

Conclusion

The least that can be said after this rapid survey is that, whilst the contradictions of capitalism may well be permanent, they can be expressed and resolved in a variety of ways. Regimes of accumulation which are predominantly extensive and regimes which are predominantly intensive obviously relate to the 'outside world' in different ways. We may suspect that relations with the outside world were originally very important, that they became less important as capital created its own internal market; that, at its height, Fordism marks the extent to which developed capitalism can be autocentred; and that the crisis in Fordism will open up new possibilities. We will examine these issues below, beginning with the period that takes us from the origins to the triumph of central Fordism. But once again it has to be stressed that the 'needs' of the centre do not determine what happens in every peripheral territory!

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The Old Division of Labour, Or What Did Capitalism Want With The Periphery?

While it is, as I have attempted to show, true that in the countries in which it first developed, capitalism did go through a series of different regimes of accumulation and modes of regulation, it is rather pointless to attempt to elaborate a general theory of centre-periphery relations by deducing it from 'the basic tendencies of the mode of production' without analysing the specificities of those regimes and modes. And it has to be admitted that, in face of historical developments which are blindingly obvious, theories of 'dependency' and 'imperialism' are out of date. If those theories continue to survive, it is only because they do contain a grain of truth pertaining to *past* stages in historical development. But even at the time of their elaboration, they had difficulty in explaining how previous stages had led to the existing configuration. And when, by some stroke of luck (or bad luck), new facts seem to confirm their theses, they had difficulty in identifying or understanding these emergent developments. This is true of both the 'classical' theories of imperialism elaborated at the beginning of the twentieth century and of the dependency theories which flourished between 1950 and 1960 (a period which appeared to prove them right). Their conclusions have to be revised considerably in the light of events in the 1970s.

The present chapter will be devoted to a schematic analysis of both the history of real events and the history of ideas.

The Periphery as Thermostat

The classical theories of imperialism were developed in a context of a specific historical reality: predominantly extensive accumulation and competitive regulation in the first countries undertaking capitalist industrial revolution. The philosophical core of these theories can in fact be found in Adam Smith, even though he and the theorists of imperialism differ as to the merits of the international division of labour.

The basic argument is that the capitalist wage system led to the emergence of relatively complex forms of cooperation in manufacturing which gave capitalism an absolute advantage over other modes of production in terms of productivity. But the extensive accumulation of capital in countries experimenting with this mode of growth was not accompanied by a parallel expansion of social demand (because, to use a modern argument, there was no monopolistic regulation of wages). In the absence of sufficient internal demand, demand *had* to be created 'in the outside world', which capitalism, in fact, *could* successfully do because of its absolute economic (and military) advantages. The search for new demand and the ability to create it (if necessary by coercion) are the mainsprings behind imperialism, which is seen as the need on the part of the most highly developed capitalist countries to control foreign economies.

At the time, the imperialism meant primarily outlets for commodities which could not find buyers in the home market, and the theorists of the day, including Rosa Luxemburg, understood it specifically in that sense. However once commodity production and the wage-system had developed sufficiently, the outside world became also an outlet for direct capital investment (as Lenin was to emphasize). The only truly fundamental point over which Marxists disagreed was the urgency or necessity of finding such outlets; it was taken for granted that 'outside capitalism' did not necessarily mean 'outside *the country*'.¹

In his polemics against 'economic romanticism',² Lenin began by *denying* that there was an outlet problem, but at the same time he demonstrated that the development of capitalism in Russia meant the absorption of the 'outside

world' of agriculture and handicraft production.³ According to Lenin, the growing demand for constant capital within a regime of extensive accumulation was sufficient to provide capitalism with its own markets. Three years later,⁴ he admitted that there was an overall 'realization' problem and stressed the importance of foreign markets. At the other extreme, Luxemburg overestimated the difficulties of resolving the contradiction between production and realization within a closed regime of capitalist accumulation.⁵ For both Luxemburg and Lenin, the function of the outside world was to mop up a surplus which cannot be absorbed by the existing internal regime of accumulation (the product of branches which develop more rapidly than others, excess production which cannot be absorbed by popular demand). In their conception the world market acts as an external pole which validates production that is for the moment in excess of social demand.

The outside world also acts as a *reservoir* providing capitalism with items it can transform but cannot create (raw materials) or can only reproduce (labour-power). The theoreticians of the early twentieth century paid little attention to this, as neither problem was urgent: industrial capitalism could still find most of the reserves it needed within its home countries, even though the 'industrial reserve army' of the peasantry was already spilling across national frontiers. It was only later that the 'plunder of the Third World' (which can also take the form of emigration) became an overarching theme. It was, however, at this time that the term 'international division of labour' began to be used (meaning that the South produced cheap raw materials and that the North produced manufactures).

Under this regime of 'centre-periphery' relations, the role of the periphery is effectively that of a *thermostat*, and it is seen as such. The capitalist circuits of extended reproduction cannot be completed within the centre. The outside world therefore supplies it with both hot and cold sources (labour-power and raw materials, and markets). We can, then, quite understand why the theoreticians of imperialism took little theoretical interest in the concrete analysis of peripheral social relations. These were usually described as 'primitive' or 'precapitalist' (forced labour, pseudo-slavery,

quasi-feudal agriculture, etc.) and, although they were destined to 'disappear', it was simply assumed that they would comply with the needs of the centre. Once again, theory was until the mid-twentieth century simply a reflection of the realities of the international mode of regulation: the periphery felt the repercussions of 'minor crises' in the centre and amplified them (at least in the commodity sector): from the onset, a characteristic movement of the colonial export-trade in raw materials.

It must be stressed, however, that centre-periphery relations were originally a *process* (whereby the capitalist manufacturing centre located markets, tapped a labour-force, and spread firms dependent on itself) and that it is only later that they were consolidated into a *structure* of unequal relations. It might in fact be more accurate to say that if structural relations are indeed involved, they are relations between processes. To use Lenin's sibylline but telling phrase, in the centre, capitalism develops '*in depth*'; in the periphery it develops '*in breadth*'.⁶ In other words, the centre is characterized by increasingly interconnected processes of production within an increasingly clearly defined schema of reproduction (and is becoming auto-centred), whereas peripheral capitalist units of production develop in accordance with a coherence that is established elsewhere. In other words, they are 'extraverted'.

The fact that they were extraverted, together with the fact that the Marxist intellectuals were Europeans, meant that there was even less interest in the internal regimes of accumulation of dominated countries. It was not until the great anti-colonial revolution of the mid-twentieth century that theorists emerged from the Third World itself. Their emergence and the fact that links of economic dependency continued to exist once political independence had been gained led to an increasing theoretical interest in the concrete workings of dominated social formations. The result was a critique of earlier 'centro-centrism' and the beginnings of methodological work on the relative autonomy of peripheral regimes of accumulation. The debate over theories of imperialism, however, simply shifted from the needs of the centre to centre-periphery relations. Little attention was paid to the periphery itself, which remained a 'dark continent'.

To restrict the discussion to the debate in France, Rey emphasized the solidity of non-capitalist modes of production and the specific problem of their articulation with capitalism, showing that even though capitalism had an 'absolute advantage', its products could not penetrate economies which did not really take a commodity form.⁷ Palloix revealed how the capitalism-outside world articulation took different forms at different times.⁸ Amin anticipated later work on Fordist regimes of accumulation and modes of regulation by showing that the problem of markets gradually became less important as the centre became auto-centred, and as the relative growth of departments and income became increasingly subject to 'ex-ante' regulation.⁹ He argued that on the contrary, the impetus for the capitalist sector of extraverted formations¹⁰ came from the outside (in other words from the centre) and that forms or modes of production in other areas of the social formation (and the care with which Amin examines these was at the time unusual) played only a supporting role (by reproducing labour-power cheaply) or were parasites living off the export sector, when, that is, they were not simply marginalized.

Thus, rereading the canonical texts through the early seventies, one receives the overwhelming impression that, leaving aside countries embarked upon a 'socialist experience', everything is determined by the movement of world capital, that all the initiative for change comes from the centre, and that developments in the periphery are simply functions of the needs of the centre. Although Palloix and Amin clearly anticipated that peripheral industrialization was possible (and it was indeed beginning to happen at the time they were writing), they overemphasized its necessarily limited and dependent nature.

It must be stressed that these texts are highly pertinent for the period up to the 1950s. More emphasis might have been placed upon the class conflicts that arose on the periphery during and after the struggle for political independence, as these explain the 'irreversibility' of peripheralization, and some authors, especially those from the Third World, did stress their importance. The Third International had provided a schematic framework for a class analysis of such

struggles. The framework was that of the classic opposition between a *national bourgeoisie* which wanted autonomous capitalist development and a *comprador bourgeoisie* based upon the primary import-export sector.

In any event, the Beast had already appeared in the heavens of the Apocalypse: *the 'first' international division of labour*, a division between a centre producing manufactures and a periphery exporting raw materials. As we have seen, this 'division' of labour is not really a division at all. If it could do so, the centre would produce everything and import nothing. Besides, in historical terms, capitalism developed where it could find its basic raw materials, namely iron and coal. In the early period of mercantilism, European capitalism even used raw materials (its own gold and then that of Latin America) to pay for handicrafts from the East. It was because it was *excluded* from the capitalist manufacturing centre that the periphery began to 'specialize' in raw materials in the nineteenth century. And by a historical contingency, those central capitals which were allied to fractions of the local ruling classes and which wanted to acquire monopoly rents or to over-exploit an indigeneous labour force realized that the increased exploitation of peripheral raw materials worked to their advantage. In some cases, the exploitation of the labour force took a capitalist form, but in others wage relations were scarcely developed at all. In yet others, strange 'pseudo-pre-capitalist' forms of exploitation were improvised. Whether the export capital was national or external (central) had little effect on its peripheral nature.

What, then, is the status of peripheral *production* in the classical theory of imperialism? It comes as no surprise to learn that Luxemburg, who always stressed the centre's problems with markets, tended to see it as producing currency to be exchanged for imported manufactures (though the historical interest she takes in peripheral production does mark a break with Kautsky's Eurocentrism). In the final analysis, the centre buys products from the periphery because it cannot, after all, give away its own products. The important point is to extend the commodity sphere and to realize 'excess' surplus-value which cannot be absorbed within the central schema of reproduction by exchanging it

against products originating from outside capitalism.¹¹

The debate gradually shifted to the monetary profits which central capitalism derived from productive enclaves inserted into these particular social relations. With the post-war rise of central Fordism, the question of external markets became less important, and the problems of growth in the decolonized periphery came to the fore. Interest therefore focussed upon the transfer of value from periphery to centre that resulted from North-South trade. Transfers of value could result either from price mechanisms or, at a more basic level, from differences in the value of labour-power, with the central (and not the local) ruling classes appropriating the differential surplus-value. The great debate of the 1960s thus centred upon 'unequal exchange'.¹²

It was generally calculated that trade flows corresponded to a transfer of value from the periphery to the centre and that they therefore helped to increase the rate of profit in the centre. But that simply exacerbated the realization problem. The search for super-profits may well have been the *motive* behind the export of individual capitals from the centre to the periphery (though the flow was in fact limited), but it would be incorrect to say that the 'plunder of the Third World' was in quantitative terms a major factor in growth in the centre, and it would be even more incorrect to say that the *function* of the periphery was to promote growth in the centre, either before or after the Second World War. In qualitative terms, it was of course vital to appropriate raw materials which, unfortunately, could not be found or produced cheaply in the centre, but the fact that those raw materials could be exploited in the periphery was in itself a coincidence. Besides, profitable raw materials were not found throughout the periphery. It was certainly profitable to plunder the Third World and to over-exploit its workers, but the discovery of Taylorism was even more profitable.¹³

In that sense, Latouche is perfectly right to criticize the tendency to attribute growth in the centre to a 'transfer of value' from the periphery. Leaving aside certain strategic raw materials, under the old division of labour the Third World was primarily (but decreasingly) functional to the regulation of central accumulation in that it facilitated realization. As

Latouche notes, the chemical metaphor of 'catalysts' would be much more appropriate than that of 'blood transfusions'. The 'plunder of the Third World' did of course have serious effects *on the periphery*, 'but the destruction wreaked on the periphery was out of all proportion to the benefits reaped by the North'.¹⁴ It is perfectly clear that Bengal was looted for the sake of a few cargoes of gold and that French West Africa was sacked for a few bales of cotton.

Other discoveries proved to be more promising. Capitalism, its factories, its wage system and its modern farms could, for instance, be transplanted to settlement colonies such as Canada or Australia, where capitalist accumulation could amass its initial funds by exporting raw materials. One can do anything with agricultural or mineral raw materials, but it is dangerous simply to export them. The dilemma is whether to lavish the profits on commodities from the centre, or to buy machinery to extend the basis of wage relations and to embark upon a process of auto-centred accumulation, even if it means adopting protectionism to defend what List (the official economist of Bismarkian development) called the emergent 'productive power' against the encroachments of free trade. The decision rests with the configuration of internal class struggles, and the scars left on social structures by the colonial past (the famous 'habits of history') obviously have a major influence on that configuration.

Once this process reaches a certain stage, the extraversion of a peripheral nation-state naturally becomes a basic fact which it is difficult to reverse and which has profound effects on the whole structure of social relations. But if we conclude from this that its socio-economic structure is simply a *function* of the needs of the centre (an argument which does of course apply to colonization to a certain extent) and that all its problems are due to its dependence on the outside world, we come dangerously close to the shortcomings of 'dependency' theories which tried to modernize classical paradigms of imperialism.

The basic idea behind 'dependency' theory (or the 'South's view of imperialism') is that the nation-states of the periphery cannot develop within a capitalist framework because the developed countries increasingly require their

under-development. At best, they may be allowed to pursue 'dependent accumulation'. This idea had its hour of glory when a number of explicit attempts to escape dependency during the era of triumphant Fordism ended in failure, most of them in Latin America. 'New industrialization', which we will examine later, has now obviously challenged the hypothesized premisses of this theory. The long-term history of capitalism is not simply a destructive process whereby a pre-existing central capitalism invades the periphery and prevents it from gaining access to capitalist development. Even in concrete cases where attempts to achieve autonomy through import-substitution have ended in failure, a more relative view of the importance of dependence on the outside world has to be taken.

Imperialism Gives Birth to Capitalism

If we regard the periphery's difficulties as an effect of central capitalism, as a desire on the part of the advanced capitalist economies to export their own difficulties, we inevitably suggest that there are two stages to the history of capitalism, that it first creates its central 'territory' and then, being unable to resolve its contradictions within a closed circuit, projects itself outwards. In short, we suggest that capitalism gives birth to imperialism. In reality, things are rather different: indeed, almost the reverse is true. Braudel's historical survey of the birth of capitalism and Frank's study of the period between 1492 and 1789 both provide striking illustrations of the relativity of the *territorial* notion of the 'centre'.¹⁵

At the end of what we call the 'Middle Ages', material production all over the world was essentially carried out in non-commodity form. At a local level, commodity and even wage relations had of course existed for centuries in and around the feudal estates of Europe, but they represented only a tiny fraction of the estates' material output, and it is by no means certain that the logic governing the mobilization of money rent was in fact either a capitalist or even a market logic. Capitalist activity as such (the investment of funds with a view to selling at a profit at some later but