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Revisiting the theory of super-exploitation

Introduction

As part of his critical assessment and updating of the Latin American dependency theory pioneered by Brazilian Ruy Mauro Marini,[\[1\]](#) Argentine economist Claudio Katz analyzes a major component of that theory, the concept that waged workers in the peripheral nations of global capitalism are “super-exploited.” He suggests some necessary modifications of the theory in light of developments since Marini’s day.

Marini’s thesis has been given new currency by some recent analyses of imperialism in the twenty-first century such as John Smith’s book of the same title.[\[2\]](#) Smith holds that Marini’s theory of super-exploitation is of continuing relevance, and embraces the view that waged workers in the global South are systematically paid below the value of their labour power, owing to their greater oppression and exploitation. He argues that this constitutes a third mechanism by which capital increases its surplus value, in addition to the absolute and relative forms of surplus value analyzed by Marx.

Claudio Katz does not address John Smith’s recent book, although he cites in places a 2010 work by Smith, listed among the references below.

Katz argues that the lower wages paid to workers in the periphery, like those of workers everywhere, reflect the labour time that is socially necessary for the reproduction of the labour force, but he emphasizes that this in turn is a product of both material and subjective factors that differ depending on the basket of goods required for workers’ subsistence in each nation (food, clothing, housing, etc.) as well as their socially determined needs, including rights won by the workers along with advances in productivity.

“Which goods are prioritized and which are discarded? Do these requirements include the car, vacations and health services?” At the opposite pole, in Bangladesh “the elementary reproduction of labour power reflects a basket of ultra-basic consumption.” These things are not easy to quantify.

What is decisive is each country’s internal level of development and the position it occupies in the stratifications of the global value chain, as determined by the transfers of surplus value from backward to advanced economies. But it remains true that although the rate of profit is higher in the periphery, the rate of exploitation, as it is defined in Marx’s theory, remains higher in the advanced countries at the center of global imperialism. The “greater productivity in the metropolitan economies” co-exists with the “higher profits derived from the prevailing brutality of labour in the periphery.” Contrary to Smith’s thesis, there is no new mechanism for the production of surplus value.

Katz, like Smith, notes that the shift in manufacturing toward the global East works to increase global disparities. But he suggests that the contrast in the value of labour power between center and periphery is mediated by the development of what he terms “intermediate economies” like South Korea and Brazil, their relative location in the global value chain being consistent with the international transfers of surplus value as the main determinant of underdevelopment. He develops this analysis in articles he has written on another component of Marini’s thinking, the theory of sub-imperialism. More on that later.

Claudio Katz’s article was first [published on his web site](#) as “Aciertos y problemas de la superexplotación.” My translation from the Spanish.

– **Richard Fidler**

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What is valid and what is problematic in the theory of super-exploitation

By Claudio Katz

SUMMARY

Marini postulated that the Latin American bourgeoisie recreates underdevelopment by compensating for its unfavourable position internationally through super-exploitation. He did not identify the payment of labour power below its value with absolute surplus value or with increasing poverty.

But this sub-remuneration contradicts the logic of the labour market, which determines the low wages of the industrialized periphery. Companies profit from the existence of disparities in wages that are greater than differences in productivity. The unevenness of development is highly conditioned by transfers of surplus value to the advanced economies.

Dependency theory does not require a concept of super-exploitation that was omitted by Marx. There are higher rates of surplus value in the center, but greater restriction of consumption and labour stress in the periphery.

In a portrayal of generalized job insecurity, national differences in salaries between the formal, informal and impoverished exploited are reordered. The extension of the concept of super-exploitation to the metropolis and the disregard of neoliberal globalization both stand in the way of updating the theory of dependency

What is valid and what is problematic in the theory of super-exploitation

By Claudio Katz

Super-exploitation was a central thesis in the theory of dependency postulated by Ruy Mauro Marini. He emphasized that the dominant classes of the periphery compensate

for their subordinate place in the world market by paying less than its value for labour power.

By siphoning off that additional surplus value, the capitalists maintain their profits and impose lower wages for longer and more intense working days. With these mechanisms, they counteract the deterioration in the terms of trade generated by the provision of raw materials and the purchase of manufactured goods.

Since the dominant groups prioritize the export business, they ignore the low level of popular income and the consequent contraction of the domestic market.

Marini attributed the consolidation of this model to the historical overpopulation of Latin America. He pointed out that the large volume of indigenous labour — reinforced by immigration flows — provided the demographic surpluses required to underpin super-exploitation (Marini, 1973; 38-49).

The Brazilian theorist posited this interpretation of underdevelopment in opposition to the liberals who explained regional backwardness as a result of the squandering of comparative advantages and the discouragement of foreign investment. He also contrasted his approach to the Keynesians, who highlighted the reduced state promotion of industrialization (Marini, 2005: 139-150). Super-exploitation was conceived, therefore, as a determining feature of the socio-economic configuration of the region.

LOGIC AND INTERPRETATIONS

The main opponents of Marini at the time objected to the notion, stating that it was an accidental feature and lacking theoretical significance. In their view, it expressed primitive forms of absolute surplus value, which contradicted the decisive investments of the Brazilian industrialization of the 1960s (Cardoso, Serra, 1978).

Marini responded by clarifying that super-exploitation included increases in productivity and was not limited to making the labour force work harder (Marini, 1973: 91-101, 1978: 57-106). He stressed that in intermediate economies it constituted a mode of relative surplus value. He added that factory modernization was being carried out in those regions, but with less investment in leading edge technology and greater physical impact on the workers.

Marini highlighted the pre-eminence of this amalgam during industrialization via import substitution. He investigated the specific characteristics of wage labour without extending his novel concept to the 19th century. Accordingly, the application of this notion to semi-capitalist structures such as apartheid, which violated the principles of free movement of workers, is debatable.

The Brazilian thinker also stressed that his theory did not imply stagnation. Like Marx, he limited the impact of absolute pauperization to specific sectors (Marini, 1973: 81-101). Marx for the most part located this misfortune in the unemployed of the

19th century English industrialization, and Marini in the most destitute sectors of the contemporary periphery.

Marini's main interpreter of those years explained that super-exploitation did not refer to a general deterioration of the living conditions of workers. It only sought to clarify the peculiarities of labour power in the industrialized periphery (Bambirra, 1978: 70-73).

Marini distinguished his thesis from distinct headings of aggravated labour oppression. He did not characterize super-exploitation as an additional abuse. He shared the moral indignation against such treatment, but his aim was to clarify a feature of the dependent economies.

For that reason, he did not associate his notion with the Taylorist degradation denounced by investigators of employer control methods, an approach that focuses on how management separates out the way in which tasks are accomplished with a view to reducing the domination that workers may maintain over their own activity.

Marini pointed in another direction. He sought to explain the miseries of wage-earners in the periphery in close connection with the logic of underdevelopment prevailing in those regions.

COMPATIBLE OBJECTIONS

Some thinkers shared his theory of dependency without accepting the concept of super-exploitation. They pointed out the incompatibility of capitalism with a generalized payment for labour power below its value (Cueva, 2012: 200).

They recalled that Marx demonstrated how the objective logic of this system ensures the normal reproduction of wage-earners, through remuneration fixed by the labour market. With these wages, the extraction of surplus labour that produces surplus value is perpetuated.

The Ecuadorian sociologist Agustín Cueva stressed that capitalism does not need further mechanisms for its development, and stated that under-payment of wage-earners violated principles of accumulation. These norms imply the reproduction of the work force by means of prices gauged to the value of commodities.

A violation of these criteria would threaten the very survival of workers. If they do not receive the goods required for their subsistence they would tend to suffer a decline that would undermine the necessary human input in the system. Cueva studied an antecedent of this type in his investigation of the demographic massacre suffered by Latin America during the accumulation by dispossession of the indigenous in the 16th century (Cueva, 1973; 65-78).

It might be argued that super-exploitation governs by other means, through the capitalist appropriation of future years of a worker's life through the premature exhaustion of the wage-earning capacities of the employee (Bueno, 2016: 91-95).

But pressure of this type coexists in fact with an increase in the average life of the workers. The system impedes a substantial reduction of the working day in accordance with increases in productivity, but does not obstruct the normal reproduction of the workers. Capitalism recreates itself in brutal forms but without destroying its main foundation.

It is true that a large reserve army of labour is useful in counteracting the wear and tear of wage earners. But that substitution does not operate by simply replacing contingents of labour, as it did with the Mita or slavery in the colonial era.

Super-exploitation is also defined by a deterioration of the social-historical component of labour power, which does not necessarily affect the biological pillar of this resource (Bueno, 2016: 102). But if the first application of socio-cultural improvements confronted a permanent and systematic degradation, the workers could not act as the driving force of a process of emancipation. They would form a helpless crowd far removed from the transformative potential of the oppressed that Marini envisioned.

Cueva criticized Marini's concept while sharing his diagnoses of the tragic situation faced by Latin American wage earners. He noted as well that some term in reference to these nightmares should be used. That is why he said the theoretical errors of super-exploitation did not negate the practical presence of some comparison with that phenomenon (Cueva, 2012: 200). His divergence with the concept and his coincidence with the Marxist theory of dependency opened the way for some important thinking.

LOW VALUE OF LABOUR POWER

How could one reformulate Marini's intuition without the conceptual problems of super-exploitation? Is there a principle that makes Cueva's objections compatible with the characteristics of labour power in the dependent economies?

The simplest solution is to postulate that in these regions a low value of labour power predominates. This thesis is consistent with Marx's view of the wage as a remuneration commensurate with the cost of reproduction of employees. In addition, it recognizes the size of the reserve army and the existence of substantially lower wages in the industrialized periphery.

Several authors have pointed out that this divergence of remuneration has a historical foundation in productivity disparities (Figuerola, 1986: 113-122). The class struggle modifies the national averages of wages within that conditioning, which structurally separates an underdeveloped region from an advanced one. That is why the values of labour power (and the corresponding consumption baskets) are substantially different.

These wage divergences are stabilized in accordance with two processes: the place each country occupies in the global stratification (center, semi-periphery and periphery) and its internal level of development (advanced, middle or backward economies). Both dimensions are closely related but maintain some autonomy from each other.

National wages do not constitute fixed and immutable magnitudes. They rise or fall together with the mutations registered in the international division of labour. The low values of labour power in the periphery are reflected in the magnitude of poverty, which affects both the precarious and formal sectors of employees.

In developed economies, the high value of this resource confines the drama of impoverishment to the excluded (Portes, 2004, chapter 1, 4). In both cases, the prices of the labour commodity are established by the capitalist norms of exploitation.

In both cases as well, the wage pattern is determined in the long term by objective tendencies (productivities and demographic base) and in the conjuncture by the nature of the cycle (prosperity or recession). The action of the workers (intensity of the class struggle) defines the final result.

This register of changing and stratified values of labour power (high in the center, low in the periphery and middle in the semi-periphery) requires the use of classical Marxist concepts, quite unlike the principle of super-exploitation.

STATISTICAL IRRESOLUTION

The conceptual controversies about the value of labour power are not resolved with calculations of the different national magnitudes. The same goes for the super-exploitation theory. It is not a fact that can be corroborated with examples of greater suffering of the waged workers in the periphery.

Some authors present the shortening of working life or the scale of the reserve army as indications of the payment of labour power below its value (Ruiz Acosta, 2013: 35-89). But the same data can be displayed as evidence of a low value of that resource. These parameters illustrate living standards and not types of remuneration.

Marx never equated wages with the maintenance of workers at levels of pure subsistence. He differed substantially with the classical economists in that respect. He identified the amount of income of waged workers with the time socially necessary for their reproduction.

That magnitude includes both physiological and social components. The first could be measured with food, clothing or housing records. But the second encompasses rights won along with the advance of productivity, the quantification of which is more complex. What is required to cover both components will vary.

Everything depends on the way in which the needs that shape the value of labour power are evaluated. Which goods are prioritized and which are discarded? Do these requirements include the car, vacations and health services?

With a very demanding criterion — including, for example, free education at all levels — it could be said that super-exploitation applies in the United States. The same would apply to Japan, if Western welfare standards are taken as reference.

Using a laxer criterion instead, it could be said that the burden of super-exploitation does not afflict Bangladesh. There, the elementary reproduction of labour power reflects a basket of ultra-basic consumption.

The great diversity of national parameters that currently exist to define poverty levels illustrates this statistical complexity. Estimates in Argentina (32.2% of the population) place the percentage of the population living in poverty on the same plane as in Bolivia (32.7%) and above the Latin American average (28.2%). The inconsistency of these comparisons demonstrates the extent to which simple measurement does not solve the problem.

The same limitation is expressed in the recent debate over whether super-exploitation was continued, eliminated or aggravated under Lula's governance (Bueno, 2016: 133-136, 205-209). During his administration unemployment and poverty declined, and the minimum wage was increased. But precariousness and job rotation also expanded. Depending on the weighting assigned to each of these factors, we arrive at opposite conclusions.

Super-exploitation lacks, therefore, direct mathematical expressions. Physiological and social needs are not defined with reference models or figures.

Comparative parameters, on the other hand, can be used to evaluate high, low or average values of labour power. This contrast of national magnitudes indicates relative positioning, in a ranking of payments equivalent to what is required for reproduction of the workers.

CENTRALITY OF TRANSFERS

The register of changing values of labour power is consistent with interpretations of underdevelopment centered on transfers of surplus-value from the periphery to the center. This approach does not situate the cause of the economic and social backwardness of certain countries in super-exploitation.

Dussel set out this view in disagreement with Marini. He invoked the position of the Marxist economists (Bauer, Grossman, Rosdolsky, Mandel) who explained how the passage of surplus value from the backward to the advanced economies operates.

That transfer is carried out through the prices prevailing in the world market. The concentration of activities that require complex work, developed technologies and

significant investments in the most advanced economies determines that the prices of their products are higher than their values. They exchange, for example, one day of work for three in their foreign underdeveloped counterparts, and vice versa.

These international transfers are qualitatively different from the appropriation of value within each nation. In the latter, the more concentrated capitals increase their profits at the expense of the more rudimentary, under the regime of national standards of prices, currencies and exchange rates. On a world scale, however, rules that stabilize dependency relations prevail.

The transfers of surplus value between the bourgeoisies of different countries do not imply any type of exploitation. They confirm modalities of domination regulated by the compulsion to compete in conditions that are unfavourable for the periphery.

The dynamics of the law of value on an international scale produce that redistribution of surplus value in favor of the most advanced economies. The capitalists of the major powers trade their commodities for more labour than that incorporated in the products that are sold.

Marini accepted the relative impact of this mechanism but did not study its operation. In his classic text, he highlighted the centrality of unequal exchange as determinative of super-exploitation. But in developing his thesis he ended up assigning greater impact to this second process than to the first (Marini, 1973: 24-37).

Dussel questions this analytical shift that turns super-exploitation into the main cause of international imbalances. He says the existing working conditions in the periphery are an effect and not the root of underdevelopment. In his view, Marini confused the causes with the consequences (Dussel, 1988: 355-357).

This argument is compatible with the Marxist theory of dependency. As with Cueva previously, the correction of mistakes allows us to perfect that conception.

By highlighting the role of surplus value transfers, the logic of dependency is placed within the global dynamics of accumulation. In this scenario, central and peripheral insertions and dissimilar degrees of development are defined. The different values of labour power are consistent with the place occupied by each competitor in the global scenario.

Marini stressed the weight of global stratification and deduced from that pyramid the behaviour of the Latin American bourgeoisies, which compensated for unfavourable locations through super-exploitation. He did not perceive that this counter-balancing would be at most a secondary effect and not the epicenter of dependency.

The correction introduced by Dussel allows us to overcome the over-emphasis on super-exploitation. And it helps to introduce replacements for pay below the value of labour power by compensation commensurate with the low value of that resource. With this rethinking we can advance in the updating of dependency theory.

DEPENDENCY WITHOUT SUPER-EXPLOITATION

The convenience of formulating a dependency approach without resorting to the concept of super-exploitation is corroborated by Amin's position. He highlights the intrinsic nature of global polarization and the mechanisms of appropriation of surplus value used by metropolitan capitalists.

He attributes this capture to the convergence of different socio-economic formations in the same global market. He points out that dominant and subordinate structures operate in this area, reproducing global inequality. This gap promotes the self-centered models existing in the advanced countries and the disarticulated processes predominant in the periphery (Amin, 2008: 237-242, 2003: chap 4).

This characterization emphasizes that dependency relations are determined by the polarized structures of the world market, which reinforce the particularities of the work force in the underdeveloped countries.

Amin explains the extraordinary profits generated by the exploitation of wage-earners in the periphery as a result of the relative immobility of labour, in comparison with the dizzying displacement of capital and commodities.

Unlike Marini, the Egyptian economist studies these singularities of the labour force in the underdeveloped economies without using the concept of super-exploitation. With the exception of some passages referring to unequal exchange, he does not mention that term.

Nor does he inquire about the remuneration of labour power below its value. He simply evaluates situations generated by differences in wages superior to the differences in productivity resulting from the greater immobility of the workforce in the periphery. In his view, the migratory flows have no comparison with the more intense movements of money and goods (Amin, 1973: 67-68).

In explaining the extraordinary benefits derived from this disproportion between wages and productivities, Amin establishes a comparative relationship between the two poles of the global economy. He finds variable parameters of dependency that are not unique to Latin America or to any other region. He clarifies that status without considering the remuneration of labour power below its value.

VARIETY OF USES

Thinkers very close to Marini also developed detailed expositions of the theory of dependency without taking into account the concept of super-exploitation. They alluded only tangentially to that category, to illustrate how the local ruling classes divide the surplus with their external partners (Dos Santos, 1978: 320).

The dispensable nature of this category is corroborated as well by the existence of authors who question or accept the term from strongly anti-dependen-
tist positions.

In the first case, the notion is challenged on the grounds that it claims to define the value of labour power in an ahistorical manner, without considering the course of the class struggle (Castañeda, Hett, 1991: 51-66).

This objection overlooks that Marini's entire career was marked by his commitment to the revolutionary struggle. It presupposes an unimaginable divorce between his reasoning and social battles. It forgets that Marini elaborated his concept of super-exploitation in close contact with the workers' resistance in his country.

The theoretical problems of super-exploitation did not affect socialist strategy, which the dependency theorist promoted in explicit harmony with the Cuban revolution. Paradoxically Castañeda — who questioned his omission of the class struggle — ended up openly confronting that principle. As the foreign minister of a right-wing government, the Mexican critic regressed from Marxist orthodoxy to a fanatical defense of neoliberalism.

But the reception of super-exploitation was in fact quite varied in theories contrary to dependency theory. Some views not only approved but extended that idea. In an analysis of the Argentine case, the concept is applied, for example, to explain how the heightened confiscation of workers benefits the local capitalists exclusively.

It is postulated that this sector absorbs the bulk of the surplus through captures opposed to the outward flow that Marini describes. Instead of drainages there are inflows of surplus value from the center to the periphery (Iñigo Carrera, 2008: 20).

The disadvantages of this view were addressed by the Brazilian thinker in his research on the dependent cycle. What is corroborated here is how a version of super-exploitation can be incorporated into approaches located at the antipodes of Marini. This concept is not the master key of the Marxist theory of dependency.

SUPER-EXPLOITATION WITH AND WITHOUT MARX

In some interpretations the payment of labour power below its value is attributed to Marx himself. This approach is applied in analyses of the exploitation suffered by coolies and slaves in the colonies (Higginbottom, 2012: 253-267).

But these references allude to modes of non-salaried labour and are therefore unrelated to the principles of capitalism. Marx investigated the role of these variants in primitive accumulation and in the constitution of the world market. But he concentrated his studies on the English case, to reveal the laws of labour exploitation prevailing in the contemporary era. In that inquiry he left no doubt about the remuneration of labour power at its value.

Instead of exploring the peculiarities of additional surplus value, the German thinker sought to solve the mystery of a commodity that generates more value than what is required for its reproduction.

It is wrong to suppose that super-exploitation is present in Marx as an immanent law of capitalism (Nascimento, 2013: 115-127). That reading not only dilutes the logic of surplus value. It also contradicts Marini's own approach, which observed remuneration below value as a specificity of the periphery. In the reinterpretation of the phenomenon it is presented as an indistinct feature of capitalism.

These visions tend to identify super-exploitation with the squandering of labour power. They suggest that capitalism depletes the worker's capacity for labour to the point of exhausting it, forgetting that the employee is not a slave divorced from the market. In fact, these views go back to the Proudhonist interpretation of exploitation as a theft disconnected from the objective logic of accumulation.

Other theses trace super-exploitation to Marx with more moderate interpretations. They describe his approach to it only in studies of the forces counteracting the tendency of the rate of profit to decline (Smith, 2010: 31-32). But in this case the allusion is to a very specific problem that is not comparable with the general logic of surplus value.

Authors who highlight the total absence of super-exploitation criteria in *Capital* offer more accurate evaluations (Carcanholo, 2013: 101-104). The reasons for that omission are obvious. Marx sought to clarify the nature of the contemporary economic system, contrasting the profit produced through surplus value with previous forms of profit.

These pre-capitalist profits often derived from the prevention of trade between equivalents through commercial swindling. In the current system, these types of inequities are secondary.

Some thinkers accept the primacy of this approach in Marx. They emphasize that the central thing is not what was said or omitted by the author of *Capital*, but the coherence of these modalities with the functioning of capitalism. But they also remember that the German thinker suggested the existence of forms of "redoubled exploitation" (Osorio, 2013: 10-20).

They recognize that super-exploitation violates the principles on which the system is founded (law of value), but understand that this negation does not contradict the logic of capitalist development. In their view, the dialectic of development includes this type of transgressions.

They recall as well that the abstract reasoning of volume I of *Capital* adopts other modes in the concrete forms of volume III. The payment of labour power at its value in the initial proposition, they say, leads to remuneration below that floor in the verifiable reality of wages in the periphery (Osorio, 2013: 10-20).

But if that violation is viewed as a norm then what is the meaning of the theory of value as the foundation of the logic of capitalism? A transgression should be observed at most as an exception. It makes no sense to suppose that the theoretical edifice of *Capital* operates in fact in reverse.

Dependency is based not on violation but on compliance with the law of value. This criterion is decisive in the characterization of labour power and also provides a guide to resolving old enigmas of Marxist theory, such as the transformation of values into prices.

ABSENCE OF FORDISM

Super-exploitation is sometimes explained by the narrowness of markets in the periphery. Its impact on the fragility of consumption — compared to the center — is emphasized for two reasons: workers count more as producers than as purchasers of products and the bourgeoisies exporting primary products make their profits abroad. That is why the formation of the mass consumption circuit, which some heterodox theorists call Fordism, is sidestepped.

Some authors believe that the main characteristic of super-exploitation is precisely the use of the consumption fund as the foundation of accumulation (Osorio, 2013: 10-34). The insignificance of the salary in the realization of surplus value recycles the lack of relevant acquisitions. The worker buys a television, but spends less on health or food and therefore increases his relative poverty. Insufficient salary obstructs the normal reproduction of labour power (Osorio, 2017: 8-10, 2009: 107-115).

This characterization is based on an accurate diagnosis of severe limitation of purchasing power in underdeveloped economies. A real abyss separates the United States from Brazil in the current volume of purchases of the population.

Marini noted this difference and described how capitalism encourages consumption without allowing its enjoyment. The system itself expands sales and obstructs its realization by reducing wage costs.

These tensions between production and consumption — which ultimately derive from the class stratification of society — result in periodic crises. These convulsions — which prevent the sale of goods at prices compatible with the expected profit — are more acute in the periphery due to the narrowness of the markets.

Critics of dependency theory object to this view. They point out that the low incomes of the masses do not hinder accumulation, if the capitalists continue to invest. In contrast to Marini, they affirm that this expansion of business transforms luxury products into usual purchases and necessary goods of workers (Astarita, 2010: 55-58).

With other reasoning — clearly opposed to any sub-consumer theory — it is considered that the problems of realization are equivalent in advanced and underdeveloped countries (Valenzuela Feijoo, 1997).

But in reality Marini never identified the limitations of purchasing power with under-consumption, nor with the stagnation of the economy. He postulated a multi-causal approach to the crisis, which combined the imbalances of realization with the tendency of the rate of profit to decline.

In our reading of that same thesis we have highlighted how the first aspect operates with greater force in the underdeveloped economies and the second in the advanced ones (Katz, 2009: 117-119).

Recognition of the obstruction to Fordism in the periphery is indispensable in explaining the greater intensity of the crisis in the underdeveloped countries. In these regions, what happens is precisely what anti-dependency theory dismisses: the narrowness of the market leads the capitalists to invest less in consumer products.

Marini rightly recorded this enduring contradiction of the peripheral economies. But he overstated his analysis by not noticing that this imbalance is not based on super-exploitation. The retraction of consumption is responsive to the simple existence of reduced wages. It does not imply payment below the value of labour power. If the remunerations were so insignificant the fragile circuits of purchases could still emerge.

What predominates in these regions is the perpetuation of low incomes that contract the market, periodically suffocating self-sustained development.

WHERE IS EXPLOITATION GREATER?

The super-exploitation thesis also provokes debates about the differentiated subordination suffered by employees in the center and the periphery. Some authors argue that dependency theory overlooks that labour is more productive in the first and loses relevance in the second (Callinicos, 2001).

Other thinkers argue that this approach ignores the existence of higher rates of surplus value in the developed economies (Valenzuela Feijoo, 1997). With the same reasoning they say the growth of the United States, Japan or Germany is due to the higher productivity of these economies and not to the appropriation of surplus value generated in the backward countries (Astarita, 2010: 109-110).

But Marini always recognized that the rate of surplus value is higher in the center. The most significant investments are concentrated there, generating the largest volume of surplus labour. This diagnosis is also accepted by the contemporary proponents of the concept of super-exploitation (Osorio, 2009: 167-186).

The problem to be clarified is more complex for another reason. The higher rate of surplus value in the center does not mean a higher rate of profit. On the contrary, in the industrialized periphery the rate of profit is higher since the organic composition of capital is lower (intensive work techniques) and more significant returns are achieved from the same investment. Amin complements this fact by emphasizing the existence of wage differences greater than the disparities in productivity.

When it is stated that the rate of exploitation is higher in the center, the latter concept is identified with the extraction of surplus value. But if the confiscation of surplus labour is associated with the level of effort required of the employee, that obligation is more burdensome in the periphery.

Exploitation presents, therefore, two meanings that are used to validate one or the other characterization. If it is identified with the magnitude of the confiscated labour, it is clearly greater in the most productive economies of the center. If, on the contrary, it is associated with the miseries of the waged workers, the scale of this burden is greater in the underdeveloped countries.

The opponents of dependency theory use the first parameter and some defenders of super-exploitation the second. In the latter case, it is suggested that the bulk of surplus value circulating on the planet is generated in the periphery (Smith, 2010: 50).

But the mistaken nature of that thesis was demonstrated early on in the debates of the 1960s (Bettelheim, 1971: 169-174). This same error is rightly questioned at present (Mercatante, 2016). In fact the two phenomena co-exist. There is greater productivity in the metropolitan economies as well as higher profits derived from the prevailing brutality of labour in the periphery. Both processes confirm the postulates of the Marxist theory of dependency.

CURRENT APPLICATIONS

Debates over super-exploitation are very useful for evaluating the disparity in wages in the current stage of neoliberal globalization. This analysis requires introducing the two corrections we have proposed. On the one hand, replacing the concept of payment of labour power below its value by the low remuneration of that resource. On the other hand, prioritizing international transfers of surplus value in the explanation of dependency.

These two statements facilitate the interpretation of what has happened in the last three decades of capital's offensive against workers. The Keynesian post-war scenario that Marini studied has been totally modified by that international barrage of job insecurity.

The forms of employment have been diversified, with greater dispersion of remunerations and elimination of defined salary rules. The individualization of income is strengthened, with demands for permanent validation of qualifications and a premeditated dislocation of workers' solidarity.

This aggression segments work in formal and informal sectors. In the first, the levels of stability required for the continuity of accumulation are maintained and in the second, unlimited job insecurity prevails.

The old characterizations focused on the contrast of stable working universes (of the center and the periphery) must be revised. The new framework is marked by the deterioration and fracture of labour at both poles. What implications do these changes have for the value of labour power?

The question can not be settled by observing only what has happened with the waged workers. Another mutation of the same magnitude has been consummated in the international division of labour. In this field, the transnational companies, which act in

the global value chain through the movement of industry towards the East, are assuming greater weight. These changes have radically altered manufacturing and the location of production based on the cheapness of the labour.

To maximize this advantage, transnational corporations disperse manufacturing processes geographically. The goods produced in a certain area are purchased at some other location on the planet. This process includes the outsourcing of labour to companies that assume part of the risk (and cost) of productive globalization.

The main effect of these transformations is the increase in global disparities. Inequality among nations has grown faster than the differences within countries. Labour power in the underdeveloped economies assumes greater importance as a reserve for exploitation.

In this context, several of Marini's explanations concerning foreign investment in the periphery gain new currency. The use of cheap labour power becomes more attractive now as a source of profit. A plant in Bangladesh promises more profit than its equivalent in Brazil did forty years ago.

The new international segmentation of production generates the same transfers of surplus value studied by dependency theorists. Some researchers argue that the magnitude of these turns is not accounted for by the current statistical systems, elaborated using criteria of national data collection (Smith, 2010: 34-40).

The new global value chain also introduces more complex stratifications. The center-periphery polarization is complemented by the introduction of new intermediate categories. How could this scenario be conceptualized in the tradition of the Marxist theory of dependency?

A TENTATIVE OUTLINE

The contrast between countries with high values of labour power (United States, Germany) and low (Philippines, Bangladesh) is currently mediated by intermediate economies (South Korea, Brazil). This differentiation — which was emerging in the Marini era — has become more visible.

The simple contrast between economies using parameters of exploitation and super-exploitation does not register this diversity. Nor does it allow us to note the passage from one status to another.

The segmentation between the formal and informal sectors of employees is a feature shared by all economies. A strong income gap separates two likewise exploited sectors within each country. These groups maintain in turn structural differences with their equivalents in other places. In the center, the semi-periphery and the periphery different modes of extraction of surplus value are the rule.

In all three types of countries there is also an impoverished or semi-unemployed sector of workers. The concept of super-exploitation could be applied to this segment,

considering that to a certain extent it is remunerated below its value. This situation is observed among the immigrants in the center, the newcomers from the countryside in the semi-periphery and the urban margins of the periphery.

The high, medium or low value of labour power is determined by the degree of internal development and the mode of insertion in the world market of the three types of countries. But what tends to stabilize this location in the current stage of neoliberal globalization is the function of each economy in the global value chain. That role depends on the weight of transnational corporations and the impact of the new Asian industrialization.

Since surplus value transfers are determined by the final place of each economy, if the country receives these flows, it will maintain or reach a central location. If, on the contrary, it is the source of these resources, it will support or consolidate a peripheral status. In the middle are the economies with limited emission or reception of these movements.

These transfers consolidate or modify the pre-eminence of high, low or medium values of labour power, depending on the magnitude and type of investment predominant in each country. What defines one national situation in contrast to another is the comparative relationship between wages and productivity.

The following table presents, using imaginary figures, different locations of that variation in status. The value of labour power of the exploited in the formal (E1), informal (E2) and super-exploited (S) sectors of the representative countries of each group is ordered according to the place it occupies in the global value chain (GVC).

Place in GVC	Value of labour power		
	E1	E2	S
Advanced center	100	70	30
New center	40	20	10
Rising semi-periphery	60	40	20
Declining semi-periphery	50	30	15
Periphery	20	10	5

The advanced central economies (such as the United States, Germany or Japan) maintain this condition because of their primacy in the internationalization of production. They concentrate the most complex tasks of conception of the different activities. For example, located here are large firms of the new information technology, which require highly qualified labour. The values of labour power are higher in all three segments considered.

New centers, such as China, have risen to great power status due to their growing prominence in the global production process. Although the value of its labour power is below that of the lowest countries in the global pyramid, the Asian giant has climbed its way up by absorbing more surplus value than is transferred beyond its borders.

In the semi-peripheries, average values of labour power predominate. But rising economies of this type (such as South Korea) have jumped from basic locations to more significant specializations. In that trajectory they have raised the value of their labour power.

In contrast, the declining economies of the same type (such as Brazil) have suffered an industrial regression and a return to the agro-export profile. That is why they have declined in the ranking of productive globalization and the consequent comparative value of their labour power.

This contrast between two semi-peripheries is in tune with the replacement of the import substitution model by export-oriented industrialization schemes. The first favoured — in the Keynesian era — intermediate economies with a certain weight of domestic markets (Brazil). The second promoted — in the neoliberal globalization — nations left with more numerous or disciplined reserves of labour (Korea).

Finally, countries of the lower periphery (such as Bangladesh or the Philippines) with very low values of labour power have been incorporated into the floor of the global value chain. This insertion has been possible due to a degree of internationalization of transport, communications and trade that was unimaginable in the Marini era.

Unlike the model presented by the Brazilian theorist, this outline conceives of super-exploitation as a very limited category, but present in all economies. International disparities persist and expand in all segments. The abyss that separates a homeless American from his or her counterpart in Bangladesh is as significant as the fracture between the exploited in both countries. This same divergence occurs in the other situations in the table.

IS SUPER-EXPLOITATION EXPANDING?

An interpretation that combines the different values of labour power with the dynamics of international transfers of surplus value is enlightening as to the current determinants of underdevelopment. It provides more clues than the different generic theses on globalization or neoliberalism.

The more radical versions of these latter approaches correctly tend to emphasize the capitalist objectives at the current stage. They underscore the intention to raise the rate of exploitation through labour market dualization and mass unemployment. But these observations do not clarify how the current model reconfigures dependency relations and the disparities between advanced and backward economies.

The concept of super-exploitation is used by other analysts to clarify this issue. But the principle of remunerating labour power below its value creates irresolvable problems. This approach does not register the existence of internally segmented labour markets, internationally differentiated and equally marked by the presence of the destitute.

These difficulties are confirmed in the debate on the global extension of super-exploitation. This extension was suggested by Marini himself in his last writings.

Several authors return to that suggestion to argue that super-exploitation has been generalized in the countries of the centre since the 1990s. In their view, the development of global corporations has forged common spaces of accumulation, which allow the use of this sub-remuneration of wages as a new instrument of competition. The universalization of poverty, labour informality and the stagnation of salaries would corroborate this change (Martins, 2011a: 293-294, 302-303, 2011b).

This view understands that super-exploitation has expanded to the developed countries through firms that increase job insecurity and through the diversification of their investments (Sader, 2009: 27-36, 2012).

But if super-exploitation has spread on a universal scale, it no longer constitutes a mechanism peculiar to dependent capitalism. It has lost the specificity that Marini assigned to it.

This contradiction becomes very visible when it is asserted that the same mechanisms of compensation for losses used by the Latin American bourgeoisie are now implemented by their peers in the center.

It is assumed that at both poles employees are squeezed equally in order to counteract technological delays or productivity setbacks (Bueno, 2016: 49-56, 66-68). In this version or in similar statements (Santana, 2012: 135- 137) the divorce with Marini's thesis is greater. Dependency theory is being analogized with the new forms of exploitation of the 21st century.

Some followers of the Brazilian thinker perceive this problem, but also think that super-exploitation has spread, after losing its exclusive location in the dependent economies (Sotelo, 2013; 78-81).

They state that this constituent feature of Latin American societies has become an operational datum for the international economy (Sotelo, 2012: 161-167). They emphasize that this process is only a tendency, without noticing that the attenuation of the diagnosis does not reduce the contradiction with Marini's thesis.

To preserve this approach, it is also said that the extension of super-exploitation coexists with the disparities in purchasing power between the center and the periphery (Sotelo, 2013: 92-93).

But what is the basis for this fracture if the salaried workers of both regions suffer the same underpayment in wages? The initial basis of this dissociation is diluted, assuming that the income of the employees in both cases does not cover the normal reproduction of labour power.

The extension of super-exploitation affects all critiques of dependency theory from the transnationalist standpoint, which postulates the total disappearance of the fractures between the center and the periphery.

This view carries the thesis of “third-worldization” of the planet to an extreme. It equates a Mexican maquila with an informal labour workshop in Los Angeles, overlooking that wages in both countries continue to revolve around differing national baskets of goods. It does not recognize the persistence of the income gap between the United States and Mexico, which is reflected in different scales of distress among the impoverished of both nations.

Critics of the extension of the concept of super-exploitation highlight these contradictions. They recall that super-exploitation is a category of the dependent economies and affirm that the extension of its incidence undermines the Marxist theory of dependency (Carcanholo, 2013: 108-124), undermining the pillars of this conception (Massa, 2013: 83-85).

But is it enough to underline that contradiction? Hasn't neoliberal globalization changed the international structure of the labour market? How is growing instability of employment and labour segmentation in the entire planet to be interpreted?

These questions — that the extension thesis fails to answer — are ignored by those of the opposite view, which emphasizes the inconsistency of its counterpart without offering alternatives. It assumes that Marini's initial thesis fully applies, and avoids recognizing to what extent it has been put in question by neoliberal globalization.

A PROMISING LINE OF INVESTIGATION

The Marxist theory of dependency provided the main analytical outline for unveiling the peculiarities of Latin American capitalism. But it entailed certain conceptual errors, which tended to be amended by the observations of thinkers convergent with that conception.

Super-exploitation is one of the notions that was corrected with that maturation of dependency theory. The modification replaces the idea of payment below the value of labour power with low remuneration of that resource.

This revision allows us not only to solve old questions in Latin America. It also introduces a criterion to interpret the contemporary diversity of wages. This variety is a product of the place occupied by each economy in the global value chain, in the new scenario of transnational corporations and Asian industrialization. This analysis offers answers to the enigmas of the development of Korea and China.

The revision of the concept of super-exploitation is consistent with the primacy assigned to international transfers of surplus value as the main determinant of underdevelopment.

The study of these flows under neoliberal globalization requires returning to some of the issues addressed, omitted or little investigated by Marini. The dependent cycle is an example of the first type, rent is an example of the second, and the political logic of dependency is an example of the third. These issues will have to be addressed in other articles, yet to come.

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[1] See “Imperialism today: a critical assessment of Latin American dependency theory,” <http://lifeonleft.blogspot.com/2018/03/imperialism-today-critical-assessment.html>.

[2] John Smith, Imperialism in the Twenty-First Century: Globalization, Super-Exploitation, and Capitalism’s Final Crisis (New York: Monthly Review Press, 2016).

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