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Imperialism and Dependency: The Peripheral States under Capital's Structural Crisis and the Necessity for an Anti-imperialist Alliance

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The destructiveness that increasingly characterizes social and economic relations these days has made the debate over the necessity for building a counter-hegemonic power against imperialism¹ an urgent issue. Regarding this debate, the contribution of the Hungarian philosopher István Mészáros seems extremely relevant to us. Mészáros describes the logic of capital reproduction in this present phase and verifies the trend for destructive consumption as its pattern (Mészáros, 2002: 678). The author of *Beyond Capital*, instead of dissociating -even if conceptually- the extended reproduction from some probably new dynamic of accumulation located out of production, as Harvey (2003) suggests, contends that the shift operated within capital's social metabolism² derives from capital reproduction, like Marx had originally depicted. Thus, through the present system development, destructiveness becomes a functional equivalent to production as it follows:

[There is] "A speeding of the circulation inside the consumption circle (rising the amount of trade inside the existing circle) instead of jumping in the adventure of enlarging its own circle" (Mészáros, 2002: 680).

This equivalence between production and destruction is established through the planned obsolescence mechanism, which makes the increase in the rhythm of capital circulation possible within the same decreasing circle of consumption. In this sense, the progressist role played by the *decreasing rate of utilization* had its positive direction reversed. Under planned obsolescence logic, the production upgrades are no longer associated with the decreasing rate of utilization of goods -through a potentially emancipatory development for humanity³. On the contrary, it assumes a destructive nature in the capitalist

1 The Marxist debate on imperialism dates from the Second International discussions whose main exponents, Lenin, Hilferding and Luxemburg depicted imperialism as an inner consequence to capitalist development. On the other side of the debate were Berstein and Kautsky, to whom imperialism was a politically controllable phenomenon. The question of imperialism still remains a classical debate in the Marxist field, motivating also eclectic authors like Giovanni Arrighi (see his *Geometry of Imperialism*, 1978) and *Third World* or post-colonialists authors like Samir Amin. A panorama can be found in *Cuadernos Pasado & Presente* (1969). Two historically comprehensive works are Acosta Sánchez (1977) and Magdoff (1977). The latter was partially republished recently (Magdoff, 2003). A new perspective came on the scene with David Harvey's *The New Imperialism* (Harvey, 2005), where the concept of accumulation by dispossession is presented. A critical review to this concept was written by Luce (2005), in the light of Mészáros's contributions (2002). It should be remarked that Harvey's standpoint on imperialism is similar to Patnaik's *The Economics of the New Phase of Imperialism* (Patnaik, 2005).

2 In general, social metabolism consists of a whole range of social necessary mechanisms for the development and reproduction of social structures. In this sense, capital's social metabolic order means, in other words, a mode of organizing society so as to keep capital's reproduction and auto-perpetration as the main objective or end of social life (Mészáros, 2002:95-132).

3 The *decreasing rate of utilization* is directly connected with the production upgrades. By this rate we understand the variable proportion according to which a society allocates their time to produce fast consumption goods (e.g. food), as opposed to goods that keep being utilizable for a longer time. This is a proportion that has

system, once it converts luxury into a structural imperative for the capital system, irrespective of the social, human and environmental costs. This trend is best noticed in the military-industrial complex, a production sector in which the use of the product instantly extinguishes it.

It is the equivalence between “production” and “destruction” that makes Mészáros conclude on the activation of capital’s absolute limits. In other words, it marked the historical beginning of capital’s structural crisis -expressed by its universal scope, once it affects all facets of our social life, and by its territorial and long-lasting nature (Mészáros, 2002: 802) -which makes it historically innovative in relation to the previous crisis of capital.

Therefore, taking Mészáros’s thesis for it, it is urgent to pay special attention to the political consequences of the structural crisis of capital. Focusing on the imperialism issue, there are expressive impacts, because the structural crisis thesis causes a historical impossibility of any conciliatory solution in the relations between capital and work.

In other words, capital, in general, caught in its own rising accumulation and concentration logic, will not be able to make concessions to work anymore. Apart from this, the authoritarian solutions tend to deepen the crisis, and historically, it will be impossible to postpone the contradictions based on barter. Then, the deep contradictions derived from the separation between production and control, production and circulation and production and consumption⁴ cannot be avoided for a long time.

One of the direct consequences of this approach is the fact that imperialism has become an equivalent of capital’s structural crisis and has been transformed into a real crisis of domination with destructive and uncontrollable tendencies. Thus, the administration of the structural crisis increases and even multiplies the antagonisms: the control of the advanced capital by the industrial-military complex, the disintegration of post-capitalism societies, the trade conflicts among states/corporations that cause a situation of permanent war, the difficulties to maintain the neocolonial domination system, etcetera. It is no longer simple to articulate palliative solutions like the reallocation of resources from the war industry to social policies or the great capital expansion to the peripheral territories. As a result, we seethe with structural unemployment, the loss of work rights and war as a central process of the system reproduction. In this process, the State plays a paramount role.

The State and the Structural Crisis of the Capital System

The modern State is the totalizing political command structure of capital. It is built around a legal and juridical system, a scholar system, a regulation of family relationships, and a promotion of a historical narrative under a national perspective, among other ideological activities. In this way, the State works while permanently protecting the system. It is, therefore, the only corrective structure compatible with capital, because it is able to compensate the lack of unity and fragmentation of capital performance (Mészáros, 2002:106-107).

It is due to the legal protection provided by the State that capital’s personifications can control the working class at the society level. The state operates the divorce and the antagonism between production and control. In other words, between those who work and those who take the managerial decisions,

historically tended to change in favour of the latter. The wealth and the development level of a society can, up to a certain extent, be estimated by this rate. It is an intrinsic characteristic of the productive development. In the present phase of the structural crisis, that proportion seems to have acquired an essentially destructive-negative nature (Mészáros, 2002:639-640).

4 We will later elaborate on these contradictions related to the role of the State.

protecting the means of production and material alienation (raw materials and products) by the private property.

In the same way, the state manages the divorce between production and consumption, once the bourgeois ideology turns the expropriator capitalist into a “producer” and the expropriated worker into a “consumer”. Thus, by managing these antagonisms, the State assures huge distribution and consumption inequalities, and plays the role of a direct consumer, through arms procurement by the military industrial-complex, the acquisition of goods to maintain the bureaucracy, let alone all the expenditures related to social infrastructure (Mészáros, 2002:107-108). The State also plays a decisive role as wealth concentrator both at national and international levels. Through tax policies, the state drains the resources from the workers and the middle class to the capitalists. Likewise, it concentrates the resources of peripheral countries and sends them to central countries through religious debt payments.

It is clear that the crisis of the State is simultaneous with the end of the historical ascending stage of capital in the 20th Century. It is true that the state tries to create a false unity between production and global exchange. However, States are national and the capital is global. Globalization means the inevitable development of an international economic command and subordination system and, in a politic sphere, a hierarchy of national states according to their position in the global capital power. This double hierarchical standard can only be sustained during the historical ascendance of the system, while the capital has expansion possibilities. Nowadays, the depth of the crisis leans it to intensify the conflicts as part of an increasingly aggressive and monopolist determination with less global place for expansion -compared to the previous period.

This is the mechanism through which the National State has historically put itself at the disposal of the international monopolistic expansion of capital. Consequently, the State is a material part of the capital system -instead of a superstructure, as it is traditionally viewed- and so are the social-economic unities of reproduction. There is a dialectic coincidence between State and material reproduction structures and, therefore, a co-determination between them.

Nevertheless, inasmuch as there is not a State's autonomy or independence related to these structures, it does not follow the determinations that come directly from the economic functions of the capital. Ideology cannot be reduced to direct material determinations, although it does not have total autonomy. Therefore, it is wrong to consider the State as identical to the structure of capital's command. Capital's logic, as a social relation of expropriation, is its own system of command and the State is an integrant part of this system, assuming political functions –even if it is not subordinated.

In spite of all these considerations about States' irreducibility, nothing would allow us to forget or ignore that there is no possibility of overcoming the capital power without remaining loyal to Marx's concern about the State's extinction, even when this possibility seems to be far away from us. To lose this perspective is to renounce the elimination of classes, as a central task in a larger process of transformation.

Recent statistic studies about the crescent importance of the States' participation in the capitalist economy focus the discussion again on the function of the State in the reproduction of capital, and, hence, due to opposite reasons, on the importance of measures that aim for its extinction in any authentic transition process that leads to socialism.

For this reason, it is not by chance that destructiveness as a production imperative results in an increment of the State's importance as an economic agent at a worldwide level. As Theotonio dos Santos (2002) demonstrated in a statistic study that ranges from 1870 to our days, there is a crescent historic and proportional participation of the State in the composition of central countries'

Gross Domestic Product (GDP). This participation, which lasted from 1870 until World War I, was about 8.3%, raising to over 15.4% in the subsequent period, until the beginning of World War II. That is exactly the period that Vladimir L  nin, Hilferding and Rosa Luxemburgo characterize as the fusion between monopoly and capital exportation from the center to the periphery of the capital system. They call this process imperialism.

It is important to emphasize that, in the World War II period, there were two tendencies of State intervention growth in economy among capitalist countries. On the one hand, there was a military tendency, with costs directed for the war industry, and an increment of government expenses related to the GDP up to the proportion of 42.4% by Nazi Germany. On the other hand, there was a tendency of social nature, represented by the European social-democrat experience, which situated these costs at 20.7%⁵. This last average rose, however, to 27.9% in the Sixties and, in the Eighties, it reached 42.6% when it was associated, in an important way, with the raise of public deficit, and also with the debt contraction process of peripheral countries (Dos Santos, 2002: 8-9).

The Structural Crisis in Peripheral Countries

The rise in public expenditures resulted in the growing public deficit and, particularly from the Eighties on, it becomes impossible to dissociate the participation of the State in the economy without considering this deficit, which in 1994 went up to 67.3% a year (Dos Santos, 2002: 10). It is through this mechanism of debt contraction that the State contributes to the process of capital transference from the Southern to the Northern hemisphere (see Annex I: Chart 1) and, within the countries, as a mechanism of labor exploitation in the benefit of capital. It is relevant to mention that the process of capital transference from South to North is typical in the first phase of imperialism, basically through the mechanism of foreign direct investment in the Southern countries by the Northern ones, promoting direct control over peripheral and semi-peripheral economies through multinational companies. During this last period there is a change in the capital extraction process, in which the capital transference is made through money funding to promote the restructure of production. In other words, by contracting foreign debt. However, the South-North process of transference and the articulation between States and monopolies is maintained in its implementation, despite other specific characteristics, which have been very well analyzed by Chesnais (Chesnais, 2005: 19).

By its conversion into a major issue in the attraction of the Southern resources to the Northern hemisphere, debt contracting plays this role through two mechanisms. Firstly, through the direct transference of wealth to the payment of public debt (see Annex 2: Chart 2). Secondly, through the private investment of capitalists from so-called "underdeveloped countries" in metropolitan countries. Recent studies carried out by the Committee for the Abolition of the Third World Debt show that:

"Instead of reinvesting capital massively in their countries' production, capitalists from underdeveloped countries would rather lend the capital they accumulated –through the extortion of surplus value over the work of salaried workers (in the industrial production process) and the extortion of the subproduct of the work of non-salaried workers (peasants, craftsmen, ...)- to the banks of industrialized countries (and to the government institutions of underdeveloped countries, as we shall see further on). The exportation of capital by capitalists from developing countries is not a new phenomenon. Nevertheless, it is impor-

5 Unfortunately, we do not have the data connected to the costs percentage of State's investment for this date, in relation with the GDP of post-capitalist countries.

tant to notice that it increased strongly during the phase of financial liberalization, as part of the neoliberal globalization process in the past 25 years. This financial liberalization, recommended by the World Bank and the International Monetary Fund (IMF), consisted of suppressing all control mechanisms in capital transference, which had been spread out both in developing countries and in more industrialized countries since the 1930's crisis. The abdication of the exchange rate control and the implementation of total freedom of influx and exit of capital were progressively imposed by the Bretton Woods institutions from the Sixties (Toussaint, 2005: 263).

According to Toussaint, between 1980 and 2002, the Southern countries paid back eight times as much as their debt, representing more than fifty Marshall Plans sent from the periphery and semi-periphery to the center of the system. And still, their debts remain four times higher (see Annex 3: Chart 3). The foreign debt and the Foreign Direct Investments (FDIs) thus become major aspects of the imperialist dependency of Southern countries in relation to central capitalist countries. This system of resources transference had already been studied in the Sixties in the analysis of unequal exchange by Ruy Mauro Marini, who warned about the dependent nature of capitalism development in peripheral countries -based on the super-exploitation of labor:

“What seems clear, therefore, is that nations in disadvantage in the unequal exchange do not attempt to correct the discrepancy between prices and the value of their exported products (which results in a stronger effort to enhance labor production capacity), but simply compensate the loss of profit caused by international trade by increasing the exploitation of work. [...] as a characteristic of this process, the expropriation of the produced value hides the expropriation of the *surplus value* that takes place through work exploitation in each nation. In this sense, the value transference is a transference of *surplus value*, which is represented, from the point of view of the capitalist that operates in the peripheral country, by a reduced *surplus value* rate and finally by the profit rate. Hence, the process in which Latin America contributed to the increase of the *surplus value* rate and the profit rate of industrialized countries resulted in opposite effects for the peripheral continent. Furthermore, what seemed to be a mechanism of market compensation is actually a mechanism that operates in terms of domestic production.” (Marini, 1967:8)

Thus, capital's structural crisis also means the existence of an ideological crisis of “developed countries”. If before the activation of Capital's Absolute Limits, “underdevelopment” could be justified as a preceding phase to “development” –according to this false belief of linear phases–, ever since the activation of these crises, such argument has had fewer and fewer supporters. The reason for this is that there was no longer the great dynamism and capacity for economic expansion that allowed concessions for the workforce, which meant the historical legitimacy of this system and the basis on which took place the political approximation between Stalinism and the national project for development all over the world in the years that followed World War II. In Brazil, which was an emblematic case of that Keynesian experience in the periphery, through the substitution of imports policy, this project was politically represented by support ranging from the Communist Party to the populism of Getúlio Vargas.

In relation to the nature of dependency, the aforementioned data about resource transference under the structural crisis demonstrate that the States and private capitalists settled in these regions absorbed the wealth produced in the periphery with growing voraciousness, in order to transfer it to the North. The direct consequence of such mechanism was a high level of poverty, with chronic unemployment and precarious work conditions.

In other words, the repercussion of capital's structural crises in the periphery strongly supports the thesis of *unequal and combined development*, for the

innovations carried out since the productive restructuring in the Seventies once again led peripheral and semi-peripheral countries to participate even more actively in the transference of resources from South to North. At the same time, the working class in those countries began to perceive the downward equalization of the differential rate of exploitation in relation to the workers from the North.

One of the reasons for that was the expenditure on defense and militarization of the metropolitan States. The amount of money that central countries spent on war industry increasingly and simultaneously burdened the workers from North and South, merging “archaic and modern”, the peripheral elites with the metropolitan capital command. As Prahbat Patnāik points out in his analysis of the new phase of imperialism:

“This new phase represents the end of the local bourgeois as an applicable plan in the Third World, i.e., the end of the chance for the Third World bourgeois to build up their own space and achieve a form of capitalism that is relatively independent from imperialism” (Patnaik, 1999:12; author’s translation).

The increase in the levels of work exploitation all over the world brings about two kinds of reactions. On the one hand, it facilitates the solidarity of the working class, both employed and unemployed, from the system’s center and periphery, which are increasingly subordinated and exploited. Therefore, there are some obstacles to the division of the working class through the concessions of the “Welfare State”. On the other hand, the violence originated by the system against all kinds of life, under the predominance of the planned obsolescence mechanism, leads to structural unemployment and work precariousness, raising social insecurity levels through the increased reproduction of exploitation and indignity. This group of factors causes a high level of social, economic and political instability at a global level, which can both increase class antagonism and contribute to the strengthening of retrograde and highly conservative ideologies, as it was evident in Western Europe throughout the nineties.

Dependency and Brazilian Sub-Imperialism

In the case of highly dependent countries like Brazil, it is important to analyze the levels of labor exploitation along with the study of its political and international trade relations, especially with the United States imperialism and the neighboring Latin American countries. The levels of economic growth in such countries are intrinsically associated with the unequal exchange dynamics, and therefore, the consequences of the structural crisis are particularly stronger and dramatic for workers in peripheral countries.

Regarding the Brazilian situation, there are some particular aspects to be considered. Brazil, as a comparatively bigger financial and monopolist economy among all other Latin American countries, plays a decisive role in the political process of the continent. From an exclusively economic point of view, this new differentiation between Brazil and its neighboring countries is a result of the worldwide restructuring process of the capitalist system, which stems from the new international work division and dependent economy laws. The final and more important aspect would be the following:

“Over-exploitation of work, the dissociation between the phases of capital cycles, the extreme monopolization in favor of the luxurious or sumptuous industry, the integration between national and foreign capital, or actually, the integration of the productive system (and not simply the internationalization of the domestic consumer market, as some writers often say)” (Marini, 1974:xix).

In other words, this is a somewhat dependent imperialism, described and conceptualized by Marini as “Brazilian sub-imperialism”. Despite these economic issues, which involve a series of social consequences, it is essential to understand that the influence of that Brazilian sub-imperialism does not take place on its own. On the contrary, it is articulated by the United States imperial-

ism, although it can have a certain degree of independency and freedom from USA. Therefore, this does not imply a passive acceptance of the United States' decisions, but an active contribution to the imperialist expansion, gaining an advantaged position. Marini's study on the Brazilian imperialism in a historical perspective, especially during the military dictatorships and in relation to the role that Brazil played in the counter-revolution in Latin America corroborate this thesis (Marini, 1974:xxii-xxiii).

The process of integration to the United States' imperialism and the expectation of a revitalization of the economic expansion through international capital influx present, however, several drawbacks. The monopolization of the economy has seriously deepened. In the banking business, for instance, a wave of privatization has taken place with a high level and velocity of integration never seen before. Only in the past few years, we can observe that:

"Apart from the fact that the number of banks was reduced from 221 (December, 1995) to 163 (December, 2004), there has been a considerable rise in the concentration of assets of the banking system controlled by a few institutions. In December 2004, the five largest banks corresponded to 61.6% of the total assets of the 50 largest banks, as opposed to 55.1% at the end of the nineties" (Prates et al., 2005:154).

On top of that, the loosened rules for pension funds represented a real step in the privatization of the Brazilian worker's pension fund system and consequently its use for speculative matters. This means that the worker's funds become part of the speculative logic that goes directly against the interests of work, since it generates productive disinvestments and, therefore, insecurity at work and high levels of unemployment worldwide. As Marques points out:

"As Chesnais (1997) states, the pension funds have a dual nature. On the one hand, they represent the amount of contribution worked out over the salaries and revenues and their clear objective is to guarantee a decent and stable retirement pension when the worker retires from working life. On the other hand, as the total amount accumulated exceeds a certain level, the funds assume the position of a financial institution without being a bank, and seek to obtain profit from a considerable amount of money, keeping its liquidity and maximizing profitability.

Their economic nature changes drastically, and the salaried contributors (together with their families) become victims of the financial capital (Chesnais, 1997:14). When compared to the public pension system, therefore, the private pension system is more unpredictable and unstable. Thus, no matter how much the Lula government asserts and ensures that the workers' fund will be public, the system implemented by the financial capital is very clear: the future retirement funds will be subordinated to that capital's necessities.

Moreover, the privatization of social security eliminates all the chances of social rights, universality, solidarity and redistribution, which are present in the Welfare State. Access to the level of protection becomes subordinated to each person's income. Regarding public health issues, the privatization process is even more dreadful, because it breaks the principle of integrality, which is so important for any public health system. In other words, workers are only guaranteed access to the health care assistance provided by the health care plan they can afford.

From a different point of view, the privatization of social security represents the transformation of its services into commodities, making it impossible to dissociate the benefit received by the worker and his financial contribution. In this context, it is important to point out capital's strong ambition to establish a private social security, based on the capitalization system. The reason for all this motivation lies in the fact that the state activities related to the assistance of elderly people and sickness risk involve a considerable amount of money" (Marques, 2005:109).

What provided the conditions and at the same time benefited from this process of privatization and internationalization-integration of the Brazilian economy were –contrary to what orthodox economists usually admit– the celebrated FDI. A study carried out by Scherer shows the consequences of the Brazilian state companies privatization through FDIs:

“It is clear that such drastic property changes as the ones that occurred through massive acquisitions of Brazilian companies by foreign companies would inevitably involve consequences for several areas of the national economy. The major international companies located in Brazil were responsible for approximately 30% of the total sales revenue generated by the 500 largest private companies and the 50 largest state companies in the Brazilian economy from 1979 and 1992, according to research done by Antônio Corrêa de Lacerda based on the Revista Exame –Melhores e Maiores database. From 1993 to 1997, along with the first effects of trade flexibilization, there was an increase in that percentage, which went up to 34% of the total sales revenue generated by the main Brazilian companies. As the privatization process progressed, that proportion increased by 11%, reaching around 45% in the period between 1998 and 2001. According to this study, in 2001, international companies represented 45.8% of the total sales revenue generated by the major companies in Brazil” (Scherer, 2005:140).

Such procedures, along with the threat to grant autonomy to the Brazilian Central Bank and the exorbitant growth of the Brazilian foreign debt account for how perverse the capital system is in the semi-periphery, which is the case of Brazil. Furthermore, if we take into account the property and income concentration rates in the country –which are amongst the highest in the world– or the Brazilian social indicators, which are extremely poor, despite the demagogic rhetoric of the current administration and the permanent manipulation of official statistics, there are no arguments left to object to the dependent nature of the Brazilian economy.

The tendency towards monopoly concentration, which is noticeable in the economical area, is accompanied by unequal relations with its Latin American neighboring countries. That process is clear enough if we have an overview of Brazil before, during and after the military dictatorship period⁶. The bellicose nature of such relations has caught our attention. More recently, it is possible to perceive a permissive attitude in the successive Brazilian governments towards the establishment of United States military bases in Latin American territory, through privileges in the commercialization of Brazilian war products for the United States and, finally, the direct and active participation with troops in the occupation of Haiti.

The international politics of the Brazilian state, which aims to make Brazil a permanent member of the United Nations Security Council, is extremely harmful in a continent distinguished by the growing popular and democratic social mobilization, with anti-systemic elements. The deepening of the political process in Argentina, Bolivia and Venezuela, as well as the Cuban Revolution resistance, despite their diversified natures, represents, even if unintentionally, an obstacle to the Brazilian position. The development of internal contradictions in Brazilian state is very likely to influence the relations among South American countries. Obviously, the construction of an effective and long-lasting opposing power to imperialism is associated with the necessity for a process of structural transformation of the system all over the world. At the present stage in the capitalism process, a real anti-imperialist project must be, more than ever, an anti-capitalist project. In order to achieve this, it is necessary to state precisely what an anti-

imperialist project entails and what exact role peripheral and semi-peripheral States –considering their particular structures– play in such scenario.

First of all, it is vital to reflect on this plan. It seems quite acceptable to think that the impossibility of a program of concessions and reform driven by the capital system should lead workers unions to an association with the bourgeois sectors left out of the present process of accumulation. Thus, under the hegemony of the socialist vanguard, this “historic shortcut” would allow for a combination of strengths, which is necessary for the structural changes and for the opposition to imperialism. Nevertheless, as we know, the use of logics has historically not been an appropriate method to analyse and make theoretical-political forecasts in the social field. The reasons are the following:

The execution of a reform program under the structural crisis of a peripheral state, with weak bourgeois and mass mobilization, which is the case in Venezuela and Bolivia, represents a considerably different situation from the Brazilian case. In these countries the state autonomy is greater when compared to the semi-peripheral states, and so is the power of the State in the process of the clash of social classes (Marini, 1977). This results in distinctive conditions for the establishment of associations with peripheral sectors of the bourgeoisie or petite bourgeoisie. For instance, in Venezuela, a country with an oil-based economy, the group in control of the PDVSA represented a small minority and overlapped with the state. Therefore, it was easy to notice the considerable advantage of the working class -both employed and unemployed- in the clashes, as opposed to the Brazilian working class and the native bourgeoisie.

This is why an anti-imperialist coalition⁷ can be progressist for some time, even if it is short, in some peripheral countries. This is what seems to have happened in Venezuela, despite the regressive deviation that such experience seems to be moving toward, regarding the workers’ interests. On the other hand, in the case of Brazil, which is a sub-imperialist country, it would be a grave mistake with serious consequences in the fight against imperialism. The reasons are discussed below.

In Brazil, such association, concerning the political area, would be based on the implementation of actions that combine economic growth and reduction of unemployment, just to exemplify conciliatory associations of this nature. They must correspond to a macroeconomic plan focused on the decrease of the interest rate and on the production of economic surplus. Ultimately, however, these kinds of actions, if taken alone or as key measures for a wider political strategy, do not cause a reduction in unemployment but greater technological investment that results in workforce reduction. This is because economic growth in the present stage (and here we refer to the worldwide capitalism economy in structural crisis) necessarily means productive investment, not in mechanisms such as working load reduction but in workforce-saving technology. And only in this way will it be possible to produce growth under the ongoing world order, considering the international system of accumulation. The belief in another possible alternative to the abovementioned situation only shows a profound ignorance of the capital system rules.

Thus, if, for instance, it is true that a reform program can lead us to the profound economic, social and political transformations required to overcome the system contradiction, it is not true that any reform will reach that objective and consequently promote the construction of an effective power opposed to the imperialist hegemony in the Latin American continent. It is necessary,

7 By anti-imperialist alliance we mean a tactic coalition that keeps class autonomy and is formed by workers’ organizations and peripheral sectors of the bourgeoisie, the petite bourgeoisie and the so-called middle class.

particularly in Latin America, the birthplace of the National Developmentalism ideology, where the “illusion of development” was intensely disseminated through the educational and research institutions and among the empiric and pragmatic left wing, to make a distinction between the present role played by a developmentalist program and a reformist program that can lead to structural transformation. (Marini, 1994). As a result of the association with the National State, the local bourgeoisie and foreign capitals, imperialism in peripheral countries such as Brazil is maintained through the State’s investments in production, made within the monopolies of the so-called “national industry”. Imperialism is interested both in the financial speculation and in the sub-imperialist expansion of monopolies. Thus, as Gúnder Frank pointed out:

“National freedom’s direct enemy in Latin America is their own local bourgeoisie [...], although strategically, the main enemy is undoubtedly imperialism” (Gunder Frank, 1973:154).

Therefore, it is necessary to undermine the “material conditions” that support imperialism everywhere. In other words, it is vital to eliminate the illusion that any association between workers and the local bourgeoisie in sub-imperialist countries such as Brazil is necessary or even “progressist”. A program truly aimed at promoting reforms that are able to engage large and different groups of workers and people and triggering a process that really leads to challenging imperialism needs, first of all, to confront the transferences from South to North in the debt mechanism. In this sense, a foreign and domestic debt audit should work as a trigger for a social mobilization that would lead to stopping the payment of such illegitimate mechanism that undermines the South for the benefit of the North.

Secondly, these reforms must attack the circulation of tax-free capital and subordinate legal transactions to a public project of productive investments in areas of social interest, such as health, education and infrastructure. Concerning the investments, ecology, gender and ethnics are fundamental issues that work as criteria for the projects that are at stake. The protection of the environment from capital’s destructiveness, the commitment to overcome the “patriarchalism” and chauvinism that teach, justify and contribute objectively to class domination and, finally, the policies against racial prejudice are inseparable from an anti-imperialist project in accordance with a socialist strategy.

Thirdly, it is necessary to operate against the repression system of Latin American peripheral and semi-peripheral states, in order to substantially undermine their power of extraction and repression, creating more favorable conditions for the workers’ fight. Meanwhile, in the specific case of Brazil, it is essential to eradicate organized crime, which is a source of perverse oppression against the people, coordinated with the reproduction of the leading power structures.

Finally, and most importantly, it is vital to promote political actions that extend workers’ rights and combat capital’s interests directly, either through workload reduction without salary cuts or through a real raise in the minimum wage. Without such actions, it is not possible to create favorable conditions for the fight.

Non-Definitive Conclusion

As we have pointed out, the battle against imperialism and the necessity for the construction of an opposing power against the worldwide hegemony of imperialism are favored, although it is still complex and difficult, by the structural crisis’ activation of the absolute capital’s limits. In this scenario, we also draw attention to the growing violence in the system in crisis, highlighted by the functional equivalence between production and destruction, which is best defined by the

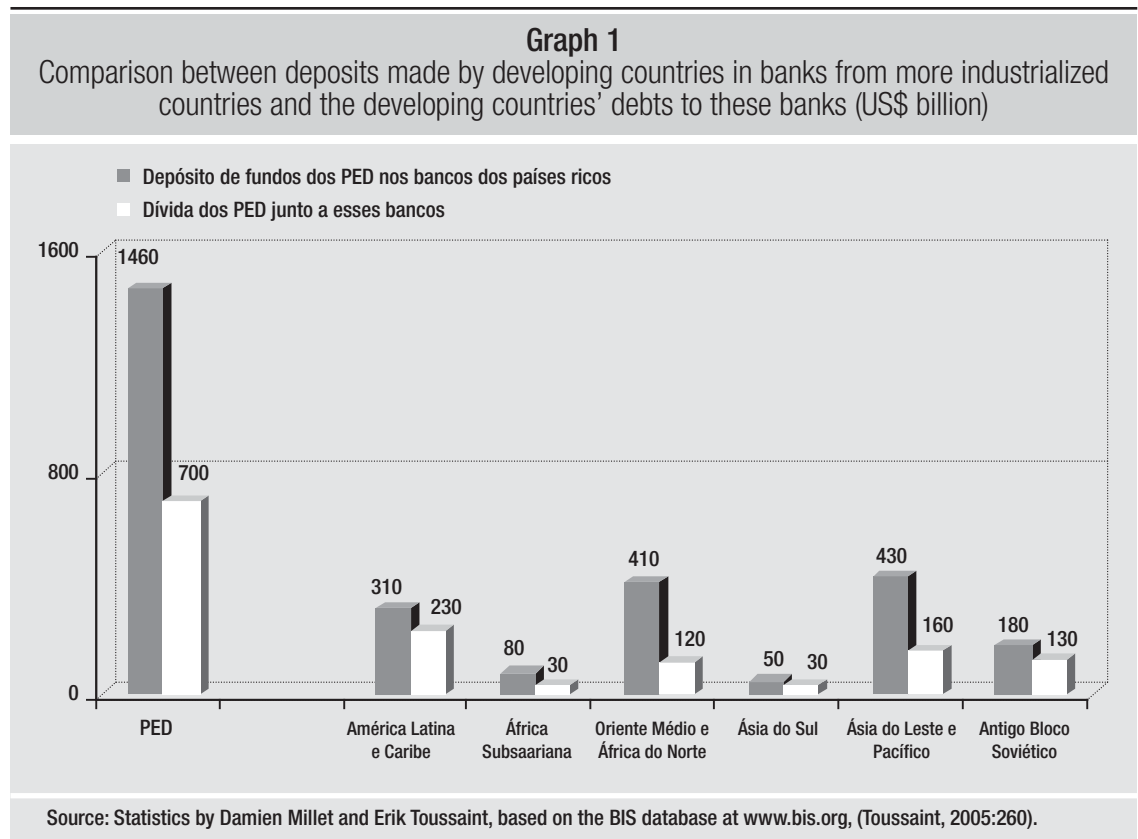
war industry, the main engine of the world economy. This is the best exponent of present-day imperialism.

As part of the process of analysis of the anti-imperialist fight in Latin American peripheral and semi-peripheral countries, we have analyzed the nature and the role of the State as a safeguard of imperialist practices in the region. Based on a deeper historical study, we have identified, from the late seventies onwards, debts and FDIs as essential mechanisms in this process, which is always established on work super-exploitation.

Finally, we consider that the possibility of constructing an opposing power to the hegemony of imperialism will necessarily be anti-capitalist, since there is no solution for the destructive tendency against the humankind and the environment in the present order. We believe that this construction has to take place in each country, according to the specific class structures and states in each case. Thus, it is important to establish a reform program that will foster the construction of an opposing power to the hegemony of imperialism.

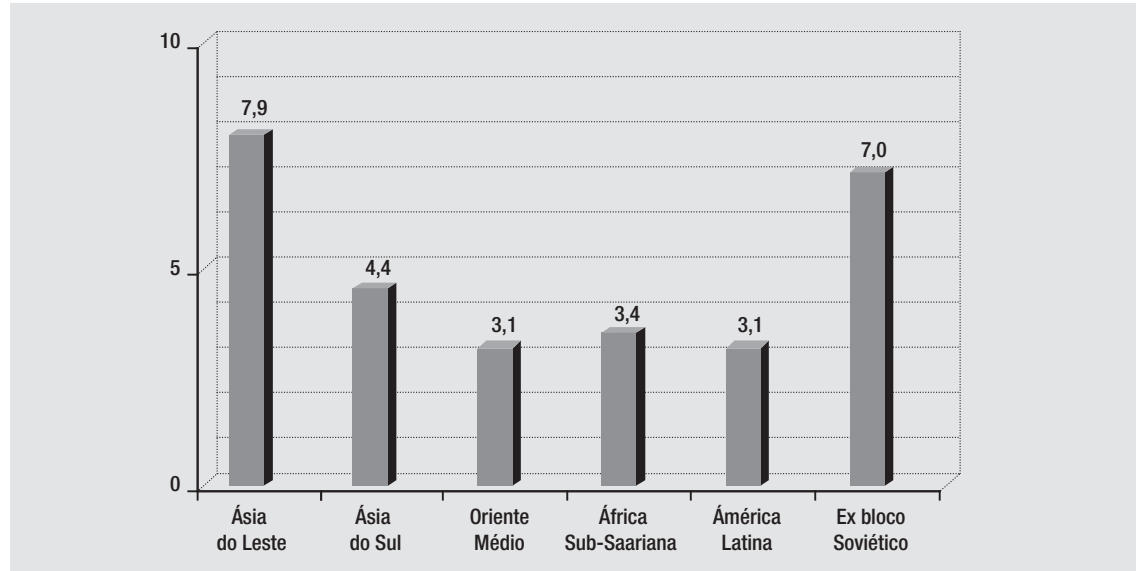
In the case of Latin America, we focused on the Brazilian case, distinguished by its sub-imperialism, to draw attention to the disadvantages of any sort of association with sectors of the local bourgeoisie, even if they are marginalized, in the anti-imperialist fight. The main drawback, among several others, is the programmatic content that could be elaborated as part of a reform program, which cannot allow enough concessions to improve conditions for the workers' fight, neither inside their country nor in the whole continent. However, this does not mean that there is not a range of necessary and possible reforms that instead of drifting away from peoples' interests and from the essential conditions for their applicability, can help create better conditions for the anti-imperialist fights. The dialectic of reform and revolution is in force more than ever. It is for no other reason that, despite the crisis, concessions are not being made.

Annex 1



Annex 2

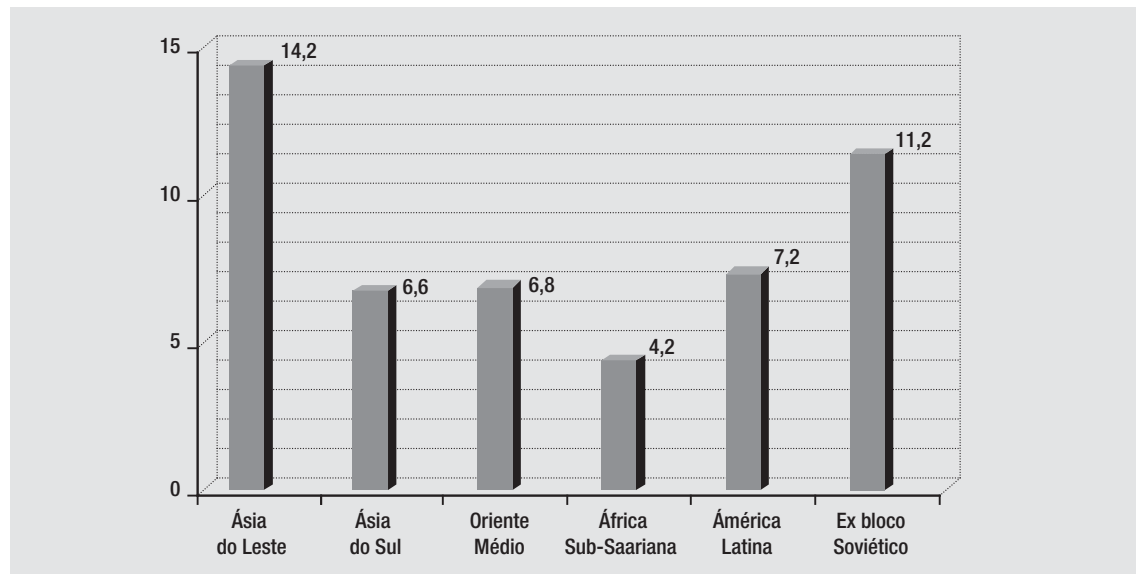
Graph 2
Debt multiplication by regions of developing countries between 1980 and 2002



Source: Statistics by Damien Millet e de Erik Toussaint based on the World Bank Report, 2003 (Toussaint, 2005:263).

Annex 3

Graph 3
Debt maintenance between 1980 and 2002 has paid back the 1980 debt several times



Source: Statistics by Damien Millet and by the author based on the World Bank, 2003 (Toussaint, 2005:264-264).

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