

1. A Dependency Pioneer

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Sixty years ago, a young Samir Amin finished his PhD dissertation, which applied Marxist principles to the global economy⁵. He went on to become a leading Marxist scholar, particularly known for his analysis of global inequality based on the law of worldwide value⁶. From the beginning, Amin was heavily influenced by Marx, Engels, Lenin and Mao. Later he also drew inspiration from both Baran and Sweezy. I recently had the pleasure of interviewing Amin, and was able to pick his brain on varieties of dependency theory, possibilities for development, the consequences of globalisation, the role of economists in society, and more.

Varieties of Dependency Theory

When I ask about Amin's view on *dependency theory*, Amin points out that there is no single unified theory of dependency. There are, rather, three schools of thought that share some fundamental characteristics, but that also differ on important points. But what they have in common is often more important than what separates them. Amin identifies himself as being a part of the school of global historical materialism. This is Marxism understood as a global system. Academics such as Baran and Sweezy also fall into this category. Within this framework, the Marxist law of value is central and this distinguishes this school of dependency from the others. The law of value may be considered in other schools, but it is not at the core of this analysis.

In Amin's analysis, the main characteristics of the worldwide law of value is that the price of the labour force is distributed in a much more unequal way than are the productivities of social labour. There are differences in the productivity of labour, of course, but the differences in productivity are smaller than the differences in the price of

⁵ Samir Amin, *Les Effets Structurels De L'intégration Internationale Des Économies Précapitalistes. Une Étude Théorique Du Mécanisme Qui a Engendré Les Économies Dites Sous-Développées* (Paris: Université de Paris, 1957).

⁶ See Samir Amin, *The Law of Value and Historical Materialism* (London: Harvester, 1977). Also see his reformulation published as two volumes in 2010 by The Monthly Press, namely *The Worldwide Law of Value* and *Essays on Marx's Law of Value*.

labour. For example, while the difference in productivity between the US and Congo is 1:5, the difference in the price of the labour force may be 1:20. With free trade and relatively open borders allowing multinationals to move to where they can find the cheapest labour, the law of value operates at the global level to allow the extraction of the value produced in the peripheries to the benefit of the monopoly capital of the centres. Unequal exploitation is thus manifested in unequal exchange, in Amin's framework.

The other two strands of dependency are the dependency school (so-called *dependencia*) and the World Systems School, according to Amin. The *dependencia* school is a Latin American school associated with Ruy Mauro Marini, Theotonio dos Santos, Andre Gunder Frank, and others. The World Systems School was founded by Immanuel Wallerstein, but Giovanni Arrighi can also be included in this school.

The *dependencia* school was in some ways a reaction to the dominant view of the communist parties in Latin America in the 1950s. While the communist parties argued that Latin America was feudal, or at least semi-feudal, the *dependencia* scholars argued that the Latin American countries were capitalist from the start of colonization and from their integration into the world economy in the 1500s. The problem was that as they were colonized, their economies were built as a periphery to the capitalist system. Amin, however, would argue that the 18th century should be defined as the period of transition to capitalism and that capitalism only takes its full form with the industrial revolution of England and politically with the French revolution. Either way, in the 19th century, the Latin American countries found it very difficult to catch up with advanced countries, due to the nature of the capitalist-like system that they were a part of.

World Systems theory is conceptualized and applied differently by the different authors within the school. Central to the vision of Wallerstein and Arrighi was the idea that the global system shapes the conditions of each country's development at the national level. Amin's problem with World Systems theorists is that he feels that they have a tendency to explain national processes as exclusively, or almost exclusively, shaped by global tendencies. Therefore, they attribute the failure of national attempts to move out of the system to the operation of the global system itself. Thereby the global system becomes responsible for the failure of the Soviet attempt, the failure of the Maoist attempt, and the failure of all the national popular regimes in Africa and Asia that came out of the Bandung era⁷. Amin, in contrast, argues that there are dialectics between the effects of

⁷ The Bandung conference was the first large-scale meeting of Asian and African states, most of which were newly independent, which took place in 1955 in Bandung, Indonesia. The conference's stated aims were to promote Afro-Asian economic and cultural cooperation and to oppose colonialism or neocolonialism by any nation.

the global system and the local national class struggles.

You cannot reduce these three schools to one, neither to *dependencia* nor to World Systems theory, nor to global historical materialism. However, it is possible to identify commonalities in these three strands. First of all, they all consider capitalism as something that has always been global. Within these theories, globalisation is not something new, but something immanent to capitalism. Secondly, they also share the view that global capitalism has always been polarizing and that it has never permitted countries to catch up with those that are the most advanced. Instead of convergence, there has been a polarization between the centres and the peripheries. This brings us to the final commonality, namely the vocabulary. All three theoretical strands tend to employ the concepts core and periphery.

Another commonality between the three strands of dependency is the opposition to orthodox Economics. The analysis is grounded in global history and the interactions between economies in the world, whereas mainstream Economics tends to be confined to what happens within the boundaries of the state. In orthodox Economics, the national economy is assumed to be relatively autonomous and can be analysed separately from the global economy. Amin argues that you cannot understand neither the United States, nor Germany, nor the Congo, nor China, nor Egypt, if you separate them from each other. You have to start from the global perspective and then move down to the expression of globalisation operating at the national level.

Amin perceives orthodox Economics to be very naïve, as it assumes that poor countries can catch up with advanced countries if they are clever enough and simply have the will to do. This view – that globalisation can be good for all – completely ignores the polarizing tendencies of globalisation.

The Polarizing Tendencies of Capitalist Globalisation

Amin first started studying the polarizing tendencies of globalisation in the 1950s. He argues that globalisation has always been polarizing because the centres have shaped the pattern of globalisation in their favour, thereby consigning other countries to the periphery. Important for dependency thinkers is the concept that the centre and periphery are, in fact, two sides of the same coin. By extension, development and underdevelopment are also two sides of the same coin. This is a notion you can also find in Andre Gunder Frank, who popularized the terminology: Frank argued that development and underdevelopment are concomitant, not successive, and that you don't

move from one to the other, you remain in the category you started in⁸.

Already in his thesis in 1956, Amin wrote that the process of accumulation on a world scale is a process inviting the peripheries to permanent “unilateral adjustment”. By unilateral adjustment, he meant that the centres are actively shaping the globalisation process, while the periphery is compelled to adjust unilaterally to it. For example, the Congo is invited to adjust to the needs of the United States, but the United States does not have to adjust to the needs of the Congo.

As Amin wrote about this polarizing tendency of globalisation in the mid-50s. This can be considered quite forward-thinking, as it was in many ways an anti-Rostowian manifesto before Rostow had even written his renowned *Stages of Economic Growth*!⁹ Amin’s point was that if you enter into a capitalist globalisation process, you will not go through a variety of stages and eventually become ‘developed;’ on the contrary, you’ll have to move out of the system and find some other way to catch up.

Notably, Mao had developed this point on the impossibility of catch-up even earlier, when he was considering the conditions of China. According to Amin, Mao argued that it would not be possible for the periphery to develop through phases, whereby a national democratic bourgeois capitalist revolution would create the possibility of the development of a nationalist capitalist economy, which would finally end in a socialist revolution. To Mao this would be impossible because it is not possible to create a national bourgeoisie in the conditions of the peripheries, particularly not in the context of China. Mao did not mention any other region, but Amin interprets Mao’s thinking as something that is relevant and applicable to all peripheries, whether in Asia, Africa or Latin America. Therefore something different from unfettered capitalist development is needed for these peripheral countries to prosper.

Dependency in a New World Order

The three dependency schools see today’s globalisation as a new stage of an old phenomenon. Although one can point to many things that are “new” about today’s globalisation, Amin focuses on the increased degree of centralization of the control of capital, which he considers to be crucial to the pattern of financialization. This high level of control is qualitatively new compared to what it was 50 years ago. The lion’s share of activities today is production by subcontractors that tend to serve financialized monopoly capital. This centralization leads to a series of consequences, such as a large

⁸ Andre Gunder Frank, *The Development of Underdevelopment* (New York: Monthly Review Press, 1966).

⁹ W.W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1960).

part of the value created by the subcontractors both in the centres and peripheries being captured by monopoly capital and transformed into monopoly rent. Amin calls this an imperialist monopoly rent.

He argues that it is also this characteristic that explains the social disasters that can be observed globally, such as stagnation, unemployment, and the destruction of the welfare state. These can be observed globally, but most dramatically in the South, and particularly in the weak countries of the South. This centralizing tendency also leads to an accelerated growth of income and wealth inequalities in both the North and the South. Amin argues that this pattern cannot continue on forever – not only for political, social and ecological reasons, but also because of the system's internal contradictions.

Many would argue that the world is now multipolar and that the rise of the BRICS challenges this centralizing, polarizing tendency of globalisation. However, Amin has two ways of responding to this claim. First of all, he scoffs at the thought of institutions and economists calling the BRICS 'emerging markets,' both because a country is more than a market or an economy – it is first and foremost a society – but also because some of these countries are the oldest nations in the world and it is not only recently that they are 'emerging'.

Secondly, Amin points out that the BRICS are not homogenous countries and should not be analysed as such. Some are of continental sizes such as China and India, while others are smaller. Amin argues that China is perhaps the only country among the BRICS that is trying to combine two things that are conflicting, namely a national sovereign project and participating in the process of globalisation. A part of the sovereign project is constructing an auto-cantered modern industrial system associated with a renewal of peasant agriculture in order to ensure food sovereignty, which conflicts with free trade.

Amin estimates that China's development is determined fifty per cent by its sovereign project and fifty per cent by globalisation. When asked about Brazil and India, he estimates that their trajectories are driven by twenty percent sovereign project, and eighty per cent globalisation. Now, if we move to South Africa we'll see zero percent sovereign project and one hundred per cent globalisation, Amin adds. China is challenging the present order, and so is potentially Russia. The others are not currently challenging the status quo, but that doesn't mean that they will not move towards doing that, Amin explains. When it comes to the newly industrialised countries in East Asia, such as South Korea and Taiwan, Amin argues that these were allowed to move from periphery to core because of geostrategic reasons (i.e. the threat of communist North Korea and China).

Amin's Alternative: Delinking

For Amin, the centrality of the law of value is crucial for understanding precisely why it is impossible to catch up within the system and why delinking from that system is a prerequisite for the development of productive forces¹⁰. As the current system reduces countries of the periphery to being the subcontractors of central monopoly capital, the only way forward is to delink from the global system. Amin underlines that it is almost impossible to delink 100%. When he says “delink,” he does not mean autarky. What delinking means to him is that you try to compel the system to adjust to your needs, rather than simply going along with having to unilaterally adjust to the needs of the core. Amin estimates that if you can reach seventy percent delinking, you'll have done a great job. A strong country that is for historical reasons relatively stable and has some military power will have more leverage than a small country to do this. For example, China has a margin of manoeuvre that Senegal does not have. The context is thus important.

Finally, an essential part of delinking for Amin is to give more importance to building national popular projects. What is needed is a national, democratic revolution, Amin argues. Such a national popular revolution can open the road to socialism, but this is not a given. A revolution can also open the road for conflict or for a socialist road with capitalist tendencies. Regardless, the peripheral countries cannot develop unless they try to delink from the current exploitative world system.

The Role of Ideas

Finally, Amin argues that we are not living in democratic times, as different economic ideas are not tolerated by the mainstream. As orthodox Economics is being channelled through both the media and universities, all the conventional economists end up saying the same thing. There are a few academics that are critical of the hegemonic order, such as Amin himself, but they are marginalized in the system and rarely get access to the most popular media outlets. Amin sees the Young Scholars Initiative of INET's initiative to support unconventional critical social thought as a unique way for young scholars to find like-minded people and pursue more radical projects, such as this this very e-book.

¹⁰ By this Amin means a pattern of development which leads to higher living standards for the majority of people.