

Reference

Windham L (2017) *Knocking on Labor's Door: Union Organizing in the 1970s and the Roots of the New Economic Divide*. Chapel Hill, NC: University of North Carolina Press.

Author biography

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Rubens R Sawaya

Subordinated Development: Transnational Capital in the Process of Accumulation of Latin America and Brazil, Leiden and Boston, MA: Brill Publishing, 2018; 227 pp.: ISBN 9789004366459, €122.

Reviewed by Akif Avci,
Independent Researcher, Turkey

The development of capitalism is not linear progress and every country has integrated into capitalist relations of production in different ways at different times. This uneven integration results in a divergence between countries, which is neither a result of market imperfections nor state failure, but it is a direct result of the transnationalisation of capital. For Sawaya, transnationalisation of capital is crucial to understand the subordinated development of capitalism in Latin America in general, and in Brazil in particular.

Subordinated Development was first published in Portuguese as *Subordinação Consentida: Capital Multinacional no processo de Acumulação da América Latina e Brasil* by Annablume Editora/Fapesp in 2006. The English version of the book was published in 2018. The main objective of the book is to examine the impact of transnationalisation of capital (TNC) on the development of capitalism and the institutionalisation of capitalist relations of production in Brazil from a Marxist perspective. It argues that Brazil is subordinated to the hegemony of TNC because of the global centralisation of capital. In relation to this, the book examines the role of the state and the capital in Brazil, which played significant roles in internalising global class relations in the Brazilian social formation.

The book consists of five chapters. The first three chapters explain the theoretical background of the concept of *subordinated development*. The first chapter unpacks the famous Marxist conceptualisation of C-M-C (commodity-money-commodity) circulation. This includes the examination of the production of the commodity (C), the realisation of commodity as money capital (M) and the transformation of money capital into a commodity through investment (C). The author successfully explains this process which is called the accumulation of capital. As a next step, he discusses the concepts of centralisation and concentration of capital to understand the movement of capital. With reference to Karl Marx, he argues that centralisation means the elimination of individual capitalists by larger ones through mergers and acquisitions and joint venture agreements

from larger capitalists. Accordingly, Sawaya argues that concentration of capital means the development of production facilities through increasing labour productivity or developments in technology, which provide individual capitalist with an increase in scale. The more the surplus value is appropriated by the capitalists, the need for expansion to new markets increases. The author argues that this makes the expansion of capital towards the periphery necessary.

In chapters 2 and 3, the author follows the Marxist tradition and draws upon the writings of Vladimir Lenin, Christian Palloix, Paul Sweezy, Paul A. Baran and Samir Amin to explain how the TNC has expanded into peripheral countries in Latin America and how it has subsequently penetrated Brazil in the post-1980s process of global centralisation. The main argument of chapter 2 is that TNC leads to exclusion as much as inclusion. The author further argues the local elites, the state and internal capital fractions gave up their control over the local spaces and believed that they will be part of global capitalism in a dependent and associated way. In chapter 3, the author focuses on CEPAL (Commission for the Development of Latin America) strategy aimed at coordinating the state, transnational capital and local elites in the process of internalising global class relations in Brazil's social formation, and the Targets Plan which created a new power bloc in Brazil.

In chapter 4, the author provides a historical path to map out capitalist development in Brazil and demonstrates why Brazil is vulnerable and subordinate to transnational capital. The author divides the capitalist development process in Brazil in four periods. The first period is the making of industrial capital between the 1870s and 1930s, which is called the primitive accumulation period of Brazilian capitalism. This era is followed by the state-led development era (Vargas rule) between the 1930s and 1955 in which the state actively engaged in the process of capital accumulation. In Vargas rule, (1930–1945) and (1951–1955), the state established national companies in strategic sectors like mining national oil company and the electricity company. This period was also characterised by restrictions on foreign capital, which followed an import substitution policy. The third period is called the national associated development era between the mid 1950s and the 1980s. The difference between this period and the Vargas era is that the industrialisation was much more dependent and connected to TNC in the post-Vargas period. This was done in accordance with the Targets Plan (1956–1960), which gave strategic positions to TNC. The author places a special emphasis on the Targets Plan which coincides with the internationalisation of capital in core capitalist countries to peripheral spaces. This plan symbolises the integration of Brazil to the global capitalist system in its historically specific way. The author successfully shows that this plan has resulted in the denationalisation of the Brazilian economy.

In chapter 5, the author discusses the possibility of a forced disconnection of the country from the hegemony of TNC. He convincingly argues that while Brazil has a strategic position in Latin America with the size of its market and the presence of transnational capital inside the country, it has nevertheless been struggling amid economic backwardness in recent years. The chapter concludes that as a consequence of the subordination to transnational capital, Brazil has been an exporter of low value-added products which has also resulted in limited industrialisation of the country. The overall argument of the book is that the reasons behind this backwardness are the uneven

expansion of transnational capital to Brazil and the retreat of the state from the economy through privatisation of state-owned enterprises.

Overall, the author develops the concept, 'Tripod of Accumulation', combining the national state, TNC and national capital, which are dependent on global relations of free trade. He summarises that the dependency on TNC reproduces the subordinated character of Brazilian capitalism, which has also increased national debt of the country, foreign trade deficit and unemployment rate. The book concludes that it is crucial to discuss the contradictions of the expansion of TNC in the periphery, and alternatives to development in the periphery in order to experience real economic development.

Author biography

Akif Avci is an independent researcher. He holds a PhD degree in the School of Politics and International Relations from the University of Nottingham. His main expertise areas are International Political Economy, Middle East Politics and Turkish Political Economy.

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Ana Cecilia Dinerstein, Alfonso García Vela, Edith González and John Holloway (eds)
Open Marxism 4: Against a Closing World, London: Pluto Press, 2020; 190 pp: ISBN 9780745340258, £24.99.

Reviewed by Yiorgos Moraitis,
University of Patras, Greece

On what common ground can Critical Theory (especially that of the first generation thinkers of the Frankfurt School), the state debate and the common struggles against capital's massive worldwide advance meet? How can Wall Street, Syntagma Square and Tahrir Square come together with the Lacandon jungle? What does living among vampires, ghosts and werewolves mean in 2020? These and other paradoxes are developed in the recently published fourth volume of *Open Marxism*, 25 whole years after the publication of the third volume.

Everything and almost nothing has changed since 1995. The collapse of the existing socialism of that time may have destroyed capitalism's opposite pole, but it also gave us the chance to free Marxism from the shackles of its authoritarian orthodoxy. At that time, capital seemed to be established as the sole overlord at the foreground of historical, political and social events, but its crises ever since have been the most severe during the last 100 years. While anti-capitalist struggles in 1995 may have withered away, they are now again resurgent, rising across the globe under the sole slogan 'stop capitalism'.

The fourth volume of *Open Marxism* comes at a critical time and tries to express what remains elusive in a constantly evolving process of creating spaces, instances and opportunities for resisting capital. Using all the revolutionary experiences of the last 20 years, as well as the theoretical interventions of the intellectuals in this period, the volume aims to open a closed and identity-thinking world, recognizing the difficulty and melancholy resulting from such a marginal process.

Werner Bonefeld prefaces the volume. Placing it in the broad theoretical context of Western Marxism, he notes,