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John Weeks

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THE DIFFERENCES BETWEEN MATERIALIST THEORY AND DEPENDENCY THEORY AND WHY THEY MATTER

by
John Weeks*

In reading the debate over the relevance and theoretical basis of dependency theory, much of which one can find in the pages of *Latin American Perspectives* (Chilcote, 1974; Dore and Weeks, 1979; Fernández and Ocampo, 1974; Frank, 1974), those not versed in the debate might be forgiven for not always divining what the basic issues are. In particular, are "Marxist" theory¹ and dependency theory branches on the same intellectual and ideological tree? Is one theory a subset of the other, complementary to the other? Are they separate and competing theories? The purpose of this brief essay is to demonstrate that they are indeed separate, alternative theories, largely incompatible. To do this, we first summarize the main features of each theory and relate them to their separate intellectual origins. In a brief presentation, this must necessarily result in reducing each theory to a rather bare and stark structure and all aspects of each cannot be dealt with. The intention is not agnostically to offer two alternatives but to demonstrate that dependency theory neither can claim empirical verification nor theoretical validity.

We live in a world dominated by capitalism. As a consequence of this fact (over which there is presumably no controversy), the theory of the operation of the world economy must have a theory of capitalist reproduction as its basis. By "capitalist reproduction" is meant the process by which a specifically capitalist society evolves and reproduces its social relations on an expanding scale. Second, a theory of the operation of the world economy must locate itself *internationally*. By this we mean that one needs to derive within the theory a distinction between the "domestic" reproduction of capitalist society and its "international" reproduction. It is through this

*The author teaches at the American University in Washington, D.C.

¹Since a central conclusion of the theory Marx initiated is that great people do not make history, it is inconsistent for one in the analytical tradition of Marx to refer to his or her framework as "Marxian theory." This implies that theory is the work of one (or several) people, while in fact it is the result of material conditions. Therefore, the term "materialist theory" will be used throughout this discussion.



distinction that one can analyze capitalist reproduction in the context of the division of the world along political lines. In other words, a theory of the world economy ("theory of imperialism" or "theory of dependency") need have two (obviously related, but distinct) elements: a theory of capitalist accumulation and a theory of the relevant division of the world for purposes of considering that accumulation as international. In our analysis of materialist theory and dependency theory we shall see how each deals with these two components of the analysis.

DEPENDENCY THEORY

A theory of capitalist accumulation encompasses two related but qualitatively different processes: the initial development of capitalism and its reproduction and expansion once established as a mature social system. Most dependency writers do not deal at length with the first element of a theory of accumulation, so perhaps it is necessary to show why an explanation of the initial development of capitalism is important to the analysis of the world economy. Presumably, one of the central purposes of an analysis of the world economy (leaving aside bourgeois apologists) is to explain the pattern of uneven development in the world and to explain why that uneven development — pattern of poverty and riches — seems to have a systematic geographic character. Further, both "dependentistas" and materialists would agree that the uneven development is the result of capitalist accumulation. With these points in mind, it should be clear that any theory which restricts itself to dealing with uneven development in the era of mature capitalism (say, the last hundred years) presupposes what it seeks to prove. The purpose of theory is to explain why some areas are developed and others underdeveloped, and this purpose is avoided by taking *as given* the existence of developed and underdeveloped areas and proceeding without a backward look to how what has been presupposed is reproduced. Thus, a theory of the development of capitalism is central to the theory of the uneven development of contemporary world society.

We find the clearest analysis of the development of capitalism in the works of Paul Baran (1956) and André Gunder Frank (Baran, 1956; and Frank, 1967), and a similar position in the works of later writers (Amin, 1976).² We find the hypothesis that the presently developed capitalist countries reached their developed status by the transfer of resources from the presently underdeveloped world. In this view, the epoch-making transition from feudalism to capitalism in Europe is achieved by the appropriation of the surplus product from one set of countries by another set of countries (see Dore and Weeks, 1979). The set of countries which loses its surplus stagnates into underdevelopment, and the set of appropriating countries accumulates wealth at a rapid rate, based strategically upon the impetus of a larger available surplus product. This mechanism, of de-accumulation on the one hand and accumulation on the other, continues as capitalism matures, though in more sophisticated form. In the early stage of capitalist development in Eu-

²And no dependency writer to our knowledge has explicitly rejected this analysis. Indeed, the dependency analysis of contemporary underdevelopment and its reproduction is an extension of this analysis to the present.

rope, the appropriation was more violent and crude — “looting and plundering” — and gives way to “surplus extraction” through “unequal exchange” (Mandel, 1975: chapter 11; Amin, 1976; and Emmanuel, 1972) or profit remittances (Baran and Sweezy, 1966). Closely entwined with this theory of accumulation is an underconsumptionist view of the limits to that accumulation (Dore and Weeks, 1979), which is beyond the space of this essay to consider.

This theory of accumulation necessarily implies an analytical division of the world relevant to it. While dependency theorists write of the relationships between *countries* in their treatment of uneven development, in fact there is no concept of a “country” present in their theory. Rather, the “international” dimension of their theory of accumulation is achieved by dividing the world into developed and underdeveloped *areas*, and the de-accumulation and accumulation process occurs in this context. It so happens that political boundaries in many cases coincide with the developed and underdeveloped distinction. But this is in no way implied by the theory, and the theory is equally applicable *within* countries as *between* them, as Frank makes explicit (Frank, 1967). As a consequence, dependency theory comes forth with a clear and unambiguous empirical prediction. In as far as contemporary capitalism is characterized by the export of money and productive capital, this export should be from developed capitalist countries to underdeveloped countries.

In summary, dependency theory explains the rise of capitalism and the division of the world into developed and underdeveloped areas by surplus transfer; this uneven development is reproduced by the continuation of such transfers (in more “purely economic” form); the analytical space in which this occurs does not involve countries except by political accident; and predicted is the flow of capital from developed to underdeveloped areas.

MATERIALIST THEORY

It is difficult to summarize the materialist theory of accumulation with equal brevity because of the concepts one must develop; so what follows is exceedingly schematic (in more detail, see Weeks, 1979). All class societies are characterized by exploitation³ and the specific character of each class society is determined by the specific manner in which the surplus product of direct producers is appropriated (Marx, 1972: 783). Exploitation by definition implies a surplus product (production above the needs of direct producers), but a surplus product does not in itself imply accumulation. Accumulation on an expanding scale results from the progressive development of the productive forces rather than from the redistribution of a surplus product among societies. Thus, the explanation for uneven development on a world scale becomes the question of how and under what circumstances societies are characterized by the progressive development of the productive forces.

The process Marx called “primitive accumulation” — the separation of the peasantry from their means of labor (primarily land) — creates such circumstances. With the forcible separation of labor from rights in land, a “free” wage labor force is created. Along with this “freeing” of labor, the means of production become commodities (see Dore and Weeks, 1979). Once

³With the exception of socialism, in which classes persist but exploitation is eliminated.

there exists free wage labor, and the means of production are commodities, it becomes possible to bring these two together by the medium of money. Indeed, monetary exchange becomes the prior condition for the reuniting of the worker and the means of production. Such a social mechanism for organizing production is *capital* (money exchanged for the elements of production), and the expansion of this social mechanism (or social relation) results in capitalist society.

In capitalist society products circulate as commodities, which means that the surplus product of capitalist production assumes monetary form. This surplus product or surplus *value* is the material basis for accumulation and arises from the exploitation of direct producers (the proletariat). Surplus value, however, is only the *basis* of accumulation, and accumulation is forced upon individual capitalists by the conflict among capitals ("firms"). Because the products of capitalist production must be realized in money form in order for capitalists to initiate production afresh, the conflict among capitals necessarily assumes the form of an economic struggle. This struggle is fought out by the cheapening of commodities through technical change. Technical change leads to production on an expanding scale, so that the capitalist mode of production is an expanding one. This in itself is sufficient to explain why capitalism should reach out to underdeveloped areas. In materialist theory it is predicted that capital will expand into all areas, and once there is more than one capitalist area, the movement of capital *between developed capitalist areas* is as much to be expected as between developed capitalist areas and underdeveloped areas (Lenin, 1974).⁴ Materialist theory converts its theory of accumulation into a theory of the world economy by locating it explicitly in the context of *countries*. What makes a political territory a "country" is that the territory is controlled by a distinct ruling class, the vehicle for such rule being the state. Materialists identify their theory of the world economy as "the theory of imperialism," which can be defined as the theory of the accumulation of capital in the context of the struggle among ruling classes. Derivative from this theory are (1) the analysis of the conflicts and cooperation between the ruling classes of advanced capitalist countries (which lead to inter-imperialist wars); (2) the conflicts and cooperation between advanced capitalist ruling classes and ruling classes of underdeveloped countries ("articulation" of modes of production); and (3) conflicts between ruling classes and oppressed peoples ("the national question").

Our presentation of materialist theory could be no more than a skeleton of that analysis, given the space available. We can summarize this summary as follows: materialist theory treats accumulation as the result of the interaction of production and changing social relations and analyzes the relationship between advanced and underdeveloped areas by this means; for a theory of the world economy, it places this accumulation process in the context of a world politically divided among ruling classes.

CRITICAL ASSESSMENT

If the outline of the contrasting theories was brief, our critique must be briefer still. First, we deal with theoretical objections to dependency theory.

⁴Given the space limitations set for the contributions to this issue, this central point cannot be elaborated. It is, however, elaborated in Weeks (1979).

As we have seen, capitalist accumulation in dependency theory is primarily the result of the redistribution of surplus product between developed and underdeveloped areas. This presupposes both the production of the surplus product (a precondition for its distribution or redistribution) and accumulation itself. Accumulation is not related to the social relations under which a surplus product is produced or appropriated, with the implicit view that a surplus product is a sufficient condition for accumulation. In materialist theory, on the other hand, accumulation is explained as the result of particular social relations in a society (capitalist social relations). In this way, it is not only possible to explain why accumulation occurred in what dependency theorists like to call "the center" rather than "the periphery," but also to explain why it did not occur *anywhere* before the capitalist epoch. Second, on an empirical level, dependency theory makes the prediction that the flow of capital should be overwhelmingly from developed to underdeveloped areas. It is difficult to see how this theory could predict anything else, and in fact the overwhelming amount of direct investment flows are *among developed countries* (Weeks, 1979).⁵ This incorrect description of reality derives from (1) an erroneous theory of accumulation, and (2) a failure to analyze the division of the world into countries (ruling class conflicts). Materialist theory, with its theory of imperialism, makes no such prediction, but rather views the export of capital from developed to underdeveloped countries as one aspect of the general movement of capital.

It is not possible in a few pages to do justice to two entire schools of thought; in the case of dependency theory this is because of its strong eclecticism, and for materialist theory because of its analytical complexity. However, a brief survey reveals the former to be unsatisfactory on both theoretical and empirical grounds.

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⁵The manuscript referred to demonstrates, using data on U.S. foreign direct investment, that the share of such investment in underdeveloping countries has been declining continuously since the end of the Second World War and is now barely a quarter of the total.

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