



**Marx's Economic Manuscripts of 1861-63 and the "Concept" of Dependency**

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# Marx's Economic Manuscripts of 1861-63 and the "Concept" of Dependency

by

Enrique Dussel

Translated by Aníbal Yáñez

In 1932, with the publication of the "Economic and Philosophical Manuscripts of 1844"—and the famous reflections by Herbert Marcuse—there began a revision of Marx's thought, a reaction to extreme economism and ingenuous materialism. In 1939 the *Grundrisse* was published, but went unnoticed due to the World War. A second edition appeared in 1954 and did not improve matters much. It was not until 1968, with the publication of Roman Rosdolsky's *Zur Entstehungs- geschichte des Marxschen Kapitals* (*The Making of Marx's "Capital"*) that a rediscovery of the historical evolution of Marx's creative thought occurred.

In recent years, the *Manuscripts of 1861-63* (six volumes of the MEGA [*Marx-Engels Gesamtausgabe*]) were published (in the original language) between 1976 and 1982 and numbered II,3, vols. 1 through 6. These include the three previously known volumes of *Theories of Surplus-Value*, now critically edited. This presents the second rough draft of *Capital* (if the first rough draft was the *Grundrisse* of 1857-1858).

An Argentine citizen, Enrique Dussel has lived and taught in Mexico at the Universidad Nacional Autónoma de México (Mexico City) and the Universidad Autónoma Metropolitana (Iztapalapa) since the mid-1970s. He has lectured frequently at various universities in the United States, Europe, and other parts of the world. He is a Participating Editor of *Latin American Perspectives* and the author of many works, including *La producción teórica de Marx. Un comentario a los Grundrisse* (1985) and *Hacia un Marx desconocido. Un comentario de los Manuscritos del 61-63* (1988). He has also completed a commentary on the third and fourth rough drafts of *Capital* (that of 1863-1865 and from 1866 to the end of Marx's life), based on the unpublished manuscripts at the International Institute for Social History in Amsterdam, thereby completing the first full commentary on the four rough drafts of *Capital*. This article is an edited version of "Los Manuscritos del 61-63 y el 'concepto' de dependencia," chapter 15 in *Hacia un Marx desconocido*.

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The first volume of the *Manuscripts of 1863-67* was published in 1988 (MEGA II, 7, vol. 1), and it includes the famous “unpublished Chapter 6” of volume 1 of *Capital* from 1864, and *Manuscript I* of volume 2, hitherto totally unknown. *Manuscript I* of volume 3 will follow, which means that the third rough draft of *Capital* will become known for the first time. Furthermore, two new critical editions of volume 1 of *Capital* appeared in 1988—one of the first edition of 1867 (MEGA II, 5), and the other of the second edition of 1873 (MEGA II, 6).\*

Today it is fashionable to consider ourselves in a period of “post-Marxism.” I think that especially in Latin America—but also in Europe and the United States—rather than being in a period of “post-Marxism” we are in a time of serious, measured, profound reencounter with Marx *himself*. In the “second century” of Marxism—if one considers the first to be from 1883 to 1983—we will rediscover in Marx a source of scientific thinking that can be used not only for a critique of capitalism but also for a critique of actually existing socialism.

This essay, which aims to re-pose the “dependency issue,” asserts that a return to Marx is highly necessary. This work then should be seen as a “practice” or a “method” for trying to interpret the present using the categories slowly elaborated by Marx, especially from 1857 until the end of his life.

Marx began *Theories of Surplus-Value* with a thesis that is reproduced here by way of analogy. He wrote that “all economists share the error . . .” (Marx, 1861-63, Vol. 1: 40). I would say that many economists, historians, and sociologists share the error of examining dependency not as an international *social relation* and a *transfer of surplus-value* between total national capitals of different organic composition, in the framework of competition in the world order, but through its *particular forms* or merely by means of aspects that are secondary phenomena. They thus confuse the essence with the appearance. Furthermore, they do not elaborate upon the concept nor do they first construct the necessary categories on an abstract, *logical*, and

\*Translator’s note: MEGA refers to *Marx-Engels Gesamtausgabe*, a collection of works by Marx and Engels published in the languages of the originals. A new, definitive English-language edition of the *Collected Works* of Marx and Engels (MECW) began appearing in 1975. Volumes 28 and 29 of the MECW, which contain Marx’s economic works from 1857 to 1861 (including the *Grundrisse*), appeared in 1986 and 1987. Volumes 30-34 of the MECW are to comprise the economic manuscripts of 1861-63, while volumes 35-37 will contain all of *Capital*; none of these latter volumes of the MECW are yet in print. Since the MEGA was not available for the translation of this article, the English-language version of Dussel’s citations from *Theories of Surplus-Value* are taken from the 1963 Progress Publishers edition, while other citations from the 1861-63 manuscripts are translated from Dussel’s Spanish version. Citations from *Capital* are from the Vintage edition (1977-1981) translated by Ben Fowkes (vol. 1) and David Fernbach (vols. 2 and 3).

*essential* plane, but rather they get lost in a chaotic, unscientific, anecdotal history of dependency.

We can state at the outset that frequently in the debate on dependency Marx was notably absent. In some cases, as in the excellent work of Ruy Mauro Marini, the topic of “transfer of surplus-value” was explicitly noted (Marini, 1973: 37), but that transfer became a compensation (that is, a secondary, derivative mechanism based on the essence of dependency: “. . . the central thesis that is defended there, . . . is, that *the foundation* of dependency is the superexploitation of labor” (Marini, 1973: 101).

How can the consequence, or compensation, of the transfer of surplus-value be the *foundation* (the essence) of dependency? A transfer of surplus-value at a fundamental, essential level makes it necessary for dependent capital to superexploit its wage-labor. Superexploitation is a consequence. This mistake, Marx would call it “confusion,” is due to there being no prior clear definition of the “concept” — in the sense that Marx gives this notion.

### “THEORIES OF DEPENDENCY”

This section presents the diverse “theories of dependency” and is intended as a first step in this task; but by no means does it constitute a finished work.

In *Imperialism, the Highest Stage of Capitalism* (1916), Lenin was aware of writing a “popular outline” from a merely economic point of view. J.A. Hobson (1902) also took up imperialism’s historical and political aspects but never used the category of surplus-value nor, therefore, that of “transfer of surplus-value.” There is a reference to “superprofits” (Lenin, 1916: 193)<sup>1</sup> but none to categories such as value of the commodity, cost-price or price of production, market value, or market price, etc. The fundamental thesis, a correct one, is that “competition becomes transformed into monopoly” (Lenin, 1916: 205). Put another way, “the old free competition” (Lenin, 1916: 205) gives way to competition at a higher level (“monopoly” with regard to the old competition, but “new” competition between capitals with a greater concentration, both in terms of size as well as organic composition).<sup>2</sup> Lenin writes:

. . . as a matter of fact the capitalists . . . have converted . . . railway construction into an instrument for oppressing *a thousand million* people (in the colonies and semi-colonies), that is, more than half the population of the globe that inhabits the *dependent countries* . . . . Capitalism has grown into a world system of colonial oppression . . . by a handful of “*advanced*” *countries* (Lenin, 1916: 190-191; last two emphases added by Dussel).

Not only are the two main groups of countries, those owning colonies, and the colonies themselves, but also the diverse forms of *dependent countries* which, politically, are formally independent, but in fact, are enmeshed in the net of financial and diplomatic *dependence*. . . . An example . . . is provided by Argentina (Lenin, 1916: 263; emphases added by Dussel).

Lenin is aware that there is “uneven development” (1916: 241). He sees that after a sufficient level of finance capital is reached (“the bank capital of a few very big monopolist banks, merged with the capital of the monopolist associations of industrialists”) in the most advanced countries (he gives the examples of Great Britain, the United States, Germany, or Japan) and after the division of the world, there is a transition “to a colonial policy of monopolist possession of the territory of the world, which has been completely divided up” (Lenin, 1916: 266). Lenin speaks repeatedly of “dependency” — of the colonies, the semicolonies, and of countries formally independent but really dependent, etc. He knows that the monopolist concentration of capital (in its productive or money form) does not prevent a new type of competition at another level (between the national powers and between conglomerated capitals). What he does not describe is the South-North relationship (referring only to the North-South one: from imperialism *toward* the dependent regions). What kind of transfer of wealth, of value, of surplus-value takes place *from* the dependent countries *toward* the advanced countries? What is the essential structure (at the level of the value of capital in the abstract) and what are the superficial mechanisms (the transformation from value to price in exchange, etc.)? None of this is taken up by Lenin. Therefore, the many authors who sought to criticize or to base the “concept” of dependency on this “popular outline,” without returning to Marx *himself*, were not firmly grounded — hence all the confusion, the errors, leaps, and so forth which have occurred.

Rosa Luxemburg, in her chapter on “International Loans” in *The Accumulation of Capital* (1967: 325ff), also pointed to the tendency of central capital to expand in order to realize its surplus-value (loans, railroad concessions, etc.). She observed that surplus-value is extracted from the periphery, giving as her example German capital in Asian Turkey (Luxemburg, 1967: 343).

To “realize” surplus-value in Germany means first of all that such surplus-value is transferred to the central country. Luxemburg would be even more creative in her enunciation of the “law of the tendency of relative wages to fall” (1951: 100), which is so important for dependency.

Henryk Grossman, another of the classic writers, did not see Marxian literature as treating in a systematic way the problem of “the deviation of prices from their values in international exchange,” nor did he see it “inserted

into the total construction of the Marxist system by Hilferding or anyone else. . . . Thus a more profound analysis of the function of foreign trade in capitalism was also neglected" (Grossman, 1979: 277).

The reasons for this are understandable. Marx studied capital in general. Only from the world market could he have been able to deal with the question raised by Grossman (cf. Dussel, 1985: chap. 18). Grossman notes quite rightly and in correct Marxism that

In international trade there is not an exchange of equivalents, because, just as in the domestic market, there is a tendency toward equalization of profit rates. Therefore the commodities of the highly developed capitalist country, that is, of a country with a higher average organic composition of capital, are sold at prices of production, which are always greater than their values. On the other hand, the commodities of countries with a lower organic composition of capital are sold under free competition at prices of production that as a general rule must be less than their values. . . . In this manner, *transfers of the surplus-value* produced in the less developed country take place within the sphere of circulation in the world market, since the distribution of the surplus-value is not according to the number of workers employed but according to the magnitude of the capital involved (Grossman, 1979: 278-279).

Grossman studies the question in an extremely precise way, and he even analyzes a Latin American case, where he concludes that the Cubans were looted by the transfer of surplus value to North America (1979: 303). Even Otto Bauer wrote that "it is not true that peoples exchange commodities, the production of which requires equal quantities of labor. For prices conceal profits and losses from exchange. The countries with developed industry are the countries that gain profits in exchange at the expense of the agricultural countries" (Bauer, 1956; cited by Rosdolsky, 1979: 346).

On this subject of exchange Roman Rosdolsky commented that "within a single country, the differences in intensity and productivity of labor balance out to constitute an average level. But the same does not happen in the world market. . . . The result is that between various nations there takes place an unequal exchange, so that . . . the poor country . . . must continuously hand over part of its national labor" (Rosdolsky, 1979: 345-346).

In 1962, French economist Arghiri Emmanuel used some of these same categories, perhaps influenced by Latin American economists. He raised the issue of "international value" as a case of "unequal exchange" and denied that the greater organic composition of capital was the principal cause of that unequal exchange.

The important point is that Emmanuel, by stressing the *difference in wages*, has had to take seriously the national frontiers that "constitute absolute thresholds of discontinuity" (Emmanuel, 1971: 17). He develops a

theme that Marx could not treat in his study of the concept of capital *in general*.<sup>3</sup> For his part, Charles Bettelheim expresses a much more balanced position. Accepting Emmanuel's conclusions as partial ones, he indicates that the different organic composition—as Marx, Grossman, and nearly all authors thought—is the fundamental phenomenon, and that the wage differences are derived from that (Bettelheim, 1971: 34). What was gained in that debate is that it is necessary to look at the difference in average national wages as well as the difference between the organic composition of national capitals, which is extremely important.

In 1970 Christian Palloix noted that everything has demanded that economics consider the “passage from labor-value to price of production” (Palloix, 1971: 105). This issue, as we have seen, was treated explicitly by Marx for the first time in the *Manuscripts of 1861-63*. Palloix stated that “in the process of production itself, the determination of international value has a *national foundation* (labor-value), while the world production price realizes a form of value on the world plane. . . . The theoretical problem consists then in carrying out the passage from *international value* to the *world price of production*” (Palloix, 1971: 113).

The categories previously used with regard to individual capitals are applied by *analogy* to branches or to capital in general: “*international value*,” “*world price of production*.” In the case of a product produced in Mexico and in Detroit, within competition (because monopoly situations are built, albeit negatively, from competition), it is necessary to distinguish between the “*national value*” of the product, the national price (in Mexico and in the United States), and the average international price. The determination of an average world profit should operate in the same way as the determination of an average national profit (among the different branches of production). In the same manner the value of national labor capacity (in Mexico or in the United States), or its national prices (its wages), would allow the conclusion that one is above and the other is below a “hypothetical” *world average*. Palloix (1971: 16) argues that unequal exchange as a result of different organic composition determines the different rate of surplus-value or the different value of the wage in underdeveloped and developed countries. (This second type of exchange accentuates the previous inequalities; it does not do away with them nor is it a new, contradictory phenomenon.)

In this entire debate, what is noteworthy is the strict, or clearly conceptualized, use of categories just as they were constructed by Marx.

In Latin America, on the contrary, things were explicitly posed in another way. There were three critical currents (all of them sociological or historical, but few actually philosophical, economic, or Marxist in a strict sense).

The first critical perspective was historical. Sergio Bagú, a true pioneer, as early as 1949 began to question the feudal character of the Luso-Hispanic American colonial economic system (Bagú, 1949). Years later he wrote that “far from reviving the feudal cycle, the Americas entered with surprising celerity into the cycle of commercial capitalism. . . .” and even “helped give that cycle colossal vigor, making the beginning of the period of industrial capitalism possible centuries later” (Bagú, 1977: 107).<sup>4</sup> With Bagú, then it was possible to speak of a colonial capitalism.

From a methodological point of view, Carlos Sempat Assadourian is right in saying that one should not go “from one abstract to another imaginary abstract” (1973).<sup>5</sup> We can nevertheless say that beginning with André Gunder Frank economic problems were discussed without the development of the concepts nor the necessary categories. There was a passage to the concrete historical without a sufficient *category framework* and this then led to the dead end.

For Marx, and even for Engels, one had first to describe the *logic* of the development of the concept by constituting categories. If *history* is the starting point, one falls into pure “empirical appearance” (Marx 1861-63: 387). In a valuable thesis Kuntz pointed out that

The analysis of the world market and of the relations that are inherent to it must be first of all of a *logical*, not a *historical*, character. And we are thinking here of the more or less fruitful attempts to find the historical origins of dependency. . . . Is this search possible, is it even conceivable from Marx’s perspective, if one starts from a self-evident lack of knowledge about the *essential*, abstract and specific, nature of the domination of some nations over others, of the internal functioning [of this domination], of its fundamental determinants? (1985: 158-159)

Much of what was discussed about the “history” of dependency had as its starting point imprecise assumptions with regard to the categories employed. The treatment of the “empirical appearance” was chaotic and it was possible to draw few conclusions.

A second road was the *sociological* critique of “dualism” (cf. Boeke, 1953; Lambert, 1953; for a critique of that position see Faletto, 1964; Stavenhagen, 1968; also see González Casanova, 1963, who supports the “internal colonialism” hypothesis). This position contrasted the country to the city and traditional precapitalist society to modern capitalist society (especially in the colonial or peripheral world). That is, it affirmed the existence of an external colonialism. This current would advance matters, but it would not focus on the key to the later debate.

Quite the contrary, the critique of the theory of *development* (which in Latin America was preponderantly sociological and historical) would leave



the most fertile theoretical legacy, but at the same time it would lead to a dead end. It is therefore necessary to take up the question anew.

From his position within the Economic Commission on Latin America (ECLA), Raúl Prebisch, even though a developmentalist, pointed as early as 1949 to the existence of the “large industrial centers of the world surrounded by the vast and heterogeneous periphery of the new system which hardly participated in the improvement of productivity” (Prebisch, 1951: 3). By 1964 matters had worsened. Between 1950 and 1961 Latin America had lost “almost \$13.4 billion due to the deterioration of relative prices” (Prebisch, 1964: 30). Furthermore, although foreign capital contributed \$9.6 billion, Latin America’s remittances abroad came to \$13.4 billion (Prebisch, 1964: 30).

Michal Kalecki advanced the notion of “external market” (see, for example, Kalecki, 1971), while Walt Rostow (1952) began an attempt at a theory of economic development. Nevertheless, despite all the criticisms directed against André Gunder Frank, it is to him that we owe the central hypothesis of the dependency question. Frank’s interest at the outset was the “sociology of development” (Frank, 1963b: 17). Already in 1963 it was evident that he was clearly aware of the antifunctionalist “dialectical totality” (Frank, 1963a: 84ff). It was during his search for the origins of the underdevelopment of the less developed countries and while placing the world system as the dialectical totality of the national economy of an underdeveloped country, that he began to formulate the question of dependency (cf. Frank, 1965, 1969, 1970, 1971).

It is clear that Frank always takes a historical approach in guiding his arguments. He was aware, however, as early as 1965 that a theory was necessary and that it had yet to be formulated (see Frank, 1981: xi). But since his approach was always historical he could never reach a theory. *Logic* should have preceded *history*, as Marx said many times. This is why such fundamental categories as value, price of production, and transfer of surplus-value are not used by Frank — but neither are they used by the majority of his critics.

Fernando H. Cardoso and Enzo Faletto wrote a critique of developmentalism, *Dependency and Development in Latin America* (1970, 1979), in which they concluded that “. . . the relation between economic process, structural conditions, and historical situations makes clear that *theoretical schemes* concerning the formation of capitalist society in present-day developed countries *are of little use* in understanding the situation in Latin American countries” (Cardoso and Faletto, 1970: 161; 1979: 172; emphasis is Dussel’s). Exactly the same could be said of the work of these two authors. The weakness is clear. In the entire text, not a single one of the essential categories of Marx’s critical political economic discourse is used. The chosen

approach is once again historical and lacking in clarity. Chaos is introduced and nothing but chaos can be the outcome.

If we consider the work of Theotonio dos Santos in *La dependencia político-económica de América Latina* (Jaguaribe et al., 1970), and we ask ourselves what categories are used, once again we do not find the essential ones, but we find the reliance upon historical conditions to explain the process of development (in Jaguaribe et al., 1970: 153-154, 174, 180).<sup>6</sup>

Dos Santos's thesis is that historical description comes first; second he defends himself against criticism — false, as we shall see — that dependency is not simply an external factor; third, he places dependency at the level of a “condition” and not of a “determinant” of less developed total national capital as such. For her part, Vania Bambirra, in her defense of the dependency theory, lists the various accusations against the theory as “a neo-Marxist idea; it uses bourgeois analytical categories; the class struggle is absent; it is economist; it does not go beyond the theoretical framework and the problems posed by developmentalism; dependency is a nationalist concept . . . ; dependency is viewed as an external phenomenon” (Bambirra, 1978: 34).

However, if we consider the categories used by Bambirra, we can see that she never made use of concepts such as value, surplus-value, transfer of surplus-value, etc. Her argumentation consisted of categories foreign to those coined by Marx himself (and which I use in this chapter). She shares an extremely important view, however, with other Latin American authors. For her it is a matter of analyzing the situation of dependency

Obviously not in the sense of a general theory of the capitalist mode of production, since that *was done by Marx*; nor of a dependent capitalist mode of production, *since that does not exist*; rather, [in the sense] of a study of the dependent capitalist economic-social formations, that is, an analysis at a lower level of abstraction. . . . In my judgement the theory of dependency should be understood as the creative *application* of Marxism-Leninism (Bambirra, 1978: 26).

This is an extremely serious theoretical question for many reasons. In the first place, it is not true that Marx “did” (completed) a “theory” of the capitalist mode of production (in an Althusserian sense or in Marx's own sense?). He only *began* his theory and it was *unfinished* upon publication of the first of the projected three parts (which represented only 1/72nd of his total project).<sup>7</sup> To write that indicates a lack of knowledge of Marx's project. Furthermore, the development of the concept and the construction of the necessary categories of the fundamental essence of a dependent, underdeveloped, or peripheral total national capital are perfectly possible, or at least strong arguments must be made to prove them impossible. This would require conceding that the enemies were right in asserting the impossibility of a

“theory” of dependency as a development of Marx’s own discourse, as yet unfinished at the level of the general concept of capital. Last, it appears that the “study” of historical social formations can never be a theory of dependency: It can only be a phenomenal description in time and in space of the development of the underdeveloped, dependent, peripheral total national capitals. To assign myself the task of “applying” an unfinished theory — such as Marx’s — would be to place myself in an unacceptable “scientific and cultural dependency.”

We now turn to some authors whose theses come closest to the manner in which Marx dealt with questions. Ruy Mauro Marini studies dependency largely following the approach of authors concerned about “unequal exchange.” Marini understands “transfer of surplus-value”<sup>8</sup> (Marini, 1973: 37), based on his correct use of such categories as organic composition of capitals, differences in values, prices of production and market prices, etc. Nevertheless, he errs when he confuses a “compensation mechanism” (Marini, 1973: 35) with an essential determinant: “Latin America had to accomplish it through . . . accumulation based on the superexploitation of the worker. In this contradiction lies the *essence* of Latin American dependency” (Marini, 1973: 49). “The central thesis . . . of the *foundation* of dependency is the superexploitation of labor” (Marini, 1973: 101). Actually the essence or foundation of dependency (as Marx would say) is the transfer of surplus-value from a less-developed total national capital to the one that is more developed. It is necessary to compensate for this loss by extracting more surplus-value from living labor in the periphery. Dependent capital hence drives the value of the wage below the value necessary to reproduce the capacity to work — with all the known consequences. At the same time, it intensifies the use of this labor by reducing the time necessary to reproduce the value of the wage, relatively and in new ways. Marini errs, as we said at the start, by confusing the essence with its effect. This was of decisive importance in Latin America since nobody had consistent clarity on the *essence* of dependency. The best proof of this was the 1974 Sociology Congress.

There, Gérard Pierre-Charles, the Haitian intellectual, defined dependency as “the extraction of surplus-value for the benefit of the center” (1979: 47), but like others he did so merely in passing, as if not to give it much importance, and turned to what he believed was essential: “the process of successive approximation and concretion at the level of the dominant mode of production and of the different modes of production prevailing in each national society” (Pierre-Charles, 1979: 47). He then criticized those who had not gone beyond a “general” (abstract or Latin American) theory. The point was that without having reached some clarity on the *minimal* and

*necessary* framework of categories, discussion was to revert to the concrete, to the national. Therefore, *never again* was there an attempt to define the transfer of surplus-value, which was mentioned in passing, without noting that it was a matter of the essence.

Another eminent Latin American sociologist, Agustín Cueva, believes that “national contradictions” (Cueva, 1979: 67) are not of interest to Marxists, who should only be concerned with “class contradictions.” Apparently, to analyze the contradictions between nations is characteristic of bourgeois nationalist analysis and contrary to class analysis. He writes that “there is no *theoretical space* in which a Marxist *theory of dependency* can rest. . . . Besides, the theory of dependency presents another problem, which is the nondialectical treatment of the relations between the external and the internal. The all-embracing predominance of the category of *dependence over exploitation, of nation over class*” (Cueva, 1979: 81, 92).

For Cueva there is dependency *or* exploitation, domination of one country over another *or* domination of one class over another. The former excludes the latter for some hypothetical dependentistas, but for Cueva, the latter excludes the former. Nevertheless, for Marx, neither one excludes the other, and he says so *explicitly*:

From the fact that the profit may be *less* than the surplus value . . . it follows that not only individual capitalists but nations too may continuously exchange with one another . . . without gaining equally thereby. One nation may continuously appropriate part of the surplus labour of the other and give nothing in exchange for it, except that here the measure is not as in the exchange between capitalist and worker (Marx, 1857-58b: 244).<sup>9</sup>

Indeed, and as we shall see, the relationship between capitalist nations is one of *competition* (not one of exploitation, but one of dependency; of extraction of surplus-value by the stronger capital, and of transfer by the weaker). But this is not in opposition to the *exploitation* of one class by another, of labor by capital; rather it can be perfectly well articulated alongside it. In this latter case there is no transfer of surplus-value but rather, properly speaking, appropriation of surplus-value. However, the surplus-value appropriated by capital in the vertical capital-labor relationship (exploitation) is the source of the transfer from a weak capital to the stronger on a horizontal level (competition, dependency). In sum, we have a non-Marxist criticism of positions that defend dependency also in a noncritical manner. This is what happens when it is thought that Marx completed the essential theory and that it is only necessary to go to the concrete historical to apply it. To think this is to fail to understand, as we said, the *open* character of Marx’s own theory and the need to *continue* it.

Salomón Kalmanovitz was able to overcome the false exterior-interior contradictions (dependency upon external capital and internal national industrial structure), but he slips anew into the historical discourse (1983: 32ff). He clearly puts forward many more variables to explain a model of dependency, but again the *essence* escapes him. He is aware of the issue, however, for he writes that "It would be an impossible task to try to reconstruct the way in which Marx would have approached the problems of the world economy, world trade, and the struggle between nations. One can be sure, however, that he would not have used categories that make it difficult to understand the laws of movement of the world totality" (Kalmanovitz, 1983: 29ff).

If this were "impossible" my book on the *Manuscripts of 1861-63* (Dussel, 1988) would be superfluous. I think that it is difficult but not impossible. Marx would have expressed the essential and fundamental simply: Dependency consists of the transfer of surplus-value from a less-developed total national capital to a more developed one.

### **"COMPETITION": THE THEORETICAL PLACE OF DEPENDENCY**

In order to understand the "concept" of *dependency in general*, or its *essence* in Marx's sense, it is necessary to develop this concept starting with "competition." It should be stated at the outset that "monopoly" is nothing but the negative moment in the development of the concept of competition; that is, monopoly can be understood from within competition, from its essence, as a "possibility."

I use a strict Marxist method to treat the *abstract* concept of dependency in my section on the "essence" of dependency; in my section on the phenomenon of dependency, in the concrete the question will be much more complex but its development will be based upon the conclusions we may reach not in the *historical*, but in the *logical* analysis, just as Marx thought.

From the beginning of his economic studies Marx confronted the question of competition. He mentions the topic in the "Paris Notebooks" (Marx, 1844b), as well as in the "Economic and Philosophical Manuscripts of 1844" (Marx, 1844a).<sup>10</sup>

In a December 28, 1846, letter to Engels,\* Marx wrote:

\**Translator's note:* The passage quoted by Dussel is actually from a December 28, 1846, letter to P.V. Annenkov, in which Marx takes up Proudhon's views.

*Monopoly* is good because it is an economic category. . . . Competition is good because it, too, is an economic category. But what is not good is the reality of monopoly and the reality of competition. And what is even worse is that monopoly and competition mutually devour each other. What is to be done about it? . . . But take a brief glance at real life. In present-day economic life you will find, not only competition and monopoly, but their synthesis, which is not a *formula* but a *movement*. Monopoly produces competition, competition produces monopoly (Marx, 1846: 101).

Nevertheless, Marx never dealt with the question of competition strictly speaking, because it was to be the second part of the first treatise, after that on capital, and before those on credit and joint-stock companies, and that is clear even in *Capital*.<sup>11</sup> For this reason, Marx's doctrine on "competition" is dispersed and must be traced throughout his work.

Dependency is a moment in the competition of capital. Competition, for its part, is founded on the *possibility* of devaluation and crisis, which are aspects of the very essence of capital (See Dussel, 1988: chap. 10, sect. 4). The workings of competition (and therefore of dependency) are one *real* existing moment of the mere possibility of crisis and devaluation in the spoliated capitals.

Indeed, the movement through which the commodity is transformed into money is inherent to the essence of capital: the realization of capital. The split between commodity and money is founded, in the end, in the contradiction of the commodity, being simultaneously a use-value and an exchange-value. In this original split is contained the *possibility* of competition and of dependency. Or, put another way, dependency would not be possible were it not for the original contradiction between use-value and exchange-value; one capital's extraction of value from another would be impossible (see Kuntz, 1985: 100ff).

A crisis is a disproportion between two intrinsic and essential terms of capital (for example, between commodity and money; overproduction or underconsumption). It is the devaluation of one of the terms. By the mediation of international competition a crisis becomes apparent and real in the devaluation of the dependent capital with regard to the dominant one. The crisis, in the dependent capital, is not only a possibility but an always-existing *reality*. Its perpetual devaluation in competition marks it as intrinsically contradictory, or as a sphere of capital where contradictions are always really existent.

Put another way, in the essence of capital, crisis is a necessary moment as a possibility. In competition, which is no longer just a possibility but a reality, a mediation takes place that is necessary to capital's existence: "*Free com-*

*petition* is the relation of capital to itself as another capital, i.e., the real behaviour of capital as capital” (Marx, 1857-58b: 38; emphasis in original).

In general, as in the case of one capital with respect to itself, capital can only realize itself (become real) when the commodity is negated as a commodity and is affirmed as money. But money arises from *another* term than a given capital: from the buyer of capital or from the individual consumer. It cannot realize itself *alone*. Therefore the idea of a single world capital (empirically *one*) is in contradiction to the concept of capital. *In general*, capital confronts itself as another capital. *In the concrete*, because of competition, “many” capitals confront each other. Competition is the very movement of capital’s being in concrete, in reality. It is its “repulsion and attraction”;<sup>12</sup> that is, capitals need other capitals to realize themselves (attraction), but they confront each other to devalue (repulsion):

The reciprocal compulsion exerted under free competition by capitals upon one another . . . is the *free*, and at the same time *real*, development of wealth as capital (Marx, 1857-58b: 39; emphases in original). . . Competition executes the inner laws of capital; it turns them into coercive laws in relation to the individual capital, but it does not invent them (Marx, 1857-58b: 136).

Indeed, competition neither creates the law of capital nor does it create any value: It is only the realization of what already exists in essence, in value, according to the law of value.

Competition in general is an active *relationship* between two terms (two capitals in the abstract) which permits a unity, a communication between them, constituting a synthesis that includes them: a *totality* — as Frank saw — in contradictory tension, where each one has the possibility of valorization through or by mediation of the other. (In reality there are two possibilities: that there be simple barter without mutual valorization — exchange of equivalent species between equal capitals; or that one valorize itself at the expense of the other — devaluation and crisis of the weaker capital.) All this, for Marx, is an accomplishment of the “law of value,” without leaps, where value (or surplus-value) circulates from one capital to another. In the *Manuscripts of 1861-63* Marx has constructed new categories and he can now state the “fundamental law” of all competition more clearly than in the *Grundrisse*. In volume 3 of *Capital*, Marx writes:

. . . the capitalist can sell the commodity at a profit even if he sells it at less than its value. As long as its sale price is above its cost price, even if below its value, a part of the surplus-value contained in it is always realized, i.e., a profit is made. . . . The *basic law* of capitalist competition . . . depends . . . on this difference between the value and the cost price of commodities, and the

possibility deriving from this of selling commodities below their value at a profit (Marx, 1865-70: 127-128).

The case of rent, as a paradigmatic example, has allowed Marx to construct these categories: value of the commodity, average profit, price of production (after many doubts as to its denomination with respect to "cost price") as different than cost of production, market value, and market price. The case of rent (see Dussel, 1988: chap. 9, sect. 4) is one of the possible levels of competition.

Indeed, for Marx competition acted in different ways at various levels. Among individual capitals and branches, competition acts in the same form. This was discovered by Marx in the *Manuscripts of 1861-63*. In *Capital*, Marx wrote that competition brings about "the establishment of a uniform market value and market price. . . . But it is only the competition of capitals in *different* spheres that brings forth the production price that *equalizes* the rates of profit between those spheres" (Marx, 1865-70: 281; second emphasis is Dussel's. Cf. Müller, 1978: 103-180).

There is competition between *individual* capitals (in one or several branches), competition between different *branches* of production (and that is the case of rent), and competition between *nations*; what we are interested in is the third case:

We thus obtain various sets of cases which we can consider either as successive changes in circumstances for the action of one and the same capital, or, indeed, as *different capitals*, existing simultaneously alongside one another, and brought in for purposes of comparison, e.g., from different *branches* of industry or from different *countries* (Marx, 1865-70: 145; Dussel's emphases).<sup>13</sup>

The concept of capital in the abstract, in general (because of its content as *one*), of *one* branch, of *one* country, must now be split methodologically at a more concrete level (although still *in the abstract*) into *two* capitals: *two* individual capitals, *two* branches, *two* nations. Their behaviors are proportionally analogous, or similar. What is said at an essential level for capital in general holds now for competition among capitals. We find ourselves, then, having to construct *new categories*, or of determining the concepts and their denomination in order to formulate a rational, scientific discourse—in Marx's sense: a theoretical course through categories, without leaps, that develop the concept of dependency.

Indeed, in the three volumes of *Capital* and in the *Manuscripts of 1861-63*, Marx studied only the concept of capital in the abstract (although there were attempts at greater concreteness in his work of 1867). He never studied the concept of competition specifically, nor the state (the fourth part), nor



external relations among states, nor the world market.<sup>14</sup> In the plan that includes these topics, Marx once again follows a Hegelian order.<sup>15</sup>

Capital in general, the concept, is now split in *two*. Here a clarification is in order. There is frequent talk of “less developed nations,” “countries,” etc. We should make it clear right now that “nation” or “country” are *concrete* social formations;<sup>16</sup> it would be more correct and strict, however, to speak of “total national capital,”<sup>17</sup> because we are at the abstract level of the concept of *dependency in general*. Because a “total national capital” is dependent upon competition with respect to another more developed capital, the country or nation that contains or is determined by said “total capital” is called the less developed, dependent, etc., “nation,” not vice versa.

In the abstract, then, the concept of dependency is developed through competition among total national capitals — and we are not speaking of states, nor of their *external* national relations, nor of countries — in the *world market*.

In the world market the *external* sphere of a nation is as internal to that market as the *interior* sphere of the same nation. To speak of dependency as an *external* aspect of a nation is nondialectical:

Just as the market by and large divides itself into the HOME MARKET and the FOREIGN MARKET. . . . The world market, which is not only the domestic market in relation to all the FOREIGN MARKETS existing outside it, but at the same time the domestic market of all FOREIGN MARKETS as, in turn, components of the HOME MARKET (Marx, 1857-58a: 210).\*

Within the “world market” there is a “total world capital” (the only one — along with capital “in general” or in the abstract — in which the total surplus-value is equal to the total profit), parts of which are the “total national capitals.” It is within “total world capital” (not as a *single* capital, but as the sum of *all* real capitals) that international *competition* fulfills its role in the leveling and distribution of the total world surplus-value (at least that of the capitalist nations).

Competition does not only play its role in the leveling or distribution of the surplus-value produced, *post festum* (in the circulation of commodities); it also interferes in the process of reproduction (*ante festum*). The question of dependency, therefore, is not merely a circulatory moment, but also a reproductive moment, always within the sphere of “total world capital” to which the less-developed “total national capital” turns not only with exports and imports but through multiple other mechanisms that articulate it as a “part” of a “whole” that includes that “total national capital” in *all* its moments.

\*Translator’s note: Marx often made use of foreign expressions; here his use of phrases in English in the original is indicated with all caps.

It is worth highlighting that “total national capital,” for its part, has its own productive moment properly speaking (factory production, etc.) and its circulatory moment (in the “national market”). Both spheres have their own consistency (not only because of borders and customs policies, but also because of the state, armies, history, national culture, average wages, and so forth), but it is relative, not absolute. “Total national capital” is *relatively autonomous* within total world capital. This autonomy is denied by abstract and illusory “class struggle” internationalism. The same autonomy is absolutized by bourgeois populist nationalism. Thus, the dependency of a less-developed total national capital with respect to the domination of the more developed, in the context of total world capital’s internal competition, is the topic we must define clearly.

Finally, here — against my supposed free and fluid movement of competition on a world scale — we would like to underline the importance of the “national,” determined by noneconomic factors:

. . . *state* intervention has falsified the natural economic relation. The different national wages must therefore be calculated on the assumption that the part of them that goes to the state in the form of taxes was received by the worker himself. . . . eternal laws of nature and reason, whose free and harmonious working was only disturbed by the intervention of the *state* . . . *state* intervention, i.e. the defence of those laws of nature and reason by the *state*, *alias* the system of protection, was necessitated . . . (Marx, 1866-67: 705; emphases on “state” added by Dussel).<sup>18</sup>

But once a state is institutionally constituted in a bourgeois country, its borders, as Marx points out, are cultural and historical as well as military and political. Not only does it influence average national wages, but it also provides a glimpse at the issue of a world average: “. . . on the *world market*, *national* labour which is more productive also counts as more intensive, as long as the more productive *nation* is not compelled by *competition* to lower the selling price of its commodities to the level of their value” (Marx, 1866-67: 702; emphases added by Dussel).

*Objectively* or *relatively*, the product of a less-developed national capital contains a greater porportion of labor-value (“higher price of labor”), although *subjectively* or *absolutely* the worker receives less per month (“a lower wage”). In the more developed countries the worker subjectively receives *more wages* per capita (creating a larger internal market), but the value of the commodity is *less* (it has a lower proportion of wage-value: it needs less necessary time per unit of product).

In the same manner, because of protectionism (a form of monopoly in which England was undisputed master) established since the industrial revolution, there is no fluidity in the world transmission of technology, of

population, of capital as a totality. There is then a *national* average, both of wages and of the organic composition of capital.<sup>19</sup>

Competition, to conclude, is the real locus where the *various values* of commodities in a branch, or of one of the branches of a country, or of a country in the world market, come to have a *price*. This leveling of all values into *one* price assumes a distribution of the surplus-value achieved in each commodity, branch, or country between the other components of the respective markets. It is in this leveling of prices that one can verify the phenomenon of dependency, which is nothing more than a concrete and specific sphere of competition. At the outset, then, everything that may be said about competition in general can be applied by analogy to dependency in particular. Competition is the “theoretical locus” of dependency. Contrary to many, we can say that there is “theoretical space” in Marx’s strict discourse for this question which is so central to Latin American social sciences. Not only is there space—it was *explicitly traversed by Marx himself*. However, it requires our *continuing* it theoretically. (It is erroneous to think that Marx completed the theoretical discourse and it is only up to us to *apply it*.)

### THE “ESSENCE” OF DEPENDENCY: TRANSFER OF SURPLUS-VALUE AS A RESULT OF INTERNATIONAL SOCIAL RELATIONS

This section deals not with genetic or historical factors or determinants of the concept of dependency, be they partial or well-founded, but only with the *essential* determinants, in Marx’s sense. This question, which seems so simple because it is so obvious, has received practically no attention. Without clarifying the “essence” of dependency from its superficial, phenomenal, apparent or even causal determinants (the cause or determining factor is not the essence itself), there could be no prior agreement on the concept of dependency *as such*—even among those who called themselves Marxists.

So the matter of the *essential concept* of dependency was passed over, and the discussion centered on its secondary determinants. Since within these secondary determinants, on a concrete, genetic-historic plane or within the real historical formations, the problem is much more complex, a dead end was reached around 1975. It was simply impossible to go any further, and the question of dependency was abandoned as a theoretical problem without ever having been solved. The error was made back in the mid-1960s when the *dead-end* route was chosen by confusing the *essence* of dependency with its multiple, phenomenal, historical *appearances*. It was question of method, therefore, and there were no philosophers in the dispute.

Insofar as we are of the opinion that the issue of current external debt is a mechanism for the *transfer of surplus-value* via the payment of interest, it seems important to relaunch social science thinking toward correctly dealing with the “dependency question” and to clarify the *concept*. Let us start anew, then.

It is not a matter of “applying” but of *continuing* Marx’s discourse, contrary to what Vania Bambirra thinks. One must not go *directly* to the concrete of the social formation of “*each* national society” (as is suggested by Gérard Pierre-Charles), but remain at a certain level of abstraction (more concrete than that of capital in general, but more abstract than that of the concrete social formation). At this proper level of abstraction, it is also necessary to know how to define the “*theoretical space*” within which it is possible to describe the essential determinants of the concept of dependency (which Agustín Cueva absolutely denies exists). Last, it will be necessary to go toward the most *simple* essence without complicating the issue beforehand with more concrete variables (as Kalmanovitz does).

If one is to speak of the essential determinant of dependency as such, in the most abstract sense, one cannot forget that even the transfer of surplus-value is a moment based upon a prior reality. Indeed, for Marx economic facts are above all human; they are human *relations*:

In other words, the labour of the private individual manifests itself as an element of the total labour of society only through the *relations* which the act of exchange establishes between the products, and, through their mediation, between the producers. To the producers, therefore, the *social relations* [*gesellschaftliche Verhältnisse*] between their private labours *appear* as what they are, i.e., they do not appear as direct *social relations between persons* in their work, but rather as material [*dinglich*] relations between persons and *social relations* between things (Marx, 1866-67: 165-166; emphases and first bracketed term in German added by Dussel).

The capital-labor relation<sup>20</sup> is, above all, a relation between persons (a face-to-face relation). It is a “social” relation insofar as the two persons in the relation are isolated and abstract, without a community (see Dussel, 1985, chap. 4, sect. 2, and chap. 17, sect. 4). If the products can be “fetishized” in simple commodity exchange, then that can be intensified when highly fetishized capitals are competing. That is, capital—as such and in the eyes of the capitalist—is *a thing* whose essence is value. When “two” capitals *compete*, it would merely be a matter of two *valuable* things—value would be inherent to it as capital. The transfer of value from one capital to another, via competition, appears in the eyes of both as a social relation between things. Capitals compete, the prices of their products are leveled, and the capitals transfer their surplus-value from one to the other. It seems that

nothing human takes place; or better, the fetishized capitals themselves have taken on the physiognomy of living, personal subjects in an active exchange.

In reality, however, the two capitals in competition are nothing but *things* that are held, appropriated, possessed by “two” capitalists in contradiction. To speak of two capitals, of two capitalists, or of two capitalist classes is here analogically the same (from a more abstract to a more concrete level).

That is, when we speak of “two” total national capitals in competition, in reality we are referring to the *social relation* (between persons who do not constitute a previous community) between the social classes that are the subject of appropriation by both capitals. It is a matter of the *national bourgeoisies confronting each other* (setting aside the states and other actors that must enter into a *more concrete* consideration of competition between *social formations*, which is not the same as between total national capitals).

From the outset, and we have noted this earlier, the capital-labor social relation (which we shall call vertical) is one of exploitation. It is the relation in which labor *creates* new value, produces surplus-value. The international social relation of a national bourgeoisie that possesses the more developed total national capital in competition with the bourgeoisie of the less-developed total national capital is no longer one of exploitation; it is now horizontal. We shall call it a relation of international domination; it is the relation in which, via competition, surplus-value is *transferred* (but *not created*).

In the treatise on competition, the second one after that on capital in general, Marx would have dealt with this question: the domination of one capital over another in competition, which produces a transfer of surplus-value from the weaker capital toward the stronger. This transfer, as we have said, is an effect of *domination*. The practical (ethical) relation by which one class dominates another (even if both are bourgeois) is realized in history by the apparatuses of the state (armies, naval forces, etc.). If the state was to be dealt with by Marx as a fourth part of his plan (after rent and wages, and in which the world market was to be the sixth part where international competition between total *national* capitals was to be carried out), it is evident that Marx was not about to study our question explicitly. Maybe it would have been a chapter in that sixth part or, simply, a seventh part, not even planned (cf. Dussel, 1985, chap. 18, especially sect. 1).

Now, competition between total national capitals of different [levels of] development does not happen naturally with equal willingness on both sides. And if living labor is violently coerced to sell itself (via the dissolution of previous ways of reproducing its life, and the destruction of the institutions that could have defended it by the direct and repressive action of the bourgeois state if need be), in an analogous way (although no longer as capital-labor exploitation, but as capital-capital domination) the less devel-

oped capital is coerced (violently in many cases, as, for example, in Paraguay in 1870, or under Latin American populisms since 1954, as in the case of Arbenz in Guatemala, or in Nicaragua in 1987) to *enter international competition*.<sup>21</sup> The natural reaction of a less developed capital is to protect itself by refusing competition, fortifying its borders, and establishing a “nationalist” *national monopoly* (within which there may be intranational competition). This would be the only capitalist way to accumulate capital and develop autonomously. However, the more developed capital tends to destroy all of the less developed capital’s protectionist barriers and imperiously shoves it into competition. Once *in competition* the more developed capital will extract surplus-value from the less developed capital.

The international social relation of domination between national bourgeoisies determines, then, the transfer of value in world competition. What is the *fundamental law* of competition or of this transfer of capital with regard to dependency?

It must be recalled that this law is a particular application of the law of value and the law of competition in general. The law of value is fulfilled in dependency, contrary to what some think (even those Marxists pursuing Ricardo’s mistaken road). Indeed, Ricardo thought that the transfer of “profit” took place only within a country and that between countries there was only equal exchange, or that one national capital could not benefit from its advantage over another:

Capital, if there were any difference in profit, would *transfer* (*Übertragen*) rapidly from London to Yorkshire; but if as a consequence of the growth of capital and population wages increase, and profits fall, capital and population would *not because of this* necessarily move from England to Holland or to Spain or to Russia, where profits would be greater. . . . The *emigration* of capital (from one country to another) *finds obstacles* in the imaginary or real insecurity of capital when it is not under the direct control of the possessor together with his natural reticence which any person feels upon abandoning the place of his birth and relations, and trust himself with all his established habits to a strange government and to new laws (Ricardo, quoted in Marx, 1974: 811, 812).

When “it is a matter of different countries” (Marx, 1974: 811), then, it would appear, according to Ricardo, that we are in a situation of pure and simple barter, because in exchange “we cannot create any value” (Marx 1974: 809). This leads him to conclude that “through foreign trade values can never be increased”<sup>22</sup> (1974: 810). Marx, who disagrees, sees advantage in exchange. The profit achieved by the stronger country is not spent only unproductively as consumed income, but the capital achieved can be invested to put “in movement new labor with the new value, and thus bring to light

*new values*”<sup>23</sup> (1974: 810). For Marx, then, the law of value continues to rule international relations, and there can be profit in exchange between nations. What is the law that rules this exchange? It is the same as that of *competition* in general.

To study Marx’s answer we must look at two chapters which are methodically *more concrete*,<sup>24</sup> no longer at the extremely abstract level of capital *in general* (or of the concept in itself), but at the level of the confrontation of *many* capitals (which was to have been laid out in the second, unwritten, treatise on competition, or in the much later section on exchange in the world market). Indeed, to understand the *fundamental law* of dependency, or of competition in general at the international level (a determination derived from the international social relation of the respective bourgeoisies), it is necessary for certain conditions to be met: first, that there be *different values* in a product (e.g., in Houston and in Mexico); second; this difference must be the fruit of a *different degree of organic composition* of the capitals involved (of the more developed total national capital of the United States, and Mexico’s less developed total national capital), at a material, objective level, or due to the technological determination of the mode of production in terms of its value; third, as codetermination of the preceding (dialectically intertwined, as Palloix indicated), that there be *different wages*—a higher absolute or subjective wage (that which is received by each worker) in the more developed capital, and a higher relative or objective wage (the proportion of wage-value contained in *each* product) in the less developed capital; fourth, both the organic composition and the wage are established within the *national* context (an oft-forgotten issue; at the concrete level this determination is fundamental—the total capital is *national*).<sup>25</sup>

That certain products may have different values (commodity value) and nevertheless the same price (“cost-price” at the beginning of the *Manuscripts of 1861-63* and “price of production” in Marx’s definitive denomination) is the theoretical solution to this apparent antinomy.<sup>26</sup>

Let us look more closely at the first aspect: the existence of products or commodities with different values. Marx deals with this when he says that the “*greater*” *the organic composition, the “lower” the value of the product*. This is Bettelheim’s position versus Emmanuel, and it is correct. It would determine the first type of unequal exchange (by the mere difference in organic composition). In this case we are not interested in the rates of surplus-value or of profit, since in an abstract manner we are only considering the total value of the product.

On the other hand, products also have a different value because of the difference in wages. This is the aspect highlighted in a unilateral way by

Emmanuel (and therefore Palloix is right in showing that it is complementary to the previous aspect), which would determine a second type of unequal exchange (for Emmanuel, strict unequal exchange):

What appears within the movement of wages as a series of varying combinations may appear for different countries as a set of simultaneous differences in *national wage levels*. . . it will frequently be found that the daily or weekly wage in the first *nation* [with a more developed capitalist mode of production] is higher than in the second [with a less developed capitalism], while the relative price of labour, i.e., the price of labour as compared both with surplus-value and with the value of the product, stands higher in the second than in the first (Marx, 1866-67: 701, 702; emphasis added by Dussel).

It is here that the conditions resulting from “natural and historical development” (Marx, 1866-67: 701), the historical reality of the nation, of the state, establish *national* borders that capital cannot easily transcend. The fluidity of capital (as was indicated by Palloix in 1970, although he would incorrectly deny this later) is not total: It cannot go from “England to Holland” with the same speed that it goes from “London to Yorkshire.” There is a *fundamental barrier* which must be studied very closely in Latin America today: the *national* border. It is not merely a juridical or geographic border. It is a border that is historical, social, cultural, technological, of “modes of consumption” (the *national* bourgeois state), military, and fundamentally economic. The *national* market, as a moment of total *national* capital, has been passed over by a certain abstract internationalist Marxism. Marx speaks to us of an “average wage” (see Dussel, 1988, chap. 5, sect. 4), and also of an “average national wage.” Emmanuel studies this point and allows us to discover the *national* aspect, not only of wages but of the entire “total *national* capital,” within which the national average of a country’s (absolutely or subjectively) lower wages have to do with the low organic composition of capital and with the international *social relation* of domination (since the metropolitan states with regard to the colonies, or the imperialist states with regard to dependent nations, exercise a coercion that is *internal* to the world market and *external* to the dependent domestic market: a political, practical, ethical relation).

Having accepted the position that commodities can have a different value but the same price, whether as a result of different organic compositions or of the different wage levels in the international order, we can take up the law of dependency. Given the diversity noted in the value of products or commodities, a particular phenomenon occurs upon entering competition:

Capital invested in foreign trade can yield a higher rate of profit, firstly, because it *competes* with commodities produced by other countries with *less developed production facilities*, so that the more advanced country sells its goods above



their value, even though still more cheaply than its *competitors*. . . . The privileged country receives more labour in exchange for less, even though this difference . . . is pocketed by a particular class (Marx, 1865-70: 344, 345).

This "particular class" is the national bourgeoisie of the more developed country.

Competition, or the movement that confronts two total national capitals, *does not create value*; rather it *distributes value* via the *equalization of prices*. To create *value*, to distribute (or transfer) *value*, therefore, is not the same as to equalize *prices*. It is, once again, the whole question of the passage *from value to price*.

Let us repeat. The "*development of the concept of dependency*" demands order in the constitution and exposition of categories. The first aspect is the possibility of the existence of products or commodities of different value. The second aspect is to place these products in competition. Thus placed face to face (in reality, so as not to fetishize the unequal exchange of international values, it is not the products but the corresponding national bourgeois classes which are face to face) an *equalization* takes place, although not of values (which can never be equalized), but of *prices*.<sup>27</sup> The law of value regulates or controls this equalization. In the *Manuscripts of 1861-63*, contrary to Rodbertus (chap. 9 on rent), Marx discovers the category of "*average profit*." If we apply this at the international level we will have enunciated the fundamental law of competition, of equalization, of the distribution of value, and, therefore, of dependency insofar as it is a transfer of surplus-value:

When there is an international exchange of commodities which are products of total national capitals of different levels of development (i.e., of different organic composition and with different average national wages), the commodity of the more developed capital will have a lower *value*. Competition, however, equalizes the *price* of both commodities at a single average price. In this manner, the commodity with a lower value (that of the more developed national capital) obtains a price greater than its value, which it realizes by extracting surplus-value from the commodity with a higher value. Therefore, the commodity of the less developed capital, although it may realize a profit (if its price is less than the international average price), *transfers surplus-value* because the average international price is less than the national value of the same commodity.

This fundamental law is *explicit* in various forms in Marx, and it is usual in classical Marxism such as Grossman (1979), for example. We can thus conclude that dependency, in the logic of Marx's own thought, is an irrefutable concept. Therefore, the whole Latin American polemic around this issue simply manifested a lack of methodological rigor. That is *dependency exists* at an abstract, essential, or fundamental level, and it is the international social

relation between bourgeoisies possessing total national capitals of different degrees of development. In the framework of competition, the less developed total national capital finds itself *socially dominated* (a *relation* between persons), and, in the final analysis, *transfers surplus-value* (an essential *formal* moment) to the more developed capital, which realizes it as extraordinary profit.

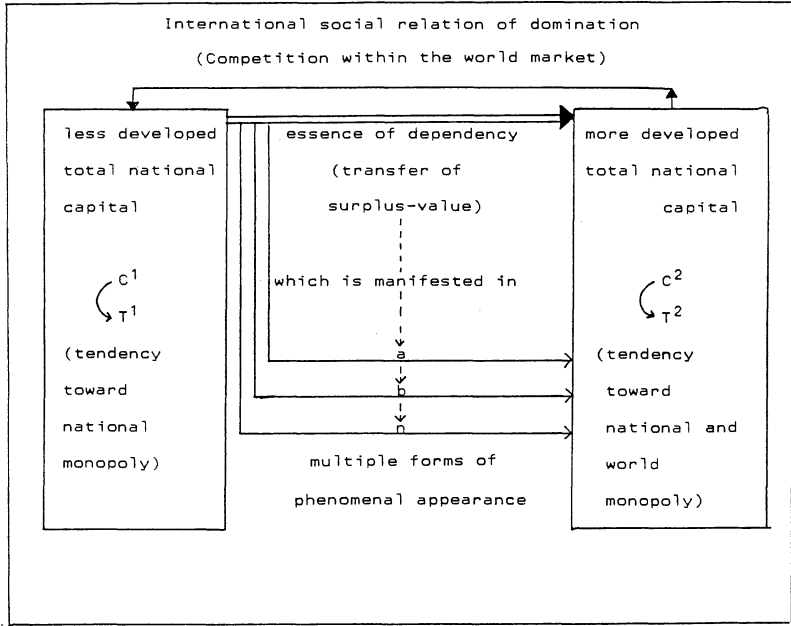
Some might say that this is obvious, that nobody has denied it. But this is not so. Because these *obvious, essential*, and abstract questions were not defined beforehand, and the discussion proceeded directly to *history* (instead of to the essential *logic*), mistakes and confusions were committed that were naive from the standpoint of good Marxism.

Let us now look, at the more concrete and complex level and at some problems which can and should be discussed; there can now be contradictory positions which will not in any way put into question the abstract concept of dependency.

### THE PHENOMENA OF DEPENDENCY AND NECESSARY CATEGORIES

“Phenomenon” in the strict language of Hegel or Marx can mean what is merely apparent, what does not correspond to the real, or what “appears” of the real, of the essential. We want to use the term in the second sense. Dependency “appears” in the world of competition through its “phenomena,” which are superficial, secondary, or based upon its essence. But they are not the profound essence, what is “hidden behind”—to express ourselves as Marx did. The phenomena of the essence of dependency manifest the profound structure through the mediation of its founded or secondary determinations. Thus the *transfer of surplus-value* from a less developed to a more developed total national capital can be studied genetically in history, or in its own intrinsic determinations (modes of accumulation, reproduction, of the progress of its organic composition or the different status of wages, super-exploitation, monopolies, etc.), but knowing that we find ourselves on the plane of founded *explanations*.

The phenomenal “indicators” of dependency now must not be confused with the determinations of the essence or with the law of dependency—to express ourselves strictly, as Marx. Hegel would say: “The law is this simple identity of phenomenon with itself” (Hegel, 1969, VI: 156). “The phenomenal world (*erscheinende*) has in the essential world (*wesentlichen*) its negative unity . . . and returns as if to its foundation” (Hegel, 1969, VI: 159).



**Figure 1: Transfer of Surplus-Value through International Competition**

NOTE:  $C^1$  is peripheral national capital;  $T^1$  is peripheral national labor;  $C^2$  is central national capital;  $T^2$  is central national labor; arrows *a*, *b*, and *n* are different forms of extraction of surplus-value.

It is once again the question of "science" (see Dussel, 1988, sect. 3, chap. 14):

The configurations of capital . . . thus approach step by step the form in which they appear on the *surface* of society, in the action of different capitals on one another, i.e., in competition, and in the everyday consciousness of the agents of production themselves (Marx, 1865-70: 117; emphasis added by Dussel). . . . it is a self-evident necessity, deriving from the *nature* of the capitalist mode of production itself . . . (Marx, 1865-70: 319; emphasis added by Dussel). Counteracting influences must be at work, checking and cancelling the effect of the *general law* and giving it simply the character of a *tendency* . . . (Marx, 1865-70: 339; emphasis added by Dussel).<sup>28</sup> The *law* operates therefore simply as a *tendency*, whose effect is decisive only under certain particular circumstances and over long periods (Marx, 1865-70: 346; emphasis added by Dussel).

Contrary to the case of the tendential fall in the rate of profit in capital, the transfer of surplus-value from the less developed national capital to the

more developed (an effect of the fundamental law) not only does not diminish as it is counteracted by the law, but it increases. This is due to the fact that competition (the essential ingredient of the indicated transfer) is annulled by monopoly, which instead of reducing the extraction of surplus-value from the less developed capital increases it in gigantic proportions. This multiplies domination, but is still founded upon the exercise of the law of value as the essence of the law of dependency. Let us consider the question in the complex phenomenal world, where we shall now see that the transfer of surplus-value in the world order becomes accentuated, not as a law but as a tendency.

For example, the phenomenal fact that the exports of underdeveloped countries are produced by firms with a high organic composition would seem to contradict the fundamental law of dependency (this is Samir Amin's argument in support of Emmanuel's position).<sup>29</sup> As we are no longer at the abstract and universal level of the essence, we see other determinations enter into play. If products of the developed capital of the peripheral country which do not establish competition (because they are not produced in the more developed country) are exported, the monopoly of the central country can act as a buyer. The more developed country, as the only buyer, sets the "international monopoly price" of the product (coffee, for example) at less than the value of the commodity. If, on the other hand, it is a commodity which enters into competition, the more developed country can take various measures: It can protect its national products with customs barriers, such as imposing a tariff on the product of the less developed country; it can promote national production with fiscal incentives or subsidies, i.e., allocating funds to reduce its internal price; or it can loan capital on credit to the exporting firms of the less developed countries, as it did to the Mexican national petroleum company (Petróleos Mexicanos, or Pemex) (extracting surplus-value through interest payments); or even set monopoly prices above their value for the means of production (which are only produced in the developed countries) and thereby eliminating all competition. All this indicates that the example provided by Samir Amin is a particular case that appears to annul the law. In reality there exist many possible measures that counteract that alleged annulment, with the result that tendentially the law of dependency is fulfilled.

Rosa Luxemburg, for example, points to another phenomenon that must be carefully considered. She tells us that

Accumulation is impossible in an exclusively capitalist milieu. . . . Only through the constant expansion to new domains of production and new [non-capitalist] countries has the existence and development of capitalism been possible. Hence, violence, war, revolution, catastrophes, are in sum the vital element of capitalism from its beginning to its end (Luxemburg, 1967: 450).

Clearly the extraction of wealth or of value from noncapitalist systems is a moment in primitive accumulation and in the constant accumulation of central capital. But dependency, in its essence, is *strictly* the extraction of surplus-value through *industrial* capitalist competition. The point of departure is man and not apes; so, to discover its essence, one must look at the competition between total national *industrial* capitals of different levels of development (for example, Mexico, Brazil, or Argentina with regard to the United States in 1950) before looking back in time (toward the sixteenth century) to consider its genesis. It should not be the other way around, as so many specialists have attempted, beginning with André Gunder Frank. Violence, war, catastrophes are not the only type of *social relation* with regard to the noncapitalist system. This relation of violence is proper to dependency as an international social relation of *domination*. When a country attempts to escape competition (from the world capitalist market, as Nicaragua did in 1987), it is militarily and violently coerced to "return" to the system of "*freedom* in competition." That, for the dominant power, is "democracy" (and that is also the "liberty" of nineteenth-century Latin American liberalism, which should be profoundly restudied).

On the other hand, the question of primitive accumulation must not be confused with the accumulation proper to extraordinary profit in competition between already-constituted capitals. On this point also, Samir Amin does not do well in defining the difference between relations of primitive accumulation (developed total national capital vis-à-vis a noncapitalist system) and accumulation through competition in dependency (transfer of surplus-value between already-constituted industrial capitals, even though they may have different levels of organic composition and wages).

Schematizing, I think that there are some levels or mechanisms through which dependency operates (fulfilling its *law*, but accentuating it as a tendency with an even greater transfer).

A *first* mechanism is to be found in the type of concrete or phenomenal unequal exchange in which the concept of dependency or its law appear as such, that is, when there is competition strictly speaking between commodities produced both by the total capital of the more developed country as well as by that of the less developed country. In this case there is extraction or a transfer of surplus-value according to the law enunciated. It is not necessary for this level to be empirically the most important (in number or quality). What is important is that it is the foundation for the functioning of the others.

A *second* mechanism is that of those products that are produced exclusively by the less developed capital of the peripheral country (coffee, for example). In this case, as we have noted above, the more developed country can annul competition (but not the law of transfer of surplus-value nor the

law of value) and organize a “buyers’ monopoly.” The “monopoly price” is set according to the convenience of the more developed total national capital; this is exactly what occurs today with oil (having been stored in large quantities, a low “monopoly price” can be set for it).<sup>30</sup>

A *third* mechanism is at work with those commodities that are produced exclusively by the more developed capital (generally the means of production). A “monopoly price” is set for them too, but in this case it is above the value of the commodities. The buyer (the capital of the peripheral country) pays more objectified labor for less (it transfers surplus-value when it buys the necessary means of production).

A *fourth* mechanism is the use of international credits extended to the peripheral countries. Surplus-value is once again transferred through the interest that must be paid.

Since about 1955 there has been a *fifth* mechanism, among others, for the extraction of peripheral surplus-value: the transnational corporations, which are not in any way the direct presence of a *single* total world capital but rather the part of the total capital of the central countries that operates with its productive capital (factories, etc.) in the countries with a less developed national capital. Here too there is a transfer of surplus-value toward the “central-country-supports” of those transnational capitals. These corporations do not suppress national entities; rather they assume them, to such a degree that if there were not total national capitals of different levels of development they could not exist. Indeed, the transnational corporation transfers surplus-value toward the center because it produces commodities in the periphery itself with lower value (due to the organic composition) than the competing capitals of those underdeveloped countries. The extraordinary profits taken from the periphery by transnational corporations are realized in the central country thanks to the extraordinary profit that the center achieves in competition with merely national central capitals, and because of the lower value of its products since it has a lower value-wage component (in this case because the wages in the peripheral country are lower than in the center, lower subjectively or per worker). The transnational corporation provides the best example for understanding everything we have noted up to this point. For Bettelheim and Grossman the organic composition is the basis of dependency or transfer of surplus-value; for Emmanuel and Samir Amin low wages (subjective or absolute) are also responsible for the lower value of the product. The transnational corporation makes use of the difference between high-wage central capital and underdeveloped capital with low organic composition. It takes a normal profit, and on top of that it takes two extraordinary profits: the first, derived from creating surplus-value from labor in the periphery; the second, by extracting surplus-value through the

transfer of value in the periphery's national competition and then again by extracting surplus-value through competition within the center's national market.

Thus, there are three possible quantities of value in a single type of product: The product of total capital in the periphery has the largest quantity of value (above the international "price of production"); the product of the more developed total national capital has a quantity of value that is less than the international "price of production"; and the product of the transnational corporations has a quantity of value even less than that of the product of the developed capital produced in the central country with high wages.

So that even if capital is monopolist, both in the center and in the periphery, or in the relation of international unequal exchange itself, the concept of dependency and its law still hold at the phenomenal level.

This is the place to consider the multiple objections to the "theory of dependency," and to proceed to analyze the lack of categories, the confusion, and the errors demonstrated by each one of the positions. Let us take an example.

Superexploitation as presented by Marini can be explained perfectly well as compensation of the transfer of surplus-value. As transfers increase yearly and as peripheral capital tries to achieve a constant rate of profit, the product must maintain its value, increase its surplus-value, and the value of the wage objectified in it must diminish in relative terms. Superexploitation is the counterpart to supertransfer. As the labor capacity of the peripheral worker falls in value, its price or wage falls<sup>31</sup> in relation to the increase in transfer.

Also, it was demanded of the concept of dependency in general that it explain each Latin American nation through its national history. It was said that this would explain *everything* in *external* terms (like dependency); and the response was to try to explain everything in *internal* terms (attempting thereby to deny dependency). In reality dependency simply situates the less developed total national capital (or the nation or country that is the subject of that capital) in the world market and within the competition which capital necessarily engages in. To deny this is simply to deny the existence of capital. To expect this phenomenon to explain all concrete levels (all national histories) is as naive as attempting to directly *apply* the three volumes of *Capital* to the concrete situation of a dependent country. The latter may well be the basic error. That is, since it was thought that Marx had completed the entire theoretical discourse, all that was left was to describe the concrete history. Hence there was no *theoretical space* for a concept of dependency (because there was no space between *Capital*, all possible theory, and concrete history). This error (since there is very much theoretical space after *Capital*, as Marx repeatedly notes) led to demanding of the theory of

dependency (which was interpreted as a concrete and not an abstract theory) that it provide all explanations. But that cannot be; one must not ask of dependency *in abstract* more that it can give, *nor take away from it that which it can give*. It is a concept used to situate the question of the increasing structural transfer of surplus value from peripheral total capital and, therefore, of its perennial *crisis, devaluation, and unviability*.

To speak of transfer of surplus-value from the periphery toward the center is to speak of the robbery of objectified *human life: living labor* extracted from the poor countries, poor because they are spoliated. It is *living labor* that is the *creative* source of all the value of the more developed total national capital as well as of the less developed. The fundamental *ethical* and political question lies, precisely, in the primordial need to defetishize the concept of dependency in the hands of populism, which makes the victim out to be the national bourgeoisie of the peripheral countries. Quite the contrary, that bourgeoisie has extracted surplus-value from national *living labor*, the true victim, through an exploitation and superexploitation that demands *national* and *popular* liberation.

### NEW POLITICAL CONCLUSIONS: “NATIONAL” AND “POPULAR” LIBERATION

Earlier I said that the debate on the “theory of dependency” came to a dead end. The theoretical error that was made was in not having dealt carefully with the abstract essence of the concept of dependency and its fundamental law; this led to a denial of its existence or to forgetting its importance. For the present crises — the international external debt and the need for a revolutionary theory articulated to the praxis of liberation in Central America, the Caribbean, and increasingly in other parts of Latin America — there is no theory to explain them (Marxism just as Marx left it is not sufficient). The contradiction between theory and praxis lies in the following: An international class struggle (capitalist-proletarian) was enunciated as the only possibility, while every attempt at “national” or “popular” liberation was branded as populist. The “question of dependency” would be a bourgeois problem of interest only to peripheral national capitalism; it would not be a Marxist question. Nevertheless, the revolution that will overcome capitalism is not *immediately* a world revolution, nor is it carried out at the level of the factory.

Proletarians liberate themselves from the capitalist class only through *national* revolutions by taking *state power*. Frequently revolutionary vanguard movements have not been only proletarian but also peasant and



petty-bourgeois (since Marx or Lenin, through Mao, Agostinho Neto, or *comandante* Borge; one must recall that Fidel Castro and Engels were, strictly speaking, bourgeois, one during his youth and the other throughout his life). The concept of *peripheral dominated "nation"* and of *exploited "people"* (complex political categories at the concrete level of *reproduction*) as a "social bloc of the oppressed" subsumes the (more abstract) category of "class." All of this could have been theoretically grounded had the *concept* of dependency been developed correctly. The process of national and popular liberation is the only way to destroy the mechanisms of constant and increasing *transference of surplus-value* from the less developed total national capital. This assumes overcoming capitalism as such, since the extraction of surplus-value (a living capital-labor relation) is articulated to the transfer of surplus-value in the competition between total national capitals of different levels of development. The *weakness* of peripheral capital (due to its structural transfer of surplus-value) does not mean we can subsume the entire population as a wage-earning class: The marginal *popular* masses play a leading role in the process of change. The popular movement and popular organization become political priorities.

When one speaks of liberation one thinks in terms of a situation of domination. Dependency represents this situation of domination in the world capitalist system. We think that, in the strict sense, the dependency relationship needs two industrial capitals (one in the center and the other in the periphery). Nevertheless, we think that there could be different periods in the *history of dependency* (which is not Latin American history as a whole, nor the histories of each nation alone), consisting of five moments in time. At the *essential* level our starting point is man, and we move toward the ape. Now, *historically*, our starting point is the ape (knowing a priori what man is) and we go toward man.

The first moment, which we might call one of monetarist and gradual manufacturing mercantilism (sixteenth and seventeenth centuries) by the center, is that period during which Latin America lives the *prehistory* of dependency in the conquest, extraction of precious metals (money as treasure, Marx would say, or better yet as world money), and other colonial products. There is an extraction of wealth. In certain *obrajes* [workshops], mines, or haciendas there is a wage system, and therefore strictly speaking there is a certain transfer of surplus-value. The product (for example, sugar from sugarmills with slave labor) can even be transformed into a commodity in the central capitalist market and realize a profit.<sup>32</sup>

The second moment preparatory to dependency in the "first form" of industrial capitalism (the British, for example, with monopolic mediation by Spain) occurs from the time of the Bourbon reforms up until [the appearance

of] imperialism in the strict sense (from the mid-eighteenth century to approximately 1880). Through the unequal exchange of raw materials for industrial products and the interest payments on international credits, there is already a sort of structural start to the transfer of surplus-value.

A third moment, the first one of dependency in the strict sense, is the "second form" of capitalism, i.e., imperialism (from about 1880 to the 1929 crisis). Previous mechanisms are accentuated. Railroads, for example, are at the same time credit indebtedness (transfer of surplus-value through interest payments) and technological mediation in the extraction of wealth (including not only value but also surplus-value).

The fourth moment is that of dependency under populist regimes (Hipólito Yrigoyen of Argentina, Getúlio Vargas of Brazil, Lázaro Cárdenas of Mexico, or Juan Domingo Perón of Argentina; the classical age is from 1930 to 1955), when peripheral capitalism enters into "competition" with central capital and surplus-value is transferred according to the *fundamental law* that has been enunciated (or through mechanisms that set its *tendency*). Populisms are the attempt at a nationalist capitalist monopoly, and they have a certain chance when central capitalism finds itself in the struggle for international supremacy (from 1914 to 1945). They lose any chance when the new power (the United States) reorganizes peripheral dependency in a new manner.

The fifth moment, from 1954 (with the coup d'état against Jacobo Arbenz in Guatemala) or 1955 (the fall of Juan Perón in Argentina), marks that start of the stage of dependentism as a "developmentalist" policy properly speaking. The theories of dependency counsel entry into "international *competition*." The penetration of financial and productive capitals properly speaking opens up the stage for transnationals and increasing indebtedness. In 1964 (with the Brazilian "national security" coup) there is a shift from a formally democratic and developmentalist dependentism to a military-type developmental dependentism (under the ideology of a Golbery do Couto e Silva up until Pinochet). That is the state we find ourselves in at present (going through neopopulisms, neodevelopmentalisms, nationalist or *dependentista* dictatorships, and a variety of democratizing *aperturas* or "openings").

Thus, from the standpoint of a *concept* of dependency we can see that the process of the first emancipation from Spain did not mean going from being a colony of a dependent and monopolic capital such as the Spanish, to direct dependency upon England (or other powers of the time). Populism (1930-1954) attempted to develop national capitalism, impeding international competition with certain protectionist or monopoly measures. These measures were easily destroyed by the United States and [populists] fell like a row of dominoes (1954-1959).

Only Cuba (since 1959), and currently with the struggles in Nicaragua (since 1979) and El Salvador, have made attempts to get out of the dialectic of capital's international competition. Nicaragua, in the war of aggression which has been declared against it by U.S. capital, is suffering the sin of not entering the game of competition where it should structurally and increasingly transfer its surplus-value, like all the rest of the Latin American countries which are deeply penetrated by transnational capital and by the mechanisms of dependency.

What is at stake then is the *Second Emancipation*. *The concept of dependency is the only one that can provide a theoretical framework for a political understanding of the situation of domination in which our Latin American nations find themselves today.* (Let it be said in passing that the same is true for the African and Asian nations.) The concept of "class struggle" is not sufficient to give a fundamental diagnosis. It must not be forgotten that the "competitive *struggle*" (Marx, 1865-70: 353; emphasis added by Dussel) situates the peripheral countries in a very precise manner, and their weak and weakened capitalism lends itself to processes of liberation. It is liberation *from dependency* (as *national* domination, via the national bourgeoisies and the total capital of the country), and liberation *of the oppressed people* in the nation (the social bloc of those who with their labor, be it wage-labor or available labor, create all the transferable value and surplus-value).<sup>33</sup>

This is why the Frente Sandinista de Liberación Nacional (FSLN) defines itself as a *national* and *popular* liberation movement.<sup>34</sup> *National* in that, by overcoming capitalist dependency, the country can accumulate the fruit of the labor of its workers as its own wealth. *Popular* in that not only the classes oppressed by past capitalism, but even all those who were *nothing* for total national capital (the unemployed, the ethnic minorities, the marginal population, etc.), in Nicaragua can organize a new, liberated way of life on the basis of their *culture* — and of their religion as a part of their popular culture (see Dussel, 1986) — as an affirmation of the exteriority of concrete, historical *living labor*.

To continue Marx's theoretical discourse beyond Latin America and not merely to apply it (which is an error because it was "open" and "unfinished"), and to discover in it new possibilities *based on the people's praxis of national liberation*, based on the "logic of the majorities" (but of the majorities as subjects of the history of liberation), is the task of a philosophy of liberation.

The concept of dependency, therefore, from a *political* perspective (in the correct praxis of national and popular liberation) and from a *theoretical* perspective (in a philosophy of liberation that methodically thinks about Latin American reality as a process of liberation) is fundamental. At the level of political economy, it is the very starting point for the concept of liberation.

It is the theoretical moment from which and *from where* the process of liberation on our continent originates and starts.

## NOTES

1. Lenin also uses the expression “extraordinary profit.”
2. Lenin does not relate the greater organic composition to the question of value and price, either, but there are many references to the technological issue.
3. Marx would only put forward some material on this in chap. 22 of vol. 1 of *Capital*, “National Differences in Wages,” and in chaps. 11 and 14 of vol. 3.
4. In the same volume there are articles by L. Vitale, R. de Armas, A. Gunder Frank, and others. See also Frank et al. (1972) or Sempat Assadourian et al. (1973). In all these works not once is there a discussion of “price of production” or “world value.” The categories are somewhat ambiguous; the concept of “mode of production” is largely Althusserian. There is talk of “surplus,” but never of “transfer of surplus-value.”
5. Since Marx had already constructed a set of “abstract” categories, in order to avoid new imaginary abstractions, only concrete historical studies would be necessary in Latin America — and that is what Frank’s study was to be.
6. This is as far as the definition of dependency as such goes; in his valuable book *Imperialismo y dependencia*, Dos Santos says that “their economy is *conditioned*” (1978: 305). Is it only a “condition”?
7. See what I have written on Marx’s *Plans* in my work (1985, sects. 2.4 and 16.4; also 1988, sect. 12.5 and the preface).
8. Marini says “transfer of value” on page 35 and elsewhere in the same work.
9. Cf. Dussel (1985: 371). It seems important to us that in a recent article Cueva says that “it is useful to highlight the fact that through this distinguished group of creators, [Latin American] Marxism became indissolubly fused with the *national* and the *popular*” (Cueva, 1986: 28). “Nation” and “people” are therefore categories to be defined and used (see below).
10. See, for example, “The Accumulation of Capitals and the Competition Among the Capitalists” (Marx, 1844a: 250-258). Also: “Precisely because political economy does not grasp the way the movement is connected, it was possible to oppose, for instance, the doctrine of competition to the doctrine of monopoly . . .” (Marx, 1844a: 271).
11. See *Capital*, vol. 3, where Marx writes: “Further details on this belong in the special study of competition” (Marx, 1865-70: 298). The plan from the *Grundrisse*, then, continued in force on this point. When discussing “competition” in the *Grundrisse*, Marx also frequently noted that, “Further analysis [of this problem]\* belongs to the section on competition” (Marx, 1857-58a: 364). And later he would still write: “this is an aspect to be discussed when we come to ‘Competition among Capitals’ ” (Marx, 1865-70: 426).
12. Cf. Marx (1857-58b: 38) and the *Manuscripts of 1861-63* (MEGA, II,3,6). See Hegel (1969) on the concepts of *Attraction* and *Repulsion*. In the *Manuscripts of 1861-63* see on “competition”: in general (German edition MEGA II, 3: 1644, 215, 146, 286); as a form of realization of capital (1603, 1605, 1630, 2273); as a compulsive law of capital, and important for dependent total national capital (261, 307, 1603, 1604, 1606, 1677, 1678); between capitalist countries (674, 677); between capitalists (722-724, 727, 853, 990, 1107, 1143, 1275, 1273, 1276, 1501, 1506, 1597); and average profit (684-686, 722-724, 854-856, 1513, 1568); and value of

\*Brackets [] contain notes by the translator.

the commodity (750, 906, 939, 940, 1568, 1904); and price of the commodity (750, 754). Cf. Marx, 1974: 338-347, 542, 549, etc.

13. On this question see the view presented in Dussel (1985, chap. 18).

14. On this point see Dussel (1985, chap. 18 sect. 1).

15. The question of the state in Marx corresponds to Hegel's "bourgeois society" (Hegel, 1942, paragraphs 182-250); the external relations among states in Marx corresponds to the same question in Hegel (paragraphs 330-340); the world market in Marx points to the question of "world history" in Hegel (paragraphs 341-360).

16. Marx speaks of "less developed countries" (*minder entwickelten Ländern*) (MEGA, II, 3: 1161, 31-32; 1861-63 [Spanish edition] II: 498); and of "nation" (1861-63 [Spanish edition] III: 298).

17. Marx frequently uses the expression "the total capital (*Gesamtkapital*) of a nation" (see Marx, 1857-58b: 227). "If we assume a single capital, or treat the various capitals of a country as one capital (national capital [*Nationalkapital*]) as distinct from that of other countries . . ." (Marx, 1857-58b: 52). Marx also speaks of "national wages" (Marx, 1866-67: chap. 22), or of "the national capital" (Marx, 1857-58b: 10).

18. In Marx the "national question" must be posed precisely at this level: What prevents competition from being perfect (i.e., the existence of monopoly as an extra-economic "political" fact) is the existence of "nations" with states. The conditions of global capital in its conservation and reproduction have *relatively* resistant national barriers (although they are frequently breached to some degree). It is like a "dike on misery" (MEW 12, 231), or on wealth. Samir Amin notes correctly that: "The condition of internal development obviously proceeds from the existence of the national fact, which economist theory tries to ignore. The capitalist system, even though it may have unified the world, has unified it on the basis of unequally developed nations" (Amin, 1970: 81). The existence of the "national fact" in no way denies dependency, nor vice versa. Both exist: one as the partial substance (the nation), the other as the connection in competition (and, therefore, explaining the transfer of surplus-value from one "nation" to another, nothing more and nothing less).

19. In reality the organic composition or degree of productivity of labor allows a rise in the "average" value of labor capacity in the developed countries, objectively. Both wages and means of production have national or monopoly "averages" or their own barriers. "Competition" is not perfect among individual capitals or branches in the world market; it is mediated and modified by the confrontation of total national capitals with different "averages."

20. Cf. Dussel (1985, chap. 7, sect. 1; for commentary of the 1861-63 manuscripts, see 1988 chap. 3, sect. 1).

21. ". . . These countries are *coerced* to compete with others, much more developed" (MEGA, II, 3: 674, 19-20; Marx, 1961-63 [Spanish edition], II, 8).

22. See all this in detail in Kuntz (1985: 124ff).

23. Otherwise "a nation originally poor like the Dutch would never have been able then to gain exchange values through foreign trade and become bourgeoisly rich" (Marx, 1974: 810).

24. These two chapters, already cited, are chap. 20 of vol. 1 of *Capital* and chap. 14 of vol. 3. They are both *anticipations* of more concrete problems that were to have been dealt with later according to the plan, both methodologically and pedagogically.

25. The "national question," as we have pointed out, is in its essence fundamental to international competition, and it was not often treated that way in the debate on dependency.

26. This result is drawn in terms of categories and explicitly from Marx's theoretical work between June and August of 1862. See chap. 9, on rent, in Dussel (1988).

27. This question is dealt with in chap. 10 of vol. 3 of *Capital*.

28. The difference between a "law" (*Gesetz*) and a "tendency" (*Tendenz*) speaks to us of the difference in Hegel between the "essential world" and the "phenomenal world."

29. "Three quarters of the exports of the periphery are from modern sectors with strong productivity" (Amin, 1971: 68; see the same point in Amin, 1970: 79).

30. It is interesting to note that in the work of Paul Baran and Paul Sweezy (1968), where it is noted that students in an eastern [European] country were not able to answer the question, "What is monopoly?", the authors themselves never give a definition of monopoly. Perhaps the closest thing to our subject in their work is the determination of "monopoly price" (Baran and Sweezy, 1968: 48-66). The subject is touched upon in the *Manuscripts of 1861-63*: "monopoly" in general (MEGA, II, 3: 99, 116, 117, 147, 1448), and private property (749, 754, 806, 814, 956, 1470), and competition (1682), and the question of monopoly price (691, 749, 814, 960), etc. Clearly, monopoly is the negation of competition, but in order to restore it at another level. Thus capitalist "nationalism" (protectionism) is monopoly at a national level, but one that organizes competition *within* national borders. On the other hand, the strong total national capital is interested in *breaking down the national barriers* to allow "world competition."

31. See the difference between the value of labor capacity and the value of wages in MEGA (II, 3: 2149, 13ff). The wages of the periphery can fall absolutely and the value of labor capacity can be reduced to the miserable vital minimum.

32. The first two volumes of the magnificent work by Immanuel Wallerstein (1979) are an excellent example of this history.

33. On the concept of "nation" see my article (Dussel, 1984); on the category of "people" see chap. 18, sect. 6 of my 1985 work.

34. Cf. Bayardo Arce (1985). At one point he says: "This experience can be presented as a convergence between . . . Nationalism . . . Christianity, . . . Marxism" (Arce, 1985: 9).

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