifications. However, as he pointed out (Marini, 1992: 101), the third flowering of dependency theory had to recover the second and transcend it on the level of Marxism after a radical review that removed its functionalist-developmental adhesions.

Among these adhesions was methodological nationalism. Although Marini was one of the harshest critics of this notion as part of the concept of the capitalist world economy (understood as a totality driven by monopolies, competition, and the production and transfer of surplus value), he remained attached to it for describing national economies as references for the value of labor power. This led him to oppose superexploitation to the classic concept of relative surplus value. However, dependent economies were part of the world economy, and the reference value of labor power that had to be taken into account was the one established by the average conditions of production, strongly determined by the monopoly sectors of the world economy. As Marx pointed out in *Capital*, labor power operating under below-average production conditions is not considered average labor power and is sold at below-average value (Marx, 2013: 495–496). It therefore becomes not only legitimate but necessary to postulate that the prices of labor power are less than its average value in regions of dependent capitalism and even those of central capitalism with below-average conditions of production determined by the new levels of monopolization established by the development of the technical and organic composition of capital in neoliberal globalization. This can be seen from two indicators: the wages of the large mass of workers in the periphery are lower than in the centers to a much greater degree than the differences in their skills would explain and their working hours longer, and with globalization, inequality in capitalism in the center and contention over the wages of the majority of its workers increased sharply (Martins, 2018a).

However, postulating the compatibility of superexploitation with relative surplus value does not mean agreeing with Fernando Henrique Cardoso and José Serra (1978) in their controversy with Marini (1978b), because surplus-value transfers greatly restrict the extent of relative surplus value and subordinate it to its dynamics. The compatibility of superexploitation with relative surplus value is a possibility to be verified empirically rather than a gradual trend due to technical progress. The greater the monopolies' capacity to appropriate surplus value in relation to the capacity to devalue goods from the sectors and firms of below-average organic composition, the lower the latter's capacity to produce relative surplus value, suggesting that compensation instruments could be used to impose a reduction of wages from a certain point. As we have seen, the capacity for appropriating surplus value increases with the development of the productive forces (Martins, 2018a).

The concept of subimperialism was formulated by Marini (1977) to describe the unfolding of accumulation in dependent countries with higher levels of technical and organic composition of capital. Subimperialism had its roots in the limitations of the internal market in absorbing capital, resulting in the movement of accumulation abroad, in particular, to regional markets where it was possible to explore the advantages of technological heterogeneity provided by greater integration into a peripheral bourgeoisie. Thus, new markets were sought for manufacturing, along with new sources of investment, and for obtaining raw materials and energy resources that would enable a dependent bourgeoisie to gain power in the world hierarchy of capital accumulation. Subimperialism was based on an important contradiction—that it attempted to expand national and regional autonomy on the basis of increased integration

with imperialism, leading to important interstate and intercapitalist tensions. Its possibilities depended on the gaps created by imperialism, making it feasible for a few countries (such as Brazil) to take advantage of geopolitical distance from their centers. However, the restructuring of imperialism toward a pattern of neoliberal accumulation and its acceptance by the dominant classes that ran dependent states greatly limited the potential of subimperialism because of the severe deindustrialization that it imposed, shifting the dynamics of accumulation toward financialization and public debt. This is the reason Marini (1992; 1996) paid less attention to the theme in the 1990s.

However, the crisis of the Washington Consensus and the emergence of center-left governments in Brazil put subimperialism on the agenda again in the twenty-first century, albeit with a political bias very different from that of the 1970s. These governments, without breaking with the neoliberal order, sought to implement industrial strategies for the concentration and internationalization of companies, oriented not only toward niches in the world market linked mainly to extraction and agribusiness but also to civil construction, capital goods, services, and transport sectors in peripheral markets.<sup>4</sup> Brazil's trade balance with Latin America, as well as Africa and the Caribbean, expanded, contributing to a foreign-trade structure more oriented toward the export of manufactures, semimanufactured goods, capital, and technological services and the import of raw materials, and credits on remittances of profits in the Brazilian balance of services increased significantly. The 2016 coup d'état in Brazil radically dismantled these policies—a direction that deepened with the Bolsonaro government, demonstrating the strength of dependency among the Brazilian ruling classes and their attachment to the superexploitation of labor, since industrial policies promoted an increase in employment and, thus, union organization and the power of the working classes to increase their consumption and political participation (Martins, 2018b).

Development is another theme that permeates the debate on dependency. The Marxist theory of dependency was unfairly accused by Weberian dependency interpreters and by neodevelopmentalists of formulating an opposition between two alternatives: dependent capitalism/stagnation versus socialism/development. The main reference of the criticism was the work of Fernando Henrique Cardoso (1976; 1977), the interventions on which of Gabriel Palma (1978) and Cardoso and Serra (1978) influenced a group of writers including Luiz Carlos Bresser-Pereira (1982), Guido Mantega (1984), and Ligia Goldenstein (1994). In Cardoso's view, dependency was the development paradigm of peripheral capitalism. For him postwar imperialism, in contrast to the neocolonial imperialism described by Lenin, was marked by the introduction of countercyclical policies and guidelines to confront the problem of surplus, overaccumulation, and overproduction. These countercyclical policies worked in three directions, increasing military spending, spending on social welfare, and investment in foreign countries. Foreign investment produced repatriation of resources through remittances of profits (from direct or portfolio investment) and interest payments from intercompany loans. However, this led to new waves of foreign investment that more than neutralized its effect. For Cardoso the new imperialism that emerged in the postwar period tended to eliminate or restrict cycles and, with this, the traditional balance-of-bottlenecks of dependent capitalism. Thus the new dependency

became the path to development, redefining the relations between center and periphery. Although he expressed optimism, he pragmatically dismissed forecasts for the future of dependency and was unable to envisage a world economy without an international division of labor hierarchized between center and periphery. Cardoso's thinking was thus similar to neodevelopmentalism, which, through the works of Maria da Conceição Tavares (1978) and João Manuel Cardoso de Mello (1975), argued that domestic demand had become the central element of development in Brazil, starting with the internalization of the industry via import substitution and external financing of investment and consumption, eliminating bottlenecks in the balance of payments (Martins, 2006; 2011).

The Marxist theory of dependency did not, as Cardoso argued, oppose dependent capitalism to development. It said that this development was limited by the superexploitation of labor, on which it relied, and by the decapitalization of national economies caused in the medium and long term by foreign capital. Development was oriented mainly toward luxury consumption, state consumption, and exports, with superexploitation restricting the masses' access to consumption. Foreign capital tended to channel profits to nonresident owners, establishing entry and exit cycles in which the latter more than compensated for the former, generating restrictions on the balance of payments, which required containment of domestic demand and the generation of significant commercial balances for financing.

A review of the past 70 years reveals that the historical process is much more inclined toward the Marxist theory of dependency than toward its opponents. The developmentalist, neodevelopmentalist, and prodependentist enthusiasm produced by import substitution and the cycles of foreign capital inflows of 1955–1961 and 1968–1980 was not sustained. Examining the average gross domestic products (GDP) per capita of Brazil, Mexico, Argentina, Colombia, Venezuela, Chile, Peru, and Uruguay in comparison with that of the world economy, we observe that in 1960 the former represented 122 percent of the latter, in 1980 130.6 percent, in 1990 106 percent, and in 2010 99.4 percent (Maddison Project Database, 2013). These Maddison series do not allow extrapolating the data for the years after 2010, but in the new series we can compare the GDP per capita of Brazil, Argentina, Mexico, and Colombia with that of the United States as follows: Brazil, 1960, 24.5 percent; 1980, 36 percent; 2010, 29.2 percent; 2016, 25.7 percent; Mexico, 1960, 31.2 percent; 1980, 39.9 percent; 2010, 31.2 percent; 2016, 30.4 percent; Argentina, 1960, 54 percent; 1980, 48.7 percent; 2010, 38.7 percent; 2016, 35.6 percent; and Colombia, 1960, 22 percent; 1980, 22 percent; 2010, 23 percent; 2016, 25.1 percent (Maddison Database, 2018). This decline in the percentage of GDP per capita in Latin America in relation to that of the world economy and the United States is linked to severe deindustrialization in the region. That the decline was not greater is due to the commodities boom that occurred between 2003 and 2014, but this boom was exhausted with the depletion of Phase A of the Kondratiev cycle begun in 1994. World Bank (2019) data (with purchasing power parity and constant 2011 dollars) point to the sharp decline of GDP per capita after 2013 in Brazil, Argentina, Colombia, and Mexico, which represent approximately 75 percent of the Latin American GDP (Figure 1).

The data on foreign capital cycles and their tendency to decapitalize the region in the long run are very striking. My studies have confirmed the

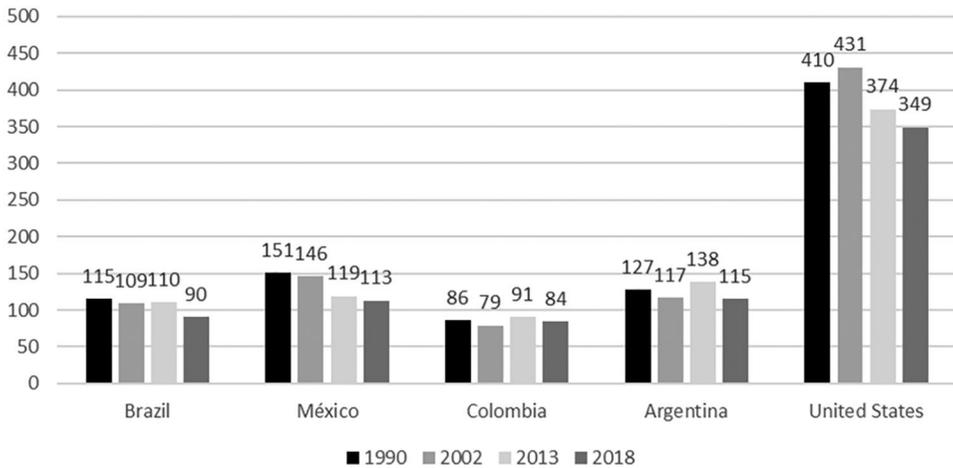


Figure 1. GDP per capita (world economy: 100), 1990–2018 (World Bank, 2019).

assessments of Caputo and Pizarro (1974). If we compare the balances of foreign capital in the Latin American balance-of financial account with the deficits in remittances of profits, interest, and technological and other services (excluding travel) in the balance of factorial services, we observe, between 1956 and 2009, an outflow of US\$2,132 billion and an inflow of US\$1,347 billion (Martins, 2020 [2011]: 231). While inflows of foreign capital tend to predominate over outflows in its cyclical periods, between 2010 and 2014 outflows exceeded inflows because of the high level of remittances associated with the accumulated stocks of foreign capital and the slowing of the expansion of international capital flows with the decline of the current expansive phase of the Kondratiev cycle.<sup>5</sup>

## DEMOCRACY AND POLITICAL REGIMES

The question of democracy and political regimes in dependent capitalism is another topic to which the Marxist theory of dependency has contributed and that has elicited considerable debate. For Santos, Marini, and Bamberra, the limits imposed by the superexploitation of labor greatly restricted the possibility of sustainable democracy in these social formations. The development of democracy, understood as a regime that promoted multiparty competition and allowed the organization of the working classes, tended to conflict with the levels of inequality that the dominant classes sought to maintain, creating political crises that called into question their liberal bourgeois forms of representation and led to the establishment of bifurcations constituted by setbacks for the imposition of states of exception or the advance toward popular democracies confronting dependent capitalism through state capitalisms or socialist forms of power. This was not a mechanical process but a middle- and long-term trend that operated through various mediations.

Santos (1978b) called these states of exception “fascist” and made an important contribution to the general theory of fascism. For him it was necessary to

distinguish between fascist movements and fascist states. Fascist movements typically represented the organization of the middle sectors, the rural oligarchy, and segments of the lumpenproletariat and call for the use of violence and terror against a real or imagined threat of rising working classes and popular classes. They were ideologically confused because of the diversity of their social basis, carried anticommunist and antimonopoly banners, and united against the internal/external enemy represented by the self-awareness of the working class, leftist governments, or socialist states. The fascist state represented the imposition of a reign of terror against the left and the working class that destroyed democracy or subordinated it to a corporate and autocratic structure of big capital to eliminate the achievements of workers and their popular organizations. Santos pointed out that the fascist state was an alliance with conservatives, had in common with liberalism the defense of private property, and subjected or destroyed the petty-bourgeois wing of the movement by privileging and promoting the power of big capital over small property and breaking with liberalism in political sphere but not in the economic sphere. Even in the political dimension, however, the break with liberalism could be partial, as in the institutional path supported by Parliament, followed in Italy and Germany, allowing the establishment of hybrid regimes. The essence of fascism, for Santos, was therefore not the movement but its constitution as a state, making it possible to install fascist systems without the presence of fascist movements, as in the case of regimes of occupation.

For Santos, fascism under conditions of dependency presented serious contradictions: superexploitation of labor that limited the significance of the middle classes and their proportion of the population; foreign capital as the most important and dynamic element of the internal bourgeoisie; and the shift of power to the state technical bureaucracy, pursuing a state capitalism that imposed terror and destroyed the left and working-class organizations but whose political monopoly strengthened the national state vis-à-vis foreign capital and the national bourgeoisie associated with it. Such contradictions with the most dynamic and monopolist fraction of big capital limited its support for dependent fascism to the destructive functions exercised against the organizations of the working class and its leaderships, creating major conflicts between its expansive pretensions and the interests of the powerful bourgeois wing. The attempt to take the subimperialist project and the domination of heavy industry beyond the limits tolerated by imperialism was the main contradiction between dependent fascism and big capital. This was expressed in Brazil's efforts to dominate nuclear and computer technology and heavy industry, driven by government policies largely involving state-owned companies, and in the Falklands War by an initiative by Argentina.<sup>6</sup>

The solution to these conflicts occurred with the transition to democracy under the control of big capital, which attempted to dictate its pace and extent, to a greater or lesser degree in alliance with the military. The attempt to protect the transition led to the desire to create fourth-power states (see Marini, 1992), which ended up being subordinated to the pressures for mass democracy, although they left an institutional legacy in the 1980 Constitution and "bionic senators" in Chile and amnesty laws guaranteeing impunity for state terrorism in Brazil and Uruguay. Faced with popular pressures for a participatory

democracy, Marini pointed out that the bourgeois project sought to transfer power to Parliament, where it managed to organize majorities with greater ease. The coups d'état in Paraguay (in 2012) and Brazil (in 2016) delegated a key role to Parliament and established relationships with the judiciary, the main fractions of capital (with emphasis on the media), and U.S. imperialism, which formally recognized them and assisted the internal actors in their preparations.<sup>7</sup>

Moving in the opposite direction from the Marxist theory of dependency, a large part of the social sciences bet on the progressive, stable, and peaceful character of the wave of democratization that was established in Latin America, particularly in the Southern Cone, beginning in the 1980s. Among the main contributions were those of the Weberian version of dependency and those of endogenism, neodevelopmentalism, neo-Gramscianism, and neoinstitutionalism.<sup>8</sup> Cardoso (1975) sided with big capital in the dispute with the military and civil technical bureaucracy, which he saw as the source of authoritarianism and the axis of political domination (which led to military dictatorships) but not of the structural domination of peripheral capitalism. His was a matter of choice between negotiated dependency and state capitalism, which was inherently oriented toward authoritarianism and nationalism. For Cardoso big capital had been involved only provisionally in the authoritarianism of countries like Brazil, Argentina, Chile, and Uruguay because of the excesses of national-developmental populism and its threats to private property. It would be possible, in his view, for a liberal democracy under the leadership of big capital to provide development, relative surplus value, and moderate income distribution. Francisco Weffort (1978), in a similar direction but breaking with the concept of dependency, pointed to the possibility of a stable democracy based on the organization of internal actors, reconciling the transnationalization of capital, unions, and social-democratic parties. Such unions and parties would organically establish the representation of workers in civil society, creating mechanisms for the distribution of income that populism would not have made effective in its attempt to exercise political and ideological domination over workers. Carlos Nelson Coutinho (1984) and Luiz Werneck Vianna (1986) defended the thesis that the industrialized countries of peripheral capitalism had already arrived in the Gramscian West, where forms of power were organized not by domination but by hegemony, representing democracy as a universal value that would introduce changes through wars of position and reforms. Neodevelopmentalism of ECLAC origin (Pinto, 1976) claimed democracy as an independent political variable capable of determining development styles, and neoinstitutionalist thinking, driven by the Ford Foundation, separated politics from economics and social classes, treating political regimes, representation, and legitimacy as independent themes and as subject to modeling (Martins, 2006).

However, coups d'état were again imposed in Latin America, reaching Brazil, the main economic power in the region, a case of weak reformism, revealing the depth of the bond between the Brazilian internal bourgeoisie and imperialism with the superexploitation of labor. Such coups or coup attempts have taken on a continental projection, contemplating cases of strong reformism supported by state capitalisms and attempts to create participatory and popular democracies as in Venezuela, Bolivia, and, to a certain extent, Ecuador.

I have used the concept of liberal fascism to analyze the Brazilian state of exception, in which decision mechanisms have been created that violate popular sovereignty and legal frameworks, preventing political party competition without formally suppressing it, establishing a corporate regime of big capital without building a political monopoly that threatens economic monopolies. One expression of this is the approval, in the form of a law, of the freezing of primary public spending for 20 years, bringing about its per capita decline (contrary to the 1988 Constitution, which guarantees social rights), which is revocable in Parliament only by a qualified majority and which imposes recession and high levels of unemployment and weakens the organization of workers. These are circumstances that are increasingly necessary because of the contradictions between the increase in the value of labor power caused by the scientific-technical revolution and its superexploitation. Another is Lula's arrest, without any legal basis, to prevent him from running for president, significantly restricting electoral competition. The election of Jair Bolsonaro on a totalitarian fascist propaganda as a consequence of the failure of the neoliberal candidates again raises the issue of composition and contradictions between the liberal agendas of big capital and the authoritarian technical bureaucracy. These actors are to a certain extent united against the workers and the left, but they have internal conflicts.

## **ALTERNATIVES TO DEPENDENCY IN THE TWENTY-FIRST CENTURY**

For Cardoso, the link to greater economic dynamism guaranteed by foreign capital justified dependency as a development paradigm. However, as we have seen, the decline in the hegemony of the United States, the deindustrialization driven by the neoliberal pattern, the expansion of transfers of surplus value, and the persistence of the superexploitation of labor severely limited its future development. For the Marxist theory of dependency, the fight against superexploitation of labor, inequality, the conquest of sovereignty, and the establishment of a regional and global alternative to dependency, imperialism, and their civilizations justified the confrontation with dependent capitalism. In this confrontation, two power structures were possible: state capitalism and socialism. However, the depth of the confrontations required the former to become the latter or risk its project's failing. Santos proposed, in the 1970s, a long-term continental strategy that combined popular legal and revolutionary struggles to organize the masses. Socialist and popular forces would be organized not only at the local and national but at the continental level, with national and subnational victories constituting advances in a broader war. The continental victory would occur by the accumulation of forces. For the Marxist theory of dependency, the socialist alternative should promote the development of the productive forces, making it necessary to extend it to the more advanced centers of dependent capitalism, at the risk of isolation and defeat.

With the globalization of capital, the Marxist theory of dependency must confront not only the internal structures of dependency but the imperialist world order. It is about fighting against the peripheral condition and the world of capital, and this requires socialization of the productive forces. It calls for not

only a continental strategy but a global one in which the regional powers are organizational axes of the project of a Global South in which the BRICS initially assume a prominent role.<sup>8</sup> Imperialism and dependency are increasingly becoming parasitic and oppressive forces, while popular struggles and a democratic, plural, and globalized socialism are emancipatory (Martins, 2018b; 2020). Therefore it will be necessary to decolonialize power in civilizing struggles that, rather than destroying the state's capacity to cope, make it sovereign and plurinational, developing other forms of relationship such as *buen vivir* between people and between them and nature. The Marxist theory of dependency thus opens up to incorporating ethnic, gender, sexual, and ecological orientation issues.

In this process the Marxist theory of dependency has led to the development of a geopolitical theory of emancipation that highlights the importance of nationalizing strategic resources and the vulnerability of the imperialist countries to this initiative, since they increasingly need their imports (see Ceceña, 2001). However, this process is insufficient in itself to provide a sustainable basis for sovereignty and calls for a broad development of the scientific-technical productive forces. Attempting to rely indefinitely on mining and land rents to boost development indefinitely can lead to isolation and regression.

The weakness of left and center-left forces in confronting the internal structures of dependency and driving a deeper process of continental integration in South America was one of the reasons for the neoconservative restoration in the region. The theory of sovereign regional integration—based on a supranational investment bank and stabilization fund and a regional currency—was not implemented, and the commitment of the Brazilian Partido dos Trabalhadores (Workers' Party) governments to subimperialism and the financialization of the public debt was of great importance. Even the most radical Venezuelan governments made big concessions, neither nationalizing the financial sector nor establishing a foreign trade monopoly to stem the capital flight that the oil boom financed. However, neoconservative restoration can offer little to South America. Its growing contradiction with the development of the forces of production and popular needs will deepen with the end of the long cycle of expansion, opening options for the radicalization of social struggles in the region.

## NOTES

1. Within the scope of the Marxist theory of dependency, Santos did not sufficiently integrate systemic cycles into his conjuncture analyses because he did not describe the limits imposed by Phase B of the current systemic cycle on the expansive phase of the new Kondratiev cycle. This cycle was unable to break with financialization and the neoliberal pattern, although it limited them to some extent. Arrighi and Wallerstein do not empirically integrate Kondratiev cycles into their contemporary analyses, not recognizing the emergence of its new Phase A. Arrighi has directed his attention primarily to the paths opened up by the sophisticated theory of systemic cycles that he formulated.

2. Methodological nationalism restricts the analysis of economic, political, and social processes to the national state, considering international relations the result of the interaction between independent units. Thus, it ignores the transnational and biased planetary character of the capitalist mode of production and its historical and systemic forms, expressed in the establishment of a world economy, an international division of labor, and an international system. For a history of the concept, see Vieira (2015).

3. For criticism of the association between the concept of work intensity and relative surplus value via superexploitation, see Marcelo Carcanholo (2017) and Carlos Eduardo Martins (2018a).

4. In contrast to the Brazilian industrial policies of the 1970s, aimed at encouraging heavy industry and increasing the technological content of exports, under the Partido dos Trabalhadores (Workers' Party) governments the integration into global value chains and the export of products of medium and low technological intensity was sought, as well as the expansion of productive heterogeneities with Latin America, the Caribbean and Africa.

5. From 2010 to 2014, outflows reached US\$1,086 billion and inflows US\$1,081 billion. Between 2015 and 2016 outflows were US\$398 billion and inflows US\$281 billion (CEPALSTAT, 2019).

6. Marini (1978a) disagreed with Santos regarding the application of the term "fascism" to the military dictatorships of dependent capitalism of the 1960s–1980s, using the term "counterinsurgency states" to describe them. With regard to fascism, Marini prioritized the strength of social movements in the face of the state and the attempt to establish a regime of permanent exception. However, in doing so he neglected Santos's distinction between the fascist movement and the fascist state and the fact that the higher-level transition to redemocratization was based less on doctrinal reasons than on conflicts of interest between big business and the technical bureaucracy that was attempting to impose socially regressive state capitalism.

7. In the case of Honduras in 2009, this format was followed without the participation of the U.S. government, since the Obama administration did not recognize Roberto Micheletti's de facto government and suspended the diplomatic visas of several of its members.

8. The link of the BRICS to the project of a Global South will depend not only on their structural potentialities but on the international structures that they establish on the basis of the internal forces that guide them (see Martins, 2018b).

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