

I.

DEPENDENCE RELATIONS AND POLITICAL DEVELOPMENT IN LATIN AMERICA: SOME CONSIDERATIONS*

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The conception of the dependence relations as a key element in our understanding of the functioning of Latin American societies necessarily leads to a definition of the levels on which these relations are established.

If by dependence we understand a conditioning situation that affects and modifies the functioning of certain socio-economic units within the uneven and combined development of the capitalist mode of production on a world scale, then we will have to analyse this phenomenon at different levels in order to grasp the entire richness of its determinations.

1. Internal and External Dialectics

The first distinction of levels to be made, is the dialectical relation between, on the one hand, the laws of movement of an international relations structure determined by the dynamics of capital accumulation in the dominant countries and, on the other the interlink between these laws and the national economies whose accumulation process is *conditioned* by the position they occupy in the international economy as well as being *determined* by their own laws of internal development.

* This is a revised version of the paper presented by Theotonio dos Santos (National University of Mexico) to the third Scandinavian Conference on Latin America, Bergen, Norway, 17—19 June, 1976. Translation from Spanish was done by Luis Herrera.

The words *conditioned* and *determined* correspond to precise concepts. In a given socio-economic structure the laws of movement are *determined* by the elements constituting the structure and their relations with one another. The laws of movement are explained, ultimately, by these elements. In dialectical terms, any phenomenon moves on the basis of its internal contradictions, which both determine the movement and provide the margins within which it takes place.

However, the internal elements that configure a reality do not exhaust it. They operate under given *conditions* on a field of action that modifies their functioning, allowing full development to certain parts, blocking the development of others, increasing or diminishing their contradictions, introducing new elements upon which the internal elements react, demanding their adaptation or even destructing existing structures.

If a simplistic and formalist approach to the laws of movement is to be avoided, the internal and external dialectics must be based on these assumptions. If we turn from this field of abstract reasoning to the field of international reality, we can see that the emergence and expansion of the capitalist mode of production on an international scale is consistent with these dialectical laws.

The emergence of capitalism in Western Europe was possible only as a result of the growth of the commercial and financial bourgeoisie. This bourgeoisie evolved as a relatively autonomous entity, benefiting from the relative weakness of the feudal system. The European monarchy, unlike those of the Far East, was able to impose itself only as a result of an alliance with the emerging bourgeoisie, and its development was possible in so far as its fate was associated with the expansion of international trade and the internal development of manufacturing. Europe's links with world trade thus strengthened a rising bourgeoisie while weakening an isolated and feeble nobility, which was incapable of unifying the conflicting local feudal interests.

In Western Europe the bourgeoisie developed in a way that ran counter to local interests. It made use of the absolutist State to the advantage of manufacturing, and was able to profit from the results of European expansion, creating the basis for a new mode of production. Based on the concentration, the co-operation and the division of labor that resulted from manufacturing, this mode of production led to growing mechanization and an increasing separation of the ownership of the means of production from the labor force. As a historical result of this process modern big industry emerges, the capitalist mode of production becomes clearly dominant.

The imposition of the capitalist mode of production in Western Europe — particularly in England, France, Belgium, Holland — and in the United States conditioned the development of capitalism in other parts of the world. It was already clear by the second half of the 18th century that the specific form of the

bourgeois revolution in these countries would not be repeated elsewhere, although its essential elements would be preserved.

Two important new elements, already experienced by the German bourgeoisie, now entered the struggle of the other bourgeoisies for hegemony. From the internal point of view, there was the imposition of big industry at an advanced stage of technological development; this was mixed with the immediate growth of an industrial proletariat that radicalized and modified the revolutionary democratic process by introducing its own objectives to it. From the external point of view, there was the consolidation of national unity against local feudalism, which opened the developing internal market to the competitiveness of the more advanced industrial centers.

Liberal capitalism is replaced by protectionism, and democratic revolution by reform imposed from above. The internal and external dialectics thus adopt a new form of capitalist development in the second half of the 19th century.

The case of Latin America has some specific characteristics. The important manufacture that developed during the 18th century was constantly confronted by the Crown, the local merchants, and the agrarian and mining oligarchy. The struggle for independence seemed to pave the way for an explosion, by means of which the masses could break the subjugation of the regional economies to the external domination of European commercial and financial capital. However, British traders and financiers really did have a lot to offer to economies that were profoundly weakened by years of civil war. The participation of landholder sectors in the wars of liberation, the hegemonic position acquired by trade, and the British loans — all were factors contributing to the formation of national States within the frame of both dependence from financial capital of the dominant centers, and an insufficient will for the destruction of servile relations in mining and agricultural production.

The enormous development of international trade in the second half of the 19th century reinforced the trend towards an economy dependent on the important industrial centers. The struggle between the artisans and owners of local manufacturing and the traders and landowners, was very uneven. The former had to impose over their manufactures the protection of a newly-born state against the import of cheaper industrial products. These products were imported with the foreign currency originating from the agricultural and mining sectors, which were expanding in response to a growing demand in the centers of international capital accumulation. The labor force that was freed from servile relations was massively incorporated in the export-oriented agricultural and mining sectors. With the help of the resources of landowners and merchants the lack of labor force in the new production centers was solved by channeling it from backward regions, or even from abroad.

The development model being imposed, permitted the rapid enrichment of

a powerful oligarchy and led to urban modernization and the development of a middle class that was based on the cosmopolitan schemes of the agro-mining oligarchy. The latter dominated, not only the basic production centers, but also the commercial and service activities that the middle class was engaged in. Finally, the foreign currency that was necessary for importing European manufactured products for middle class consumption, was generated by the agro-mining export activities under oligarchic hegemony. Thus, the middle class was associated with the export model, regardless of how uncomfortable its dependence on the oligarchy and the corresponding domination and subjugation relations could be.

Here again the internal laws of development of incipient capitalism find a path for their insertion in the conditions generated externally by a hegemonic capitalist system. The internal elements *determining* the access to a specific stage of capitalist development have their movements *conditioned* by the tendencies of the international capitalist economy, the dynamics of which they do not control. The decadence of the agro-mining colonial aristocracy and the progressing rupture of the servile relations of production generated grounds for a local capitalist development; however, while the weak industrial capital was unable to use these grounds as a basis for competition in the world market, they served the new commercial, agrarian and mining bourgeoisie.

For this reason our bourgeois revolution covered only part of the way. The liberal theses were assumed by the commercial, agrarian and mining bourgeoisie, while the protectionist attempts were left to the weak manufacturing groups. The latter were further weakened by the emergence of industries complementary to the export sector. The dependent character of these industries limited the momentum of the industrial bourgeoisie, while subjugating it structurally to the interests of the export sector. This sector not only generated the basic market for the industrial products, due to the impossibility of meeting the demand of workers and capitalists solely on the basis of imports, but it also destroyed the artisanal-manufacturing sector located in the rural areas, which was unable to cope with the process of specialization in agricultural activity, requested by the growing demand. At the same time, the export activities demanded industrial products for packing, transport, etc., and established the basis for an industrialization of some export sectors.

The export-oriented socio-economic structures created in the 19th century are essentially based on a commercial and agrarian capitalism. This type of capitalism generates some elements of an incipient industrial capitalism, while starting the development of an increasingly diversified social division of labor and the basis for capitalist relations of production in the agricultural, industrial and commercial sectors. This socio-economic structure is consistent with certain

demands of world trade and a new international division of labor, shaped by the process of capital accumulation in the dominant centers.

The laws of development of international capitalism act over these socio-economic formations, driving their process of change in a dialectical relation with their internal elements, and generating specific laws of movement which are not those of capitalist accumulation in its purest form, but rather, modifications of them determined by this subordinated and dependent position in the world economy. Is it possible to compare this development with capitalist accumulation in its pure form? Is this just another case of capitalist development? Why seeing in it a sort of incomplete, deformed and insufficient development?

At this stage of our study we are confronting an important theoretical problem. At a higher level of abstraction, the precedent questions would read: which is the relation between a pure capitalist structure and its concrete functioning modes? Which is the relation between a pure mode of production and its concrete historical forms?

A mode of production, while being the result of certain concrete historical conditions, is a structure of determined relations which expand and reproduce themselves. Hence the dialectical method uses logico-historical categories for its analysis. However, the development of a category conveys its separation from the concrete historical conditions that gives it birth. It becomes a pure abstraction, a simple concept articulated with more concrete ones in a combination which is capable of operating under different particular conditions. The debate between historicism and structuralism is older than the materialist dialectics. The dialectics incorporates what is historical and structural in one single reality and one single system of categories and concepts.

The capitalist mode of production, with its pure analytical categories, corresponds to a structure of relations. The movement of the structure determines the concrete historical process, even though acting within a reality that makes part of this movement difficult by introducing other elements which do not submit to the determination of the pure mode of production.

If capitalism is imposed without clear control over the internal market, without internally determining its accumulation and reproduction process, without developing the separation between ownership of the means of production and labor force up to its last consequences, without radically separating land and capital ownership, without big industry as the essential basis for capitalist accumulation, without being supported by technological development, without an industrial bourgeoisie, etc., this capitalism is doomed to reflect internally a constant contradiction between, on the one hand, the elements of the capitalist mode of production that give the grounds for its historical movement and, on the other, the absence of elements capable of allowing its full development as a mode of production. At the same time these concrete social formations are doomed

to look for compromises between the contradictory elements that constitute them and the need of fully developing the capitalist relations of production, which are crippled by their specific and concrete mode of insertion in the process of capitalist expansion on a world scale.

In the social formations of dependent capitalism the form of what is internal, its specificity, its mode of functioning are, paradoxically, the expression of its insertion in what is external.

2. The Levels of Dependence

The dialectics is also present when we try to differentiate the levels on which this historical reality — the dependent social formations — moves.

In the economic field we immediately meet the complex relation between the *forms of commercial exchange* (conditioned by a highly developed capitalist world market in its monopolist-imperialist stage), and *international division of labor* (resulting from the combination of the law of comparative advantages and the action of the monopolies that orient its movement), an *international capital market* (seeking low costs and high profit rates), and the *development of an agro-mining capitalism* (based on the extensive exploitation of local or immigrant labor and the avid accumulation of land by adventuring capitalists supported by liberation armies that rapidly became identified with the interests of the new export-oriented agro-mining structure).

From this moment these four levels of economic dependence differentiate and confound themselves in a complex historical movement: the level of unequal exchange between the export of primary goods and the import of manufactures, the level of unilateral payment of transport services and technology by the dependent countries, the level of unilateral movement of capitals and, finally, the level of superexploitation of the immigrant or local labor force.

The subsequent development of dependent capitalism showed that it was very difficult to obliterate the conditioning frames within which it moved. The overcoming of some conditioning forms only made dependence stronger and paved the way for even more limiting and complex conditions. The sociological and economic literature of Latin America has successively provided examples of libertarian expectations and subsequent evidences of their failures.

As we have seen, dependent capitalism was necessarily lacerated by its revolutionary elements and their dependent and conservative counterparts. The local bourgeoisie is reborn in a new stage that modifies the similar objectives of the previous one, and adapts them to the new forms of dependence. The Latin American artisans and owners of manufactories that followed the European revolutions of 1848, failed ostensibly in front of the exporting oligarchies. They had

little in common with their successors, the financiers of 1860—70 that tried to create modern capitalist enterprises and were crushed by the narrowness of our internal markets. These financiers differed from the first industrialists of the turn of the century. In Mexico, Brazil, Argentina and Chile the latter created the grounds for an industry completely dependent on the export structure and reached the pinnacle of success during the First World War, being subsequently victimized by the competition from foreign manufactures during the international capitalist recovery of the happy 1920's. This industrial bourgeoisie presents some vague similarities with the modern industrialists that, benefiting from both the decrease in imports of manufactures in the 1930's and the revolutionary crisis that exploded in the context of the general crisis of capitalism, were able to create an industrial infrastructure which was sufficiently ample for an autonomous and national development. They were subsequently smashed and brought to the condition of being minor partners by the massive inflow of foreign capital, supported by concentrated and sophisticated technology developed after the Second World War.

These nationalist industrialists differed strongly from the new expressions of a financial, industrial and commercial bourgeoisie, which was able to articulate itself with the developmentalist trend resulting from the massive inflow of international capital between 1950 and 1970. This bourgeoisie aims at a dependent industrial development, without autonomy expectations, in an alliance with international capital, basing its bargaining power on the relative strength of the national States, and trying to reach international markets with manufactures of a lower technological level. This sector feels itself in a better position for exercising pressure over the imperialist centers in the present situation of international capitalist crisis and growing inter-imperialist contradictions. It tries to exploit the latter through a "third-worldist" movement that, without encouraging results, uses raw materials and agricultural products as means for international pressure.

This local capitalism emerged from a State capitalism that was expanded in order to create infrastructure for the new stages of local and international capitalist investment. Its dependent character is likely to drive it along the same path as its predecessors were driven, since, even if its force is today more concentrated than the one of the industrial bourgeoisie of the 1930's and 1940's, its international competitors (the present multinational corporations and the powerful imperialist states supporting them) are several times more determinative. This is due to the fact that the international financial and industrial powers articulate themselves in a superior phase of capital centralization and concentration, while the giant investments in technological and scientific development carried out by multinational corporations introduce new elements in capitalist accumulation; the dependent bourgeoisies are hardly in a position to dominate this process.

The history of a local bourgeoisie's consolidation attempts that we have described, is the history of a dependent capitalist development. It is the history of a backward capitalism that can advance only through the imitation of the steps already given by dominant capitalism. A dependent capitalism that cannot break the chains imposed not only by its international relations, but also — and primarily — by its internal concentrating and excluding structures. A capitalism which can develop only on the basis of the exploitation of a cheap labor force, incapable of fully absorbing it and unable to create a sufficiently wide internal market for giving room to a process of industrialization that integrates heavy industry and advanced technology sectors. A sort of capitalism that is incapable of generating its own technology and of realizing an internal impetus strong enough to become the generating nucleus of an accumulation process. For this reason, the levels of economic dependence adopt new forms and the problems become more complicated.

The new stages of the international division of labor reserve for the dependent countries those technological fields which are not any more in the peak of the system. The technological monopoly of the highly industrialized countries ensures the monopoly of investments and high prices for the products they export, while some dependent countries, having reached a relatively advanced stage of industrialization, export industrial products with declining prices.

Despite the emergence of new export items the dependent countries cannot untie themselves totally from the export of primary products. With the complicity of the old imperialist investors — interested in abandoning the production of primary products, public services, and other traditional activities — this type of production is often undertaken by the State. Recompensation payments for nationalizations are then invested in new industrial activities, or in the control of the international commercialization of products exported by State enterprises which lack the strength and political will for confronting an international market monopolized by the same multinational enterprises.

Being a mediator in an international production system which it cannot control, the national industrial infrastructure operates machines and industrialized raw materials that are purchased with the foreign currency obtained through export. The incapacity to determine the functioning conditions of the strategic export sector leads to a progressive deterioration of the trade balance. In addition to this growing deficit we have the deficits in the balance of services (freights and royalties) and in the capital balance (direct investment inferior to remitted profits). Consequently, the negative balance of payments can survive only with foreign credits and accumulative indebtedness, since the mere servicing of the debts consumes the largest share of the new loans.

As a result of this negative international situation, the internal mechanisms of superexploitation, concentration and monopolization are reinforced. An always

narrow internal market and a violent income concentration favoring unproductive and speculative sectors, are the results of the incapacity to incorporate the local labor force that is freed from the traditional sectors. We have, finally, a growing denationalization of the productive apparatus with respect to ownership and national articulation and its dependent integration into an international economy.

In this way, the dependence cycle is repeated at higher levels. All the elements of dependence interact among themselves: unfavorable commercial relations and new stages of the international division of labor, import of capital and export of profits (in addition to a growing indebtedness), reinforced technological dependence, superexploitation of the labor force, income concentration, narrowness of the internal market, etc.; in short, the weakness of the productive apparatus.

What happens at the economic level is repeated at the social and political ones. The logic of exclusion and crippled development of the dependent economies also transforms their bourgeoisies into simple social dwarfs, always aspiring for a complete development and subsequently sacrificing it to the internationally hegemonic capital. These bourgeoisies fear their working classes because they feel incapable of manipulating them through big national development plans. On the contrary, these working classes start developing autonomous ideological and political conceptions of a socialist character. The reaction ranges from the open fascist violence to the attempts of favouring a social-democratic conception, capable of organizing the masses within the perspective of conserving the capitalist system with minor reforms, aimed at the political integration of a social class that can deeply alter the political and social frames. However, this bourgeoisie must control, not only its working class, but also other social sectors that are victimized by the exploitative violence of dependent capitalism. In a situation of growing crisis this social-democratic alternative is thus limited and lack clear perspectives.

The economic, social, political and ideological levels of dependence relations are articulated in a historical process whose movement can be grasped only in a dynamics where domination and dependence jointly write the history of a world economic system. The uneven and combined development of this system reproduces, at ever more complex stages, its intrinsic exploitative, concentrating and misery-inducing character against the masses.