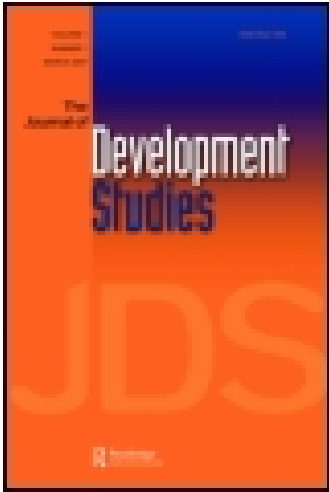


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The Ideas of Samir Amin: Theory or Tautology?

by Sheila Smith*

This paper presents an exposition and a critique of the ideas of Samir Amin. Section I summarises Amin's views on the necessity of an analysis of underdevelopment at the world level, on the nature of peripheral economies, and on the economic relationships between centre and periphery. Section II provides a critique of these ideas, in terms of both their logical consistency and their implications for research and for economic policy. Section III draws together these criticisms. The paper concludes that Samir Amin's ideas are logically inconsistent, tautological, and imprudent in the sense that they effectively pre-empt theoretically and politically important work on specific economies, institutions and agencies.

Critiques of non-Marxist and anti-Marxist universal theories (e.g. Rostow's 'stages of growth'; vicious circle theories; theories of 'barriers to development etc.) are well-known (see, for example, [Szentes 1971], [Baran and Hobsbawm 1961], [Lehmann 1979]). Critiques of Marxist universal theories (other than anti-Marxist critiques) are less common, but there are some examples including [Brenner 1977] and [Bernstein 1979]. Most Marxists accept a universalist analysis of world capitalism as a starting point. Cutler *et al* [1978] argue that, where Marxists have attempted to analyse the structure of definite national economies, it has been in the form of registering the effects of imperialism and international capitalism; this is because of the conception of the capitalist mode of production (CMP) as an entity with its basic processes and tendencies given by the concept of its structure [Cutler *et al*, 1978; Vol. II pp. 233–254].

The argument of Cutler *et al* will be discussed here in relation to the work of Samir Amin, as expounded in *Accumulation on a World Scale* (1974), *Unequal Development* (1976), and *Imperialism and Unequal Development* (1977). Amin's work is taken as an exemplar of certain kinds of theoretical work: he takes up themes such as the development of underdevelopment, dependency, unequal development, unequal exchange, and the problem of surplus utilisation in monopoly capitalism, and elaborates them in his own way. The selection of Amin's work for criticism is justified because it is a fully elaborated theoretical scheme in the Marxist tradition which claims to

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encompass all economic experience, and demonstrates starkly some central logical problems.

There are two main sections in this paper. Section I presents a brief exposition of Amin's theory, and Section II provides a critique in terms of the theory's logical consistency and its implications both for research and for economic policy. Finally, Section III draws together the criticisms and tentatively considers the implications of the critique for world-level theory in general.

I. SAMIR AMIN: AN EXPOSITION

The following brief summary of Samir Amin's analysis will be organised around three major themes: first the necessity of what Amin describes as an analysis at the world level; secondly his characterisation of peripheral economies; thirdly his characterisation of economic relationships between centre and periphery.

The analysis of world capitalism is conducted in terms of two categories, centre and periphery. These concepts are related to the expansionism of capitalism in general, and are not 'attenuated synonyms of imperialist countries and colonial/dependent countries'. [Amin, 1977: 107]. Furthermore, 'these concepts are essential for those who, from the very beginning, have a vision of capitalism which is neither western-centred nor economistic. It is not by accident that those who reject these concepts inevitably fall into the revisionist trap.' [Ibid]. The basic difference between centre and periphery is that capitalist relations in the centre developed on the basis of expansion of the home market, whereas capitalist relations in the periphery were introduced from the outside.¹ Thus, in the centre, Amin asserts that 'the tendency of the capitalist mode of production to become exclusive, when based on expansion and deepening of the home market is accompanied by a tendency for the social structure at the centre to come close to the pure model of *Capital*, characterised by the polarisation of social classes into two basic classes: bourgeoisie and proletariat', with new strata 'all situated within the framework of the essential division between bourgeoisie and proletariat.' [Amin, 1976:293]. On the other hand, at the periphery, because the capitalist mode of production is introduced from outside, it does not tend to become exclusive, only dominant; thus formations of the periphery will not tend towards this polarisation. 'The social structure of the periphery is a truncated structure that can only be understood when it is situated as an element in a world social structure' [Amin, 1976:294]. The structure is truncated because it is dominated by the 'absentee' metropolitan bourgeoisie. Moreover, 'since the peripheral economy exists only as an appendage of the central economy, peripheral society is incomplete; what is missing from it is the metropolitan bourgeoisie, whose capital operates as the essential dominating force'. [Amin, 1976: 345].

The centre-periphery distinction is further explained thus:

In an autocentric economy, there is an organic relation between the two terms of the social contradiction – bourgeoisie and proletariat – that they are both *integrated* into a single reality, the *nation*. In an

extraverted economy, this unity of opposites is not to be grasped within the national context – this unity is broken, and can only be rediscovered on the world scale . . . Unequal exchange means that the problem of the class struggle must necessarily be considered *on the world scale*. [Amin, 1974: 599–600].

Furthermore, typologies of underdeveloped countries are regarded by Amin as ‘superficial’, since typologies concentrate on appearances, which mask the underlying unity of the phenomenon of underdevelopment [Amin, 1974:166–8]; underdeveloped economies ‘are a piece of a single machine, the capitalist world economy’. [Amin, 1974:19]. Not only are analyses of individual countries thus misleading because they would emphasise appearances, but such an endeavour is pointless anyway, for ‘Actually, the economies of the system’s periphery have no real conjunctural phenomena of their own, even transmitted from outside, because they are without any internal dynamism of their own.’ [Amin, 1976:279]. Having asserted that underdevelopment can be understood only at a world level, Amin provides various accounts of the forces which propel the world system, accounts which contradict each other. Basically, the theory of underdevelopment and of development is a theory of the accumulation of capital on a world scale, i.e. between the world bourgeoisie and the world proletariat [1974: *Introduction*]. In *Accumulation on a World Scale*, the dynamics of the system are explained by a single tendency: ‘The law of the tendency of the rate of profit to fall remains the essential, and therefore permanent, expression of the basic contradiction of the system.’ [1974:123]. However, in a later work, the dynamic is explained in terms of the inherent tendency of the capitalist mode of production to raise the rate of surplus value, and the search for higher profits, unrelated to any trend in the profit rate. [1977:277].

Having indicated, albeit briefly, Amin’s justification for the necessity of a world-level of analysis, we can now indicate his characterisation of the nature of peripheral economies. The peripheral capitalist mode of production

has the dual feature of a modern technology (hence high productivity) and low wages within the framework of the capitalist social organisation . . . Integration [into the world capitalist system] implies that the balance between the development level of the productive forces and the value of labour power is not to be found at the level of the peripheral formation but only of the world system into which the latter is integrated. This lack of internal correspondence between the two elements in question results in the vicious circle of peripheral development: in order to reproduce its own conditions of existence, the peripheral formation must still contain pre-capitalist modes of production or else produce non-capitalist modes which, being dominated, provide the capitalist mode with its cheap labour.’ [1977:218].

The approach in Amin’s characterisation of peripheral capitalism is to compare peripheral capitalism with central capitalism. Differences are then labelled ‘distortions’. [1976: *Ch 4*]. The transition to peripheral capitalism was fundamentally different from the transition to central capitalism, since it

was effected by means of an onslaught from without by the capitalist mode of production upon precapitalist formations, causing 'certain crucial retrogressions to take place.' Peripheral capitalism is manifested in three kinds of distortion: first, the distortion towards export activities (extraversion) and, second, the abnormal enlargement (hypertrophy) of the tertiary sector, which reflects (a) the difficulties of realising surplus value at the centre and (b) limitations of peripheral development – inadequate industrialisation and rising unemployment. This distortion is expressed in an excessive rise in administrative expenditures and a quasi-permanent crisis of government finance. Thirdly, there is distortion towards light branches of activity and the use of modern production techniques: 'This distortion is the source of special problems that dictate development policies in the periphery that are different from those on which the development of the West was based.' [1976:201]. Underdevelopment is not, however, manifested in particular levels of production per capita, but in certain characteristic structural features that 'oblige us not to confuse the UDC with the now-advanced countries as they were at an earlier stage of their development.' [*Ibid*]. These features are: extreme unevenness in the distribution of productivities and in the system of prices transmitted from the centre; disarticulation, because of the adjustment of the economy to the needs of the centre; and economic domination by the centre. As economic growth proceeds, features of underdevelopment are accentuated; autocentric growth is impossible, whatever output per capita is achieved.

Peripheral countries which have achieved rapid industrial growth, and which are now exporting manufactures (South Korea, Taiwan, Hong Kong, Singapore, Mexico etc.) are simply manifestations of a new form of inequality, whereby strategic activities are concentrated at the centre, and certain manufacturing activities are transferred to the periphery; in any case, 'the very fact that they (manufacturing industries) are concentrated in a few underdeveloped countries rules out the possibility of this being a development that could be extended to all countries of the Third World.' [1976:213]. Moreover, these countries still suffer from vulnerability in the balance of payments, none of them have achieved self-sustained growth, the development has given rise to a 'semi-aristocracy' of labour, no technical advance occurs, and the strengthened domination of central capitalism 'forbids' any formation of a national bourgeoisie. A middle class develops, but with the consumption pattern and ideology of the world system 'to which they organically belong.' [1976:214].²

Growth in peripheral economies is 'blocked', since the periphery is 'complementary and dominated' [1976:288]. The periphery is prevented from accumulating capital indigenously, since capital generated at the periphery is transmitted to the centre. Because of the domination by the centre, 'the development of underdevelopment is neither regular nor cumulative, in contrast to the development of capitalism at the centre. On the contrary, it is jerky and made up of phases of extremely rapid growth, followed by sudden blockages. These are manifested in a double crisis, of external payments and of public finances'. [1976:289].³ This double crisis is 'inevitable', and 'none of the features that define the structure of the periphery is weakened as

economic growth proceeds. On the contrary, these features are accentuated.' [1976:292].

This brief discussion of Amin's analysis has concentrated on the broad theoretical features of his work. In addition he presents a wealth of illustrative material which is scholarly and useful – for example the discussions of the transition to peripheral capitalism [1974: Ch 2] and of contemporary social formations of the periphery [1976, Ch 5]. However, despite the breadth of this concrete analysis, it is subordinated to the theoretical analysis of the world system, and introduced to demonstrate the comprehensiveness and accuracy of the theoretical analysis.

Amin's characterisation of the economic relations between central and peripheral economies is discussed in greatest detail in Part IV of *Imperialism and Unequal Development*, entitled 'The End of a Debate'. The emphasis in this section is on the theory of unequal exchange, a theory generally associated with Arghiri Emmanuel. Amin has, however, many disagreements with Emmanuel, and points out the many mistakes which Emmanuel made, building on the 'correct' parts of the theory. According to Amin, two aspects of the theory are essential. One is the pre-eminence of 'world values': the world is not composed of juxtaposed national systems carrying on 'external relations'; instead the world system is a 'unity', the 'world capitalist system'. In this system, 'social labour is crystallised in goods which have an international character'. The other essential element is the universal character of capitalist commodity alienation based on the direct or indirect sale of labour power.

The 'pre-eminence of world values' is established thus: 'capital mobility shows a tendency toward equalising the profit rate throughout the world, while remuneration of labour, which is immobile, varies from one country to another according to historical conditions. Hence the transformation of international values [the only meaningful ones] into international prices [again the only meaningful ones] implies the transfer of value from some nations to others. Since all products are international commodities, the same quantity of labour used up in different parts of the world . . . also gives rise to a single world value . . . It is obvious that if the labour-hour in all countries creates the same value while the labour power in one of the countries has a lower value [i.e. the real wage is lower], the rate of surplus value is necessarily higher. Wage goods which represent the real counterparts of the value of labour power are in fact also international goods with an international value'. [1977:187].

The 'real' case of unequal exchange occurs under the following conditions: 'the rates of surplus value are different and the transfer of value takes place not as a result of different organic compositions but because of the immobility of labour, which enables real wages to vary'. [1977: 188].⁴ At the periphery, 'the pre-eminence of world values' may be overshadowed by the appearance of non-capitalist modes of production; however in reality 'capital dominates the direct producer: petty commodity producers today are mostly proletarianised and sellers (although indirectly) of their labour power.' This 'pre-eminence of world values' constitutes 'the very essence, the core of the affirmation of the unity of the world system, the condition for

this unity.' [1977:190]. On the other hand, if the world system were regarded merely as a juxtaposition of autonomous national systems, then international trade could not be analysed objectively by means of the law of value, only 'subjectively' by means of a Ricardian analysis.

According to Amin, Emmanuel's theory of unequal exchange contained the following errors: Emmanuel treated wages as an 'independent variable', autonomously determined in each economy, instead of analysing wages in terms of a dialectic between the laws of accumulation (objective forces) and the class struggle (subjective forces); exports from the periphery were treated as 'specific', thus separating the analysis of exchange from the analysis of production. Thus, according to Amin, 'My analysis of the transfer of value is superior to that of Emmanuel; it is the only analysis that permits a correct definition of unequal exchange; the exchange of products whose production involves wage differentials greater than those of productivity.' [1977:211]. Hence the lack of internal correspondence at the periphery between the level of development of the productive forces and the value of labour power, which in turn generates the vicious circle of peripheral development, in which the centre's relative price structure is transferred to the periphery, whereas the distribution of productivities is different from that which is characteristic of the centre. Amin's 'correct' formulation of the theory of unequal exchange enables him to reject two myths to which Emmanuel's analysis leads:

(1) the myth that 'development' can be achieved by an 'artificial increase of the "independent" variable', i.e. wages. Furthermore, Emmanuel's claim that multinational corporations are agents of 'development' 'is simply to revert to Rostow.' According to Amin, the analysis of unequal exchange shows that international capital certainly finds it profitable at the periphery since the rate of surplus value is higher there, but that the peripheral mode reproduces itself as such, both in economic terms (distortions) and in political terms (in terms of specific class alliances). 'To deny this evidence necessarily takes us back to Rostow.' [1977:222].

(2) the myth that the proletariat at the centre benefits from unequal exchange: against this, Amin argues that 'the "high" wages at the centre are mainly due to the high level of development of the productive forces and not to international transfers.'⁵ [*Ibid.*].

Unequal external exchange is accompanied, at the periphery, by unequal internal exchange: to reproduce the system, low wages must be maintained despite modern technology, thus proletarianisation must be slowed down and precapitalist modes exploited. The distortions of peripheral capitalism generate a problem of surplus absorption, solved by means of the export of capital to the centre and an increase in the proportion of surplus value spent on luxuries. This form of consumption is permitted by the importation of technology and development of protected import-substituting industries, encouraging the adoption of 'European' consumption patterns and enabling the system to be reproduced as a dependent system. 'The bourgeoisie as a whole stops being national: it cannot fulfill the historical function of primi-

tive accumulation, i.e., radically destroy the pre-capitalist modes, 'save' the surplus value, and so on. It has to be reactionary ('protect' the precapitalist modes in order to dominate them), wasteful (consume the surplus value), and dependent. We can therefore understand that 'dependency' is not 'imposed' but necessary to generate the surplus.' [1977:234].

Finally, certain implications which Amin himself derives from his work are significant:

(1) Underdeveloped countries have no freedom of manoeuvre in relation to world capitalism: 'So long as the underdeveloped country continues to be integrated in the world market, it remains helpless . . . the possibilities of local accumulation are nil.' [1974:131]. Furthermore, 'Analysis of the strategies of foreign monopolies in the UDC is restricted merely to the field of the 'concrete study' without any concern to develop theory. This analysis proves that, so long as the dogma of the periphery's integration into the world market is not challenged, the periphery is without economic means of action in relation to the monopolies.' [1974:392 and 1976:201]. There is not even any point, according to Amin, in developing forms of financial control: 'The creation of a national currency confers on the local authorities no power of effective control so long as a country's inclusion in the world market is not challenged: even control of the exchange and of transfer does not prevent transmission to the periphery of fluctuations in the value of the dominant currencies of the centre, nor does it prevent transmission to the periphery of the centre's price structure. Money here constitutes the outward form of an essential relation of dominance but it is not responsible for this relation.' [1974:483]. Thus economic policy at the national level in a peripheral capitalist economy is largely ineffective.

(2) As economic growth at the periphery occurs, so underdevelopment develops: autonomous and self-sustained growth is impossible, 'whatever the level of production per capita that may be attained.' [1974:393]. Since no 'development' is possible, only a radical and complete break with the world capitalist system will provide the necessary conditions for genuine development.⁶

II. CRITIQUE OF SAMIR AMIN

The difficulties in criticising Samir Amin's work are severe, mainly because of certain built-in immunities which Amin himself has constructed. The first immunity is that the analysis is, according to Amin, concerned predominantly with 'essences'; these 'essences' may well be hidden, appearances may mislead us, and the underlying forces may be disguised. Thus any attempt to criticise Amin's work on the basis of actual experience in the world economy or in one particular economy will undoubtedly give rise to accusations of superficiality, of concern only with appearances and phenomena, or of empiricism. This can be illustrated by considering Amin's writing on the 'typology of under-development', [1974:166-7], in which he describes three factors which account for the diversity of peripheral economies: the

structure of the precapitalist formation at the moment of its integration into the world market; the economic forms of international contact; and the political forms which accompanied the integration. Amin then states that 'The diversity of the real models of underdevelopment produced by the combined action of these three factors has led many economists to deny the unity of the phenomenon of underdevelopment, to consider that there are only underdeveloped economies, but not underdevelopment . . . The reality of the latter is nevertheless a fact. But the unity of the phenomenon of underdevelopment does not lie in the appearances shaped by the interaction of these different factors. It lies in the *peripheral* character that is common to all the countries of the Third World today, in relation to the development of capitalism. This is why the exercise of constructing a typology of underdevelopment, while providing some interesting descriptive elements, remains superficial.' Thus, irrespective of analyses of the significant differences between 'peripheral' social formations, Amin claims that this diversity is superficial, disguising the essential unity, that is, the 'peripheral' character of the underdeveloped countries. Since Amin's work is principally an analysis of the 'periphery' and its relations with the 'centre', it is therefore impossible to criticise his work by pointing to the diversity of experience of 'peripheral' economies. As indicated above, the analysis of national economies is pointless according to Amin, because such economies cannot be understood except at the 'world level': they are 'truncated' and have no internal dynamic of their own. Thus it is not possible to provide a critique of Amin's analysis by demonstrating that there are significant aspects of 'peripheral' social formations which are determined within those social formations, or that 'peripheral' economies do have freedom of manoeuvre in relation to world capitalism.

Amin's insistence on essential unity despite diversity, and his concentration on the analysis of that unity would be pointless without the political implications which follow from it. The political implications are, in short, that nothing can be done by peripheral economies to foster 'proper' development: that they have to break out of the world capitalist system completely. As will be argued in more detail below, these political judgements are not sustainable in relation to all 'peripheral' countries, even if they are sustainable for some; i.e. the applicability of such judgements is not a function of the 'peripheral' character of such social formations but is, instead, based on the particular conditions within such formations – conditions which include both the internal structure and the location of the formation within the world capitalist system.

The second immunity built in to the analysis is the use of 'contradictions' and 'dialectics' to reconcile seemingly antagonistic or contradictory evidence or arguments. This can be illustrated by considering Amin's criticism of Emmanuel's version of unequal exchange, in which Emmanuel emphasises the importance of autonomous factors specific to a given economy in the determination of the wage rate. Amin argues that

some – like Emmanuel – consider only the subjective forces and, in this context, the wage becomes 'anything', an 'independent variable'.

His critics have equally unilaterally affirmed the pre-eminence of the objective aspect of the dialectical relation: the 'wage-productivity' relation, badly formulated in this way, takes us right back to mechanistic economism . . . we must first understand the mechanism of this objective aspect. We shall see that this first presentation, still unilateral although it may appear to be precise, has serious limitations, which can only be overcome by re-establishing the dialectic between the objective and subjective forces. Moreover, the re-establishment of this dialectic disengages us from 'economic theory', taking us to the level of reality, that is, historical materialism. 1977:195].

In this way it is possible for Amin to reconcile any level of wages with any level of development of the productive forces: these reconciliations are simply effected by means of 'the dialectic'.

These built-in immunities which Amin has constructed are associated in his work with a mode of argument that takes the form of 'assertion-plus-threat'; i.e. a statement is followed by a 'threat' which applies to those who disagree with the statement. The 'threats' are such accusations as trotskyism, anarchism or revisionism [1977:107], economism [1977:236], Ricardianism [1977:189 and 208–209] or simply a failure to understand Marxism [1977:236]. The effects of this mode of argument, and of these built-in immunities are, however, that Amin's analysis is tautological, uninformative and sterile.

The analysis is tautological because the crucial categories, centre and periphery, are defined as having certain characteristics; these characteristics are asserted to be determining; then it follows that all other characteristics are secondary, or results of membership of the category. It is true that Amin's use of information, both historical and current, is impressive in its scope. The analysis is nevertheless uninformative because the basis for selection of the information is given by the theory. Other information is defined from the outset as secondary. The information provided may indeed serve the function for which it was selected, i.e. to demonstrate the correctness of the theory. On the other hand, if it fails to do so, there is always the possibility of resorting to the 'appearances-essences' dichotomy, particularly the version which regards appearances of diversity as disguising the underlying unity.

In the detailed elaboration of his ideas, Amin makes use of those parts of the Marxist apparatus which lend themselves most readily to interpretation in a tautological manner. Five such themes, which are open to detailed criticism, are the following: first, 'laws of tendency' (falling rate of profit and increasing inequality); secondly, the assertion of central capitalism as a 'standard' and peripheral capitalism as a 'distortion'; thirdly, unequal exchange; fourthly, 'world values'; and finally, Amin's denial of national economies as units of analysis.

(i) *Laws of Tendency*

Of crucial importance in Amin's analysis is an examination of the funda-

mental laws and tendencies of the capitalist mode of production, mapped on to actual capitalist social formations; then these social formations are said to represent possible conjunctions of the tendencies of the capitalist system.⁷ One such tendency is that of the falling rate of profit: 'The law of the tendency of the rate of profit to fall remains the essential, and therefore permanent, expression of the basic contradiction of the system'. [1974:123]. However, Amin's version of laws of tendency is a 'dialectical' one, in which tendencies are counteracted, that is, there is no simple realisation of the law of tendency, no simple progression towards a specified end state. Thus the role or significance of any particular event depends upon the theorisation of an underlying tendency as determining; counter-tendencies can be dismissed as secondary phenomena. The privilege accorded to tendencies, and thus to particular events, is ultimately an assertion, but it is an assertion which cannot be challenged on Amin's terms. Thus, for example, Amin argues that 'the dominant tendency in the world system is for the gulf between the centre and the periphery to get wider', [1974:606] and that 'in reality, increasing social inequality is the mode of reproduction of the conditions of externally-orientated development . . . The general law of accumulation and of impoverishment expresses the tendency inherent in the capitalist mode of production, the contradiction between productive forces and productive relations, between capital and labour. This contradiction rules out an analysis of the capitalist mode of production in terms of harmony, and leads us to understand that the quest for an ever increasing rate of surplus value in order to compensate for the downward trend in the rate of profit makes a harmonious development impossible.' [1976 352 364]. Thus, because of the privileged status accorded by Amin to these laws of tendency, any 'counter-acting' events are secondary, however significant they may be for particular economies or particular groups and for however long they may be experienced. Much experience can thus be dismissed, irrespective of its significance, because it has been labelled 'counteracting' by reference to abstract laws. There is, therefore, an inevitability about the 'accuracy' of Amin's theory, an inevitability which is built in to the mode of analysis but which renders the theory sterile.

(ii) *Peripheral Capitalism = Distorted Capitalism*

The second aspect of Amin's theory which is problematic concerns the use of central capitalism as a standard, against which other experience is measured, with differences labelled 'distortions'. (This point is also discussed in Bernstein (1979)). Thus peripheral capitalism is 'distorted' in ways which are defined by deviations from a standard, i.e. central capitalism. The problem with the distinction centre = standard, periphery = distortion is twofold. First it implicitly assumes a 'correct' type of capitalist development; thus forms of capitalist development that do not conform to this correct type are 'distortions'. The 'standard', however, is both abstract and concrete: it is concrete to the extent that it is defined by the actual course of events in the central countries, and it is abstract to the extent that central capitalism is, in Amin's view, tending toward the pure form of the capitalist mode of

production as analysed in *Capital*. These two aspects of the 'standard' do not necessarily yield the same results. The equation of central capitalism as exemplified by the experience of central countries with the pure form of the capitalist mode of production has the effect of ruling out the importance of differences between national economies as significant or determining. This leads on to the second problem of the distinction centre = standard, periphery = distortion, which concerns the implicit homogeneity within the two categories. According to Amin, the essential features and mechanisms of any economy are determined by its membership of one of these categories. The apparent heterogeneity of each group merely disguises the underlying unity. This means that analyses of national economies are misleading – even misguided – since the specific aspects of that economy are not determining. This is less true for central countries, which have their own inner dynamic; for peripheral countries it is overwhelming, since they have no inner dynamic of their own. Thus, not only do peripheral economies have no internal dynamic, but also differences between peripheral economies are 'appearances', and are not significant: thus the differences between the economy of India and that of Honduras are, according to Amin, less significant than their similarities, similarities which derive from their membership of the category 'periphery'. In fact, he argues, the differences are positively misleading, since they disguise the underlying unity.

It is clear that the location of a particular national economy within the world capitalist system has important effects upon the structure of that economy; however, it is absurd to argue that this is the only determination of that economy. As will be argued in more detail below, the denial of national economies as units of analysis, the denial of differences among 'peripheral' economies as significant, and the denial of any 'freedom of manoeuvre' to 'peripheral' economies in relation to world capitalist institutions (markets, corporation, financial agencies, etc) are dangerous denials which discourage Marxists and Socialists from conducting analyses of national economies. The problems which particular economies face depend upon the structure of those economies as well as upon their location within the world capitalist system. This applies equally to 'centre' and 'periphery' – thus the problems of British capitalism are significantly different from those of US, Japanese or Swiss capitalism, and it is misleading and fruitless to assert that these differences are irrelevant.

(iii) *Unequal Exchange*

The third criticism of Amin's analysis is concerned with the characterisation of trade between the centre and periphery as 'unequal exchange'. Amin's definition of unequal exchange is 'the exchange of products whose production involves wage differentials greater than those of productivity.' He assumes that the techniques of production which are used in those sectors of the periphery dominated by international capital are similar to those used at the centre, and since wage rates are much lower than at the centre, unequal exchange is demonstrated. The problem is that 'unequal exchange' can equally be applied to trade among central countries, by the same arguments:

techniques of production and hence productivities, can be assumed to be the same, yet very wide differences can be observed in wages between Britain, the US, West Germany, France, Canada etc. Thus it is not clear that the incidence of 'unequal exchange' is necessarily more likely in trade between centre and periphery than in trade among countries of the centre or of the periphery.

Furthermore, there is a major contradiction between Amin's theoretical arguments concerning unequal exchange and his political arguments concerning the beneficiaries of unequal exchange. In the theoretical arguments, wage differentials must be greater than productivity differentials in order for unequal exchange to take place. On the other hand, Amin denies that the proletariat at the centre benefits from unequal exchange: 'the "high" wages at the centre are mainly due to the high level of development of the productive forces and not to international transfers.' [1977:222]. This denial is necessary to support Amin's notion of a world proletariat facing the world capitalist class, which would be undermined if the centre proletariat received 'high' wages because of unequal exchange. However if the 'high' wages at the centre are due to the high level of development of the productive forces, then productivity at the centre must be greater than at the periphery; i.e. the centre is characterised by high wages and high productivity. This contradicts the whole basis of unequal exchange, which rests on an argument that, since productivities are the same in those sectors dominated by international capital and wages are lower at the periphery, unequal exchange must be occurring. Amin's dilemma is thus solved by a contradiction.

(iv) *World Values*

The above criticisms of Amin's version of unequal exchange arise even if his arguments are accepted on his own terms. The fourth criticism of his analysis relates to a more basic aspect of unequal exchange, that is, problems concerning the notion of 'world values'. Amin asserts that the labour-hour in all countries creates the same value, and that all commodities (both internationally traded commodities and wage goods) are 'international commodities'; thus the same quantity of labour used up in different parts of the world gives rise to a single world value. The problem is that, in order for the labour-hour in all countries to create the same value, or for all labour-hours within a given country to create the same value, definite social conditions must be specified, most importantly the condition of competitive capitalism. This condition is not met by Amin's assertion of the international mobility of capital (presumably 'perfect' mobility); the condition is contradicted by his discussion of monopolies. Conditions of capitalist competition vary enormously within economies, between different industries and branches of industry, and between economies, thus affecting the 'value' of 'the labour-hour'. Any given economy produces particular commodities, and faces particular firms: world markets for petroleum, cotton, jute, copper and bananas, for example, vary in their institutional organisation and in the conditions of capitalist competition. To assert, implicitly or explicitly, that the condition of

capitalist competition is met, is to deny the effects of these variations which affect particular economies in different ways.

A further problem of Amin's assertion of 'world values' is a more general problem of analysis in terms of the value form. Amin's analysis contains a confusion: on the one hand, he equates value-and-money-forms, thus assuming that values and prices are interchangeable; on the other hand, he acknowledges that values cannot be transformed into prices. The direct equation of value-forms and money-forms is illustrated thus:

'An African peasant obtains . . . in return for 100 days of very hard work each year, a supply of imported manufactured goods, the value of which amounts to barely 20 days of simple labour of a European skilled worker. If this peasant produced with modern European techniques . . . he would work 300 days a year and obtain a product about six times as large in quantity: his productivity per hour would at best be doubled. Exchange is thus very unequal in this case: the value of these products, if the reward of labour were proportionate to its productivity, would not be of the order of \$9 bn (which is what it is) but 2.5 times as much, that is, around \$23 bn.' [1976:143-4].

These calculations should not be taken seriously. Even if we attempt to take them seriously, by regarding the source of the numbers as a mystery rather than an invention, they involve a direct equation of prices and values. However, Amin himself acknowledges that the transformation of prices into values is impossible: in a section of *Imperialism and Unequal Development* somewhat arrogantly entitled 'The End of a Debate', he argues that 'The importance attached by some authors to the question of 'transformation of values into prices' reflects . . . a fundamental error in the understanding of the nature of the Marxist concept of value. It is clear that it is impossible to derive the system of prices mathematically from the system of values while maintaining an equality between rates of profit and the rate of surplus value . . .' [1977:223].

Why the rate of profit and rate of surplus value should be equated is not clear. Perhaps the reason is that Amin himself does not understand 'the nature of the Marxist concept of value'. The basic problem is that Amin's work, in many places, uses value analysis to examine prices, and Amin himself 'transforms' values into prices. He does this without indicating the basis for this transformation, acknowledging that Marx's 'solution' was incorrect [1976, 61-62], but without providing us with a 'correct' version of the precise nature of the relationship between prices and values. If there is no systematic relationship between prices and values, then it is not clear what the purpose of value analysis is. Even if a systematic relationship between prices and values is constructed at a theoretical level, there are still vital political and economic issues which are not aided by value analysis, e.g. the terms of trade, international commodity markets, trade within multi-nationals (transfer prices) etc.⁸ Amin himself admits that the prices at which many commodities are traded are 'arbitrary'—presumably in the sense that value-analysis will not further our understanding of such prices. Such 'arbitrary' (in Amin's sense) prices are, however, of vital importance in many

UDCs, and some means of analysis of these prices, taking account of political processes, bargaining etc. is necessary. To this value analysis has nothing to contribute.

(v) *The denial of national economies as units of analysis*

The fifth criticism of Amin's analysis is concerned with his denial of the importance of national economies as units of analysis, and with implications of that denial. Amin's denial of national economies as units of analysis is based on the notion that the heterogeneity of peripheral economies disguises their underlying unity, and that, in any case, the economic and social structure of the periphery can only be comprehended at the world level, since peripheral social formations have a 'missing class', and since peripheral economies have no internal dynamism. The problem is that the level of a national economy is a level at which crucial issues are determined, which affect the conditions of operation of capitalism, and the conditions of political struggle. These conditions vary between economies, and have important effects on economic, social and political organisation. As well as denying the importance of national economies as units of analysis, Amin denies the effectiveness of national economic policies in the periphery, thus asserting that peripheral economies have no freedom of manoeuvre in relation to world capitalism, and therefore denying that national economic policy is a legitimate arena of political struggle and dispute. Some examples of issues which significantly affect the conditions of operation of capitalism, and conditions of struggle, are as follows: (a) policies towards multinationals. e.g. requirements concerning localisation of personnel and training; local content requirements concerning inputs; taxation policies; disclosure requirements with respect to information; (b) policies towards wages, which can significantly affect the distribution of income, structure of demand and composition of output e.g. the distribution of income in Tanzania is significantly different from that in Brazil, South Africa or Nigeria; (c) policies towards trade unions; (d) State enterprise and the development of industry; (e) the receipt of aid from Cuba and the Soviet Union; (f) the level of long-term indebtedness and hence the relationship of a national economy to institutions such as the IMF, which significantly affects a country's 'freedom of manoeuvre' in terms of its ability to pursue independent national economic policies.

Not only does Amin deny the effectiveness of state policy, but also all other differences within the 'centre' and within the 'periphery' are regarded as secondary: thus the differences between Brazil and Tanzania, India and Chad, Spain and Japan, and the US and Italy, are dismissed as secondary. It is clear, however, that major differences between countries cannot be dismissed simply as a result of Amin's theorising. It is irresponsible to argue that a progressive government in a 'peripheral' country can do nothing to alter the conditions of operation of capitalism or the conditions of life of the population. Amin's denials dismiss vital areas of struggle, and areas of research and analysis, which can significantly alter the economic, social and political structure of 'peripheral' countries. Given that there are many

'peripheral' countries where the political forces for a socialist revolution are weak or nonexistent, these arenas cannot be dismissed without disregarding the conditions of life for the majority in such countries in the short and medium term. There are some 'peripheral' countries where the freedom of manoeuvre of a progressive government may be limited, and others where it may be less limited, but this cannot be determined in the abstract. Thus, for example, a 'peripheral' economy in debt to the IMF, forced to adopt IMF-dictated economic policies (involving 'liberalisation' of trade and capital movements, reductions in government expenditure, deflation, devaluation, etc.) has significantly less freedom of manoeuvre than a 'peripheral' economy with a strong balance of payments, less dependence on world trade, a large internal market, etc. Furthermore, the possibility of collectively increasing bargaining power vis-à-vis multinational corporations by developing units of economic co-operation cannot be dismissed in the abstract as irrelevant. State policies such as indigenisation, taxation, public ownership, commercial policies, wage differentials, relations with socialist countries, etc. all provide potential areas of struggle, the outcome of which has significant effects.

The basic problem with Amin's analysis is that it cannot provide an understanding of any particular economy, since it denies the necessity of doing so. Political struggle, however, is organised at national or sub-national level, and is generally specific to the nation where it takes place. Therefore analysis of particular national economies is an important area of work despite Amin's denial. No information is provided by Amin which might contradict – even *prima facie* – the correctness of his analysis; thus areas of struggle which are specific to particular economies will inevitably be omitted.

III. CONCLUSIONS

In Section II it has been argued that Amin's theory is deficient in many respects. The theory is logically inconsistent, but has tried to immunise itself from important criticisms. The effect of these immunities is to render the theory tautological. In addition, the theory produces political conclusions which are irresponsible.

Amin's world-level theory contains within it an explicit rejection of other levels of analysis, such as the national or sub-national, on the grounds that his world-wide theory necessarily provides a better explanation of particular historical instances than would be generated by a study of those particular instances. In this way an analytical straightjacket is imposed on all historical experience, but since the analytical framework is ultimately derived by assertion, it requires a mighty act of faith to accept it. Since the analysis contains many errors of logic, inconsistencies, and internal contradictions, a strong case can be made for rejecting it. Even if these logical inconsistencies and contradictions could be resolved satisfactorily, a strong case can still be made for rejecting it, on the grounds that it precludes, by assertion, theoretically and politically important work at the level of national economies.

An argument which states that analyses of national economies are

necessary is not a total rejection of world-level theorising. Instead it is an argument for reinstating into Marxist analysis the historical specificity of economies, institutions and agencies, whilst retaining from Marxism its emphasis on an historical approach, the setting of economic issues in their social and political context, and the analytical importance both of general forces associated with international capitalism, and of the particular forms which the development of capitalist social relations have taken in different places and at different times.⁹ Such an approach would be superior to Amin's theory, since it merely provides the means of asking important questions. Amin's practical propositions indicate clearly the manner in which, in his thinking, the answers to important questions are provided in the abstract. For example, Amin's proposition that only a radical and complete break with the world capitalist system will provide the necessary conditions for genuine development, can only be described as dangerous arrogance. The tragic example of Kampuchea may be dismissed as an 'appearance', but the attempt was clearly made in that country to break with the world capitalist system, and with disastrous consequences. It is not surprising that theoretical purity generates the wrong answers to specific strategic questions, since specific questions require specific answers. Amin would probably regard the policies being pursued in Mozambique, Angola and Zimbabwe as disastrous, since they involve complex negotiations with various capitalist agencies. Some would think that it is fortunate that Amin's political influence has not been extended to those countries.

NOTES

1. For a fuller discussion of the inadequate definition of the concepts 'centre' and 'periphery' see Disney [1977].
2. There are some curious arguments in Amin's discussion of the 'newly industrialising countries' (NICs): the concentration of manufacturing industries in a few countries hardly rules out the possibility of extending this to all countries of the Third World, since the development of industry generates increased incomes, widened markets, expanded demand for manufactures, etc. Furthermore, many 'NICs' have a home-grown bourgeoisie (e.g. South Korea), considerable internal dynamism and technical progress.
3. Progress in the centre was hardly 'regular', even though the 'blockages' may have been manifested in other types of 'crisis'.
4. This definition contains within it a contradiction, which is that differences in real wages, i.e. in the value of labour power, will imply differences in organic compositions of capital for otherwise identical production processes.
5. This contradicts earlier points about labour hours having equal productivities, with only wage rates varying.
6. It is not clear what a 'radical and complete break with the world capitalist system' means, even for large economies, let alone small ones.
7. The implications of Marxists' reliance on laws of tendency are discussed in detail in Cutler *et al* [1978: Vol I, Part II]. Much of the criticism of Amin's use of laws of tendency is not exclusive to Amin's use of the concept.
8. Such criticisms of value theory apply to most attempts to make the labour theory of value 'operational', not just to Amin's.
9. For further discussion of these issues, see Brenner [1977], Smith and Toye [1979].

REFERENCES

Amin, Samir, 1974, *Accumulation on a World Scale*, Sussex: Harvester Press.