MARXIST ANALYSES AND CAPITALIST DEVELOPMENT IN THE THIRD WORLD

JAY R. MANDLE

In a well-known passage from the Preface of Volume I of *Capital*, Marx wrote that "the country that is more developed industrially only shows to the less developed the image of its own future." Earlier, in an article entitled "The Future Results of British Rule in India," published in 1853, Marx argued that with British investment in railroads, economic development in the sub-continent would be triggered. He wrote that "when you have once introduced machinery into the locomotion of a country which possesses iron and coal, you are unable to withhold it from its fabrication . . . . The railway system will therefore become, in India, the forerunner of modern industry." In short, according to Marx, "England has to fulfill a double mission in India: one destructive, the other regenerating – the annihilation of the old Asiatic society and the laying of material foundations of Western society in Asia." Lenin took a similar stance with regard to the discussion of capitalist development. In *Imperialism*, Lenin argued that a world capitalist system had formed and would result in the spread of economic expansion. Lenin wrote:

The export of capital influences greatly accelerates the development of capitalism in those countries to which it is exported. While therefore the export of capital may tend, to a certain extent, to arrest development in the capital exporting countries, it can only do so by expanding and deepening the further development of capitalism throughout the world.

The point of view expressed by both Marx and Lenin was thus essentially optimistic with regard to capitalist economic development. Again quoting Marx, "the bourgeois period of history has to create the material basis of the new world – on the one hand the universal intercourse founded upon the mutual dependency of mankind, and the means of that intercourse; on the other hand, the development of the productive powers
of man and the transformation of material production into a scientific domination of natural agencies. Bourgeois industry and commerce create these material conditions of a new world in the same way as geological revolutions have created the surface of the earth.”

In reaching this conclusion, Marx's exclusive concern was with the development of the productive forces of society. Such a focus was maintained with no illusions that such an advance in productive capacity implied the full satisfaction of human needs. As Avineri has put it, Marx was able “to disassociate moral indignation and social critique from historical judgment.” As such, he was able to acknowledge advances in technical methods of production without confusing such advances with the separate issue of the construction of a satisfactory social order. Indeed, the fundamental Marxian thesis in this regard is precisely that despite capitalism's prodigious capacity to advance a society's ability to produce goods and services, it is systematically incapable of allowing the creation of a satisfactory social order.

A major thrust in contemporary marxist scholarship, however, has been to reverse this assessment of capitalism's universal capacity to generate economic development. According to Michael Barrat Brown, the first marxist questioning of the diffusionist view occurred at the Sixth Congress of the Communist International in September 1928. In a thesis on colonial and semi-colonial countries adopted at that Congress, it was argued that “capitalism, rather than developing all areas that it touches, can positively 'underdevelop'.”

It was not, however, until the 1950s and the American publication of Paul A. Baran's work that marxist scholars systematically addressed themselves to the problem of underdevelopment. Especially in *The Political Economy of Growth*, published in 1957, Baran undertook a serious discussion of the causes of economic backwardness. He argued in agreement with the 1928 Communist International thesis that modern capitalism acted to block development in poor countries. This it did because imperialism stifled the emergence of an indigenous capitalist class. Preempted by foreign competition from the most lucrative sectors of the economy, the local capitalists were prevented from becoming a fully industrialized capitalist class. Faced with the choice of mobilizing a capitalist/worker/peasant alliance to carry through a full bourgeois revolution or accommodating itself to foreign capital, the local business leaders chose the latter course. They did so because in the era of internationally ascendent socialism, the risks were great that the masses, once mobilized,