**Imperialism: novel forms, old problems**

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*A review of John Smith,****Imperialism in the Twenty-first Century: Globalization, Super-Exploitation, and Capitalism’s Final Crisis****(Monthly Review Press, 2016), £18.99*

The significance of John Smith’s book lies in his powerful critique of mainstream economics and official statistics as he attempts a renewal of dependency theory. Mobilising Marxist value theory to this end he argues that the Global South’s formal independence masks an abiding economic and political subordination to the imperialist powers and powerful Northern capitals. The book’s impact is reflected in the critical commentary that it has provoked, including on Michael Roberts’s blog.[\*](http://isj.org.uk/imperialism-novel-forms-old-problems/#footnote-520-1)

Smith’s opening chapters highlight the devastating impact of globalisation on Southern labour. His initial focus is on iconic global commodities—T-shirts, iPhones and coffee—and Smith emphasises the disparity between the wages of those producing values and the retail prices and profits in the advanced importing countries. Thus, while the numbers employed in iPod-related activities in China and the United States are broadly similar, total wages in the former in 2006 were $19 million but $719 million in the latter (p28). Smith argues, therefore, that value produced in the South is disproportionately captured as profit in the North. Meanwhile, the horrors of globalisation, including environmental devastation and the deaths of workers in unsafe factories and dormitories, are concentrated in the Global South.

Smith argues that the scale of transnationalised production is understated by foreign direct investment (FDI) data since transnational corporations (TNCs) increasingly organise global production chains via arms-length relations with independent Southern firms, rather than investing directly in overseas production. These relations have grown dramatically in recent decades: export processing zones, home to much Southern manufacturing, now exist in over 130 countries and in 2010 there were 541 million industrial workers living in the Global South compared to 145 million in the imperialist countries (p101). The share of wages in national income is falling everywhere (more rapidly than official figures indicate since, as Smith points out, the stratospheric pay packages, bonuses and stock options of employers and managers are included as income to labour). But for Smith the low wages of workers in the Global South are at the heart of imperialism.

Global labour arbitrage involves the shift of production to low-wage economies, where it is reinforced by factors such as repressive labour regimes and huge flows of female workers and workers from the countryside into factories. The consequence is “super-exploitation”, defined as the payment of wages below the value of labour power. Increases in absolute and relative surplus value (by extending working hours and increasing productivity respectively) persist, but Smith argues that “super-exploitation” is increasingly dominant in the Global South and key to explaining the changing form of imperialism.

However, while it is clear that powerful capitalist forces have restructured global capitalism to enable massive exploitation of huge numbers of new workers, the concept of “super-exploitation”, and the political consequences that Smith sometimes suggests, are problematic. The value of labour power is the socially necessary labour time required to produce and reproduce that labour power. But how is social necessity defined? Smith rightly highlights the migration controls that keep Southern workers largely confined to national labour markets and maintain downward pressure on wages, and for most of the book it seems that national yardsticks of social necessity apply. Yet, rather late in his analysis, he quotes Andy Higginbottom—who has promoted the importance of “super-exploitation” in Marxist analysis—that Southern workers are super-exploited because they are “systematically paid below the value of labour power” of Northern workers. But despite deepening global economic integration, there is no international value of labour power; the production and reproduction of Southern labour power are not easily related to the value of labour power in the North. Meanwhile low wages, casualisation and youth unemployment continue to characterise advanced capitalism. What is more, Smith rightly argues that despite a gradual movement up the value chain, Southern manufacturing produces low value-added commodities and is heavily reliant on imports of high value technologically advanced inputs from the rich countries. This suggests that he should not rush to the conclusion that Southern workers’ low wages confirm “super-exploitation”.

The key political problem with Smith’s analysis concerns the beneficiaries of Northern transnationals’ profit capture. The equalisation of profit rates entails a transfer of value from less to more productive capitals, and at the global level Northern capitalists may gain at the expense of Southern. But it is difficult to discern benefits to Northern workers, particularly in industries where production has shifted to the South. Indeed, Southern manufacturing jobs, for example in Latin America and Africa, have also been lost as a result of Chinese competition. Yet Smith quotes Tony Norfield that there “is a direct economic benefit for the mass of people in the richer countries” (p14), and argues that there is a “distribution of some of outsourcing’s bounty to increasingly wide sections of the working class through falling prices of consumer goods” (p41). Certainly, falling consumer prices cushion the blow of unemployment and wage restraint, and lower the value of Northern labour power, but if “super-exploitation” does exist it is better understood as involving a transfer of value to capital rather than to Northern workers.

Smith’s work grapples with the contemporary dynamics of imperialism, which no longer centres primarily on advanced capitalist exploitation of Southern primary products. It is thought-provoking and should be widely read. But the key problems of dependency theory remain and cannot be side-stepped by disdainfully, and occasionally moralistically, labelling its Marxist critics as “Euro-Marxists” (writers from the Socialist Workers Party are among Smith’s chief targets), as if the argument that Northern workers may be more exploited than Southern workers entails an insensitivity, or even blindness, to Southern labour’s exploitation and associated horrors. If Marxism is adequately to grapple with contemporary imperialism, it is imperative to reject Smith’s argument that since Lenin wrote on imperialism there have been no additions to the imperialist club (p226). China’s role in Africa, for instance, demonstrates that imperialism cannot be reduced to the issue of Northern oppressor nations feeding off the oppressed of the South.

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