

# Globalisation and the Critique of Political Economy. New insights from Marx's writings

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Is Marx still useful to understand the present economy? This very interesting book by Lucia Pradella shows that he is, especially with reference to the global dualism which is generated by capitalist accumulation. Pradella's point is to prove that the critics of the last decades, who accuse Marx of consenting to a Eurocentric vision, are wrong.

According to these critics, Marx saw western capitalist development as a process of civilization by far superior to non European experiences. The latter were backward economies and civilizations, which at their best were only preparatory steps to western progress. Thus the real revolutionary processes will happen only in the center of the capitalist empire, not in the periphery. Non-western economies — and the social oppression, contradictions, aspirations and struggles for liberation they generate— are unimportant phenomena or by-products of the real development.

This is the accusation. The main evidence produced for it is Marx's theorization of the Asiatic mode of production, as different from the European (capitalist) mode. The first is not a profit-seeking system, nor is it based on private property and individual enterprise. In the Asiatic model, the oppression (rather than the capitalist exploitation) of workers and of low classes derives from the despotism of the sovereign and the elites, who appropriate agricultural rent. According to the critics, Marx and Engels extend such a model to all non western organizations of production, either tribal or community economies or even those capitalist economies, like those of Latin America, where processes are of a primitive and distorted nature.

Pradella does not provide a detailed report of these criticisms (see for ex. p. 5). However her aim is clear: she wants to prove that Marx had in mind, since the beginning, the global (world-level) nature of capitalist development. Then she shows with a massive documentation that — apart from some initial uncertainties and Eurocentric temptations, which she diligently records— Marx investigated non capitalist systems in depth. Then he acknowledged the existence of many elements which are contrary to the Asiatic mode of production, like private property, community's management of production and distribution, etc. According to the author, in Marx's mind, the oppression expressed by non-capitalist or capitalist-peripheral economies did generate social movements which could be essential to the general revolution (see especially section 5.4). This is what Pradella expresses with the formula, often repeated, of "capitalist uneven and combined development".

To this end, Pradella passionately carries on a thorough, painstaking research across the notebooks that Marx has been compiling along all his research activity. In these notebooks Marx recorded long excerpts taken from contemporary or past authors, and inserted his shrewd remarks. Some of these materials became the basis of his published works; some have been reorganized in posthumous works, published by Engels (*Capital* II and III) and Kautsky (*Theories of surplus value*). Other materials were published much later as draft (*Grundrisse* 1857-58; the 1861-63 "Manuscripts"). Finally there are the notebooks which are now published in the MEGA2, the critical re-edition of the complete works of Marx and Engels (Gesamtausgabe, Berlin: Dietz/Akademie Verlag). Among the latter, there are the 1840s notebooks and those of the 1850s (the "London notebooks"). These have been little explored until now, and our author makes an insightful and examination of them.<sup>1</sup>

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<sup>1</sup> However, in the citations from MEGA2, often it is not clear which of Marx's writings Pradella is referring to.

However the analysis of the book is not confined to these still unpublished notes of Marx. The author reviews, through the notebooks, all published or unpublished Marx's works, and she traces the formation of his ideas about the world economy: on how it is born, how it develops, and where it is going. At the beginning I was afraid that hers was a purely philological (and boring) analysis, but it is not so. Through the detailed accounts of Marx's readings and of his comments, Pradella provides a reconstruction of the scientific and cultural environment of the different periods of Marx's life, not only about the economic debate, but also about a number of social sciences — anthropology, sociology, history, empirical economic investigations, etc. This overall picture is of great interest for the historians of economic and social thought. It also shows step by step the titanic investigation carried on by Marx. He was interested in all kinds of social organization throughout the world, in order to understand the very nature of capitalism. Pradella also critically discusses a great quantity of Marxist studies which have been published on the different subjects touched in Marx's research.

On the other hand, Pradella denies that any teleological view, or determinism or metaphysical approach, can be found in Marx. She interprets Marxian categories and analyses as necessarily connected to one another. Even the absolute impoverishment of the proletariat, expressed in the first book of *Capital*, or the extension to all mercantilism of the profit upon alienation theory — two of the most perishable of Marx' theses— are taken for granted.

However the chapter devoted to the Hegel shows that Marx, despite his criticisms, did borrow from his old master, not only the philosophical phraseology, but also the teleological and deterministic approach. From this viewpoint he was actually tempted to consider western capitalist development as the only important world process, being the true destination of human civilization. In his words, the “mission” of capitalist development was to prepare the realm of liberty, i.e. the disappearance of the realm of necessity and of the consequent social oppression (*Capital*, III, ch. 48.3).

Nevertheless, his teleologism did not prevent Marx from providing what is, still now, the most insightful analysis of capitalist development, on the historical, social and economic level. Although many parts of it do not hold any more, this analysis is still able to explain many elements of the present economy (but not all of them).

Pradella herself uses the Hegelian-Marxian categories and adopts, unawares, a teleological approach. As in other Marxist authors, sometimes an initiatory language protects her reasoning like an armor, and tends to preclude the dialogue with other approaches.

Despite this, Pradella shows a strong attitude to research, which prevails on ideology. Besides the important achievements we have already mentioned, this is proved by her noticeable treatment of Marx's analysis on foreign trade; an analysis whose importance and originality usually escapes even the experts. By using several sources of Marx's writings, the author shows that foreign exchange was conceived by Marx as the way of strengthening global dualism. Developed economies, he states, by having an increasing productivity, can produce their goods at decreasing costs, which are below the world average. Then, by selling them at the international market price, these countries can draw a higher profit; that is, they get an increasing advantage (section 5.7). The reverse happens to the less productive economies. This type of exchange obviously increases the distance between developed and backward countries. This is the very core of dualism.

Unfortunately, Pradella does not compare this important analysis with that — much better known— of the development economists of the 1950s (who were unaware of Marx's treatment of the issue). Raúl Prebisch in particular — while commenting the UN data on the secular deterioration in the terms of trade for third world exports— tried to explain the growing disadvantage for the less developed countries. However, his explanation is not satisfactory. He maintains that the increase in productivity of western economies should lower the relative price of their exports in the exchange with third world exports (“El desarrollo económico de la América Latina”... (1950), in *Desarrollo económico*, 1986, num. 103, p. 482b). The paradoxical result of his argument is that the increase in productivity of the developed countries should go to the advantage of the poorest countries and to the detriment of the developed ones. Actually — as it is clear from Marx's treatment, exposed by Pradella— Prebisch reasoned as if international exchange happened directly between the two countries, not through the international market.

Had Marx's considerations gained the attention of the development economists, probably some mistakes in the development policies of the post-war decades could have been avoided. Accordingly, the general conclusion of Pradella's book is appropriate: today's globalization can be better understood by using Marxian analysis (we should add: among others).