

On Capital-Imperialism: An Interview with Virgínia Fontes

Virgínia Fontes is one of today's most distinguished Marxist thinkers in Latin America. She was Professor of Social History at the Fluminense Federal University (UFF) and Senior Researcher at the Oswaldo Cruz Foundation (Fiocruz) in Rio de Janeiro, Brazil. In her book *Reflexões im-pertinentes: História e capitalismo contemporâneo* published in 2005, she examined the development of capitalism and its new forms of commodification through a combination of theoretical reflection and empirical analysis. Based on the concept of expropriation, her research reflects a recovery of the critique of political economy in social theory. The widely acclaimed 2010 publication of *O Brasil e o capital-imperialismo. Teoria e história* marked the high point of her reflection. In a critical dialogue with one of the most important authors of the Marxist Theory of Dependency, Ruy Mauro Marini, she proposed a new theory of imperialism which was able to move Latin American Marxism beyond the theses of the 1960s. Here she is interviewed by **Guilherme Leite Gonçalves**, Professor of Sociology of Law at the Rio de Janeiro State University (UERJ). We are especially grateful to Allan Hillani, Bruna Coelho, Cesar Barreira, Clay Johnson, Mozart Pereira, Rhayza Ruas and Thayná Carneiro for their work on the translation of this interview from Portuguese into English.

Guilherme Leite Gonçalves: *In the production and circulation of knowledge, dependency theory exemplarily overcomes the intellectual subalternity that haunts Latin American thought. Globally, it has spread into various fields of study. Is it possible to explain this recognition in the light of its potential to describe and criticize the structures of capitalist society?*

Virgínia Fontes: There is a serious theoretical effort to separate the Marxist Theory of Dependency (MTD) from approaches with “adaptive” rather than anti-capitalist outcomes. W.W. Rostow’s book, *The Stages of Economic Growth: A Non-Communist Manifesto* (1960), became the mantra of international institutions, imposing steps that “underdeveloped” countries should take to “develop themselves.” Numerous analyses have proved them false. UN entities – such as ECLAC / CEPAL – showed that the expansion of capitalism blocked the development of the latecomers as “unequal exchange” drained the wealth these countries produced, hindering their industrialization. Others considered underdevelopment the form of capitalist development in peripheral countries. Despite criticism, such theories remained entangled within “capitalist development.”

MTD went beyond these approaches. Analyzing the expansion of capitalism as the exacerbation of inequalities, it both addressed the *whole* of capitalist relations and analyzed, through value theory, the specific forms by which capitalism *expanded* itself in the peripheries. It made a huge theoretical and practical leap in reiterating the need to overcome capitalism itself – and not merely its underdevelopment or its various forms of dependence.

GLG: *In your work, there is critical acknowledgement of Ruy Mauro Marini’s thesis on peripheral capitalism. For Marini, the dependency of the Latin American bourgeoisie would lead to a deformed capitalist development in the region, based on the restrained functioning of the law of value due to the super-exploitation of labor. That is, by converting the necessary funds for workers’ consumption into funds for the accumulation of capital, the peripheral bourgeoisie manages to both keep for itself part of the surplus value and hand over part of it to the capitalist center. What are the obstacles faced by this thesis?*

VF: Marini is a fundamental thinker with a double perspective on this subject. For him, the role played by a given peripheral country is not definitively traced. There are variables related to imperialism, local capitalist accumulation, social struggles, the state, and so on. His analysis is brimming with historicity as it dismisses a fixed and rigid hierarchy of countries and other sorts of reductionisms, which enabled him to grasp Brazilian sub-imperialism in a context of changes in international capitalism. Furthermore, he developed a structural approach to the law of value under imperialism: the super-exploitation of workers in peripheral countries and the split between the cycles of production and consumption explained the transfer of value to capitalist

centers. Thus, Marini kept in sight the contradiction between imperialism and the universality of Marx's theory of value, and between national particularities and imperialist tensions.

These bold statements require constant reinterpretation since they simultaneously address both the expansion of capitalist relations and the processes of uneven reestablishment of dependency. They allow us to infer that dependency does not produce fixed relations between countries nor does it come down to a constant sub-cycle within capitalism. Instead it represents an intensification of its contradictions. I have analyzed the expansion of capitalist social relations in Brazil in a period after an intense process of expropriation of peasants. With the reduction of the peasants' "reserve," the tendency of the law of value to expand has been strengthened – not hindered – due to the sociohistorical requirements for the reproduction of labor-power. Through intense struggle, workers obtained minor improvements in their situation, but these were soon followed by an aggressive cycle of *secondary expropriations* promoted by capital. These secondary expropriations also affect the central countries, which is why Marini's thesis of super-exploitation must be continuously investigated in the light of the international situation.

There have also been changes regarding the split between production and consumption. In the 1960s, Brazilian industry produced luxury goods that were mainly intended for the consumption of small-scale social strata or for exportation. However, from 1970 onwards, consumer credit expanded access to such goods, transforming the gap between production and consumption, but also exacerbating inequalities. Marini asserted that Brazilian sub-imperialism was defined by the exportation of commodities (caused by the resulting underconsumption of the super-exploited working class) and by the relative autonomy of the state. In this sense, I have pointed out since the 1990s that the displacement of Brazilian companies to other peripheral countries and the establishment of Brazilian multinationals that directly export capital or exploit labor-power and natural resources in other countries are evidence of this sub-imperialism. I don't see in Marini's work the hypothesis of a "deformed" capitalism in peripheral countries, for this idea implies that this previous stage could have developed into a "normalized capitalism," which is a false premise.

GLG: What is the difference between Marini's concept of sub-imperialism and your concept of capital-imperialism? Why "capital-imperialism"?

VF: Several decades separate our analyses. While Marini emphasizes the structural process of value transfer, I seek to correlate the social production of humans available for labor (expropriations), specific forms of concentration and property internationalization, new modes of value extraction, and the redesign of states and politics (departing from Gramsci). The exacerbation of social contradictions increasingly responds to the opposition between capital and labor, even when *displaced* into inter-capitalist-imperialist tensions.

I called capital-imperialist expansion a new scale of capitalism, *in which concentrated and competing capitals act in consortium*. The internal domination of capital requires external expansion via markets, exports, capital circulation, and boosts expropriations of land, rights, and existential conditions of the environment and biology of entire populations. Social relations that are fundamental for capital are generalized based on intense anti-communism. New fractions of the bourgeoisie and some peripheral states are strengthened, but the diversity of their political organization is reduced to a nominally "democratic" frame. The scale of the centralization and concentration of capital in the center and in some peripheries results in the predominance of a pornographic fusion of "pure property," increasingly "abstract" and "social." A handful of big owners of capital rushes to valorize capital and pushes "functioning capitalists" into the most diverse, even brutal, modes of value extraction. The private property of the *social resources of production* (the ability to gather the means of production and labor-power for the extraction of value) becomes absolute. Multiple expropriations are intensified, impelling new and terrible forms of labor through the industrialization of every human activity and the exacerbation of competition among workers.

I tried to avoid the terms neoliberalism and crisis. Neoliberalism is not the downfall of "civilized" capitalism because it results from the *expansion* of that capital-imperialism, not from its crisis. We are living under its dramatic expansion: crises affect growing masses of workers without even touching "pure" property. The spatial expansion of capital corresponds contradictorily to the political encapsulation of the working masses in the national space. A great part of humanity integrates the process of production and/or circulation, renewing inequalities. The representative-electoral format is disseminated, but democracy is reduced to a wealth-based autocratic model. Political action becomes bipolar: internationalized for capital and fragmented for labor. There is intense bourgeois activism, either through official international entities (UN, WTO, IMF),

informal politics (dissemination of non-profit-making entities), or formal politics within states. Through expert commissions and constitutional blockades, the bourgeoisie tries to prevent any popular attempt to overcome capitalism. A capital-financed bureaucracy dominates the public administration within states, reducing democratic aspects and the margin of action of the subaltern. Capital-imperialist expansion – not crisis – leads to new national and international tensions between social classes and capital-imperialist countries.

GLG: *At the root of the notion of capital-imperialism lies the discussion about expropriations, which refers to Marx's reflection on so-called primitive accumulation. There is a long tradition of this debate going back to Rosa Luxemburg. How do you fit into this tradition? What does expropriation mean and what is its relation to the extraction of surplus value?*

VF: Marx insists that expropriations integrate capitalist social dynamics. They are not only its “previous moment.” The existence of free workers constitutes the *social basis* for the expansion of its *crucial social relationship*, embedding capital and labor for value extraction (valorization of value). Nowadays, this massive disposability tends to reach the whole population, converting singular beings into a bare necessity, a compulsory disposal for the sale of labor-power under any conditions. Massive expropriation is the initial social condition and result of capitalist expansion.

Until recently, the vast majority of the world's population lived in the countryside, under pre-capitalist conditions. The rural world appeared as an effective exteriority vis-à-vis urban capitalism, but this has changed. Rosa Luxemburg believed that the expansion of capital required non-capitalist frontiers because of the impossibility of mercantile achievement within the strict limits of capitalist societies. David Harvey modified the formulation asserting that, today, capitalism produces such externalities (the “dispossession” that portrays a further unfolding of “normalized” capitalism). I disagree: there has never been a “normalized” capitalism, and the countries in which that seemed to happen, employed barbaric and imperialist forms of value extraction. These are suggestive propositions, but we must insist that the basic social relation, *internal* (not external) to capital, is the production of necessities and the first of them is the production of social beings who need to provide their own subsistence through markets. Rosa Luxemburg reminds us of the overwhelming role of the continuous expansion of capitalist social relations.

GLG: *To what extent is the concept of expropriation fundamental to understanding Marxist analysis as a critique of political economy?*

VF: It is no longer possible to ignore expropriations. While [the old] land expropriation still goes on in rural zones, new kinds of expropriation have attacked urbanized populations for centuries. I call the latter *secondary expropriations*. They do not represent a loss of property over the means of production, like land. Currently, secondary expropriations act in two ways: 1) similar to the English parliamentary expropriations of the sixteenth and eighteenth centuries, as an ongoing withdrawal of rights, including those associated with labor contracts, suppressing the contract itself in many cases; privatization of public enterprises; and the opening of large sectors of activity to the extraction of value, especially in education and health; 2) expropriations of natural resources, such as water and forests, which used to be for social use and whose monopolized ownership would have been unimaginable decades ago. Indeed, the conditions of life reproduction are being monopolized by means of patents of biological and human life and the use of *terminator* transgenic seeds.

Showing the correlation between the concentration of social resources of production and the expropriations highlights how capitalism cannot exist without labor and value extraction. It assumes multiple and associated forms, from the most barbaric to the most “innovative,” of increasing international competition imposed on workers deprived of international means of confrontation. It is not enough to speak of “financialization,” as if there were good (productive) and bad (financial) capitalists: They are united and act together in almost all sectors of the economy, and both depend on the extraction of value from workers.

GLG: *How do you explain the Brazilian parliamentary coup of 2016?*

VF: Brazil is a capitalist country because of prevailing social relations (massive primary and secondary expropriations, and concentration of capital, with multiple forms of value extraction) and an industrialization process directly connected with the expansion of capital-imperialism. The Brazilian bourgeoisie has had an active role in the defense of capital-imperialism; they benefited from a sustained growth achieved through

privatizations and capital donations in Cardoso's (PSDB) government. The following government, led by the Workers' Party (PT), also expropriated rights, but in a subtler way. During those years, Brazilian bourgeois fractions implemented official (through electoral campaign financing) and extra-official forms of political action. Through non-profit organizations they tried to neutralize the efforts of the working classes by means of co-optation, scarcity of resources, and criminalization.

The 2016 coup was motivated by an economic crisis that started in 2013-14 and disorganized the prevailing arrangement. Corruption was under national exposure, encouraging weaker bourgeois fractions to denounce each other. Some Brazilian companies became multinational, which aggravated tensions inside and out. Their local arrangements were reported by foreign competitors. And judicial persecution showed that internal and external rearrangements were needed. The unification of these dominant classes was based on the acceleration and aggravation of brutal secondary expropriations of workers.

Recent Brazilian democracy under capital-imperialism presupposed the conciliation of the population while assuring support for the internationalization of Brazilian capital. This is how a pro-capitalist left (PT) was admitted to secure the process. However, this increased electoral competition and its costs. Brazilian groups, with the support of their far-right American counterparts, financed an intense anti-communist campaign criminalizing the PT and aiming to block *any consistent left* from reaching political prominence. The monopoly over television broadcasting imposed a unilateral *diktat*, escorted by extreme police and paramilitary violence against the recalcitrant sectors of the population in general. All of this happened under the rule of bourgeois institutions and their checks and balances. We are seeing an accelerated *constitutionalization* of the interests of capital, assuring expropriations and unruly forms of value extraction, including the revenues of the owners (native or not) of the public debt. The Constitution is enforced when it matches the interests of capitalists (Brazilian or foreign).

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