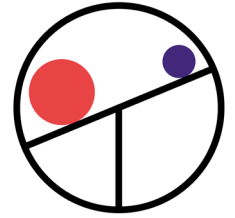


ARGHIRI EMMANUEL ASSOCIATION

NEWSLETTER



No. 1, September 2023

About us and our archival work

Arghiri Emmanuel Association

As usually happens, one could say that this project came to life by accident. How else to explain individuals from Denmark, Serbia, and Chile meeting in France to preserve the legacy of a Greek economist? In reality, this story involves a number of other individuals that made this encounter possible and helped the project materialise. As such, one can hardly talk about coincidences. Rather, it would be more appropriate to talk about science and activism drive individuals toward the same goal and helps them unite to achieve it. Their paths crossing is a result of a long-term process and not a lucky strike.

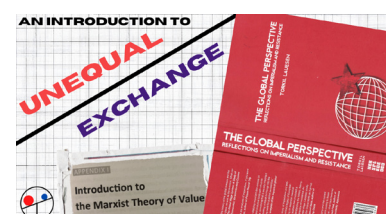
Arghiri Emmanuel is what everyone involved in the story had in common well before knowing each other. After her father died, Catherine Emmanuel wanted to preserve his archive and teamed up with Arghiri's ex-assistant Claudio Jedlicki, who tried to find it a new home ever since. Sadly, all institutions he contacted were more interested in the book collection that came with the manuscripts than the manuscripts themselves.

Torkil Lauesen dedicated his whole life to anti-imperialist activism and international solidarity. Lauesen's group developed a theory they called Parasite State Theory reaching the same conclusion as Emmanuel did a bit later with Unequal Exchange Theory. Unsurprisingly, once they learned of each other's work, they became natural allies establishing strong ties and collaboration over decades to come. This collaboration resulted in a book under the title "Unequal Exchange and the Prospects of Socialism", and the translation of a number of Emmanuel's articles from French to English meant to be published as a book. In one of the last conversations Torkil had with Arghiri, he promised he will keep the idea of unequal exchange alive. Since then he has written a number of books building on this theoretical basis.

Nemanja Lukić is a Yugoslav anti-imperialist activist who learned about Unequal Exchange Theory thanks to Torkil's political and publishing work. The two of them got in contact as part of the crowdfunding campaign for Torkil's book *The Global Perspective*, and started collaborating on a web site that promotes Unequal Exchange as a theoretical basis for anti-imperialist analysis and activism.

Independently from the web site, in recent years a small international community of young people identifying themselves as "Emmanuelists" started taking shape in form of a reading group. One of the outcomes of those discussions was a search for Arghiri's unpublished material. In Nemanja's

New videos:



consultation with Torkil in an attempt to identify Arghiri's not available in a digital format, the translated and unpublished papers came to light. That was a starting point for the digitalisation effort driven by the Emmanuelist community, although at a small scale.

In a parallel development, members of the community managed to establish contact with Claudio Jedlicki and to organise an informal conversation regarding Emmanuel. During the conversation it became clear that there was a common interest for Claudio to preserve the archives in digital form, and for the ongoing project to expand its labour.

After the initial contact with Claudio, a labour organiser and scholar Immanuel Ness together with Joseph Mullen joined forces with Nemanja and Torkil to find a new home for the archives. This collaboration helped connect with Brill which would provide the necessary know-how to make this project successful. Once the initial objectives were established, it was time for a trip to Paris.

The visit to Paris was a special occasion for the participants. It was a time travel and an opportunity to share impressions and memories, as well as to live them over once again. The building where Emmanuel worked with Jedlicki, and where he held a conference with Lauesen is still up and on a walking distance from his old home, in the same neighbourhood where the archives are located. The archives themselves uncovered old mail correspondence with members of Lauesen's former collective. A particularly emotional was the meeting with Catherine Emmanuel who is eager to preserve the legacy of her father. She gave a more personal touch to the whole project that shows what Arghiri was like personally rather than just as a scholar as he's more widely known.

This was the starting point in the effort to preserve and popularise the work of Emmanuel and a first step towards establishing the Arghiri Emmanuel Foundation.

An update on our work

Our first newsletter is published from recent articles written by Torkil Lauesen, a lifelong anti-imperialist activist from Denmark whose organization materially supported Third World struggles. In this newsletter his articles discuss his encounters with Arghiri Emmanuel theoretically and personally to show the implications of Emmanuel's analysis.

We are searching for a permanent home for Emmanuel's material, so it can be shared in the world and his ideas can be incorporated into new research. So far, we have scanned 16 of Emmanuel's articles, and there are many more to upload, format, translate, and publicize. We also plan to host a conference in the near future to discuss new research on UE; updates will be provided soon.

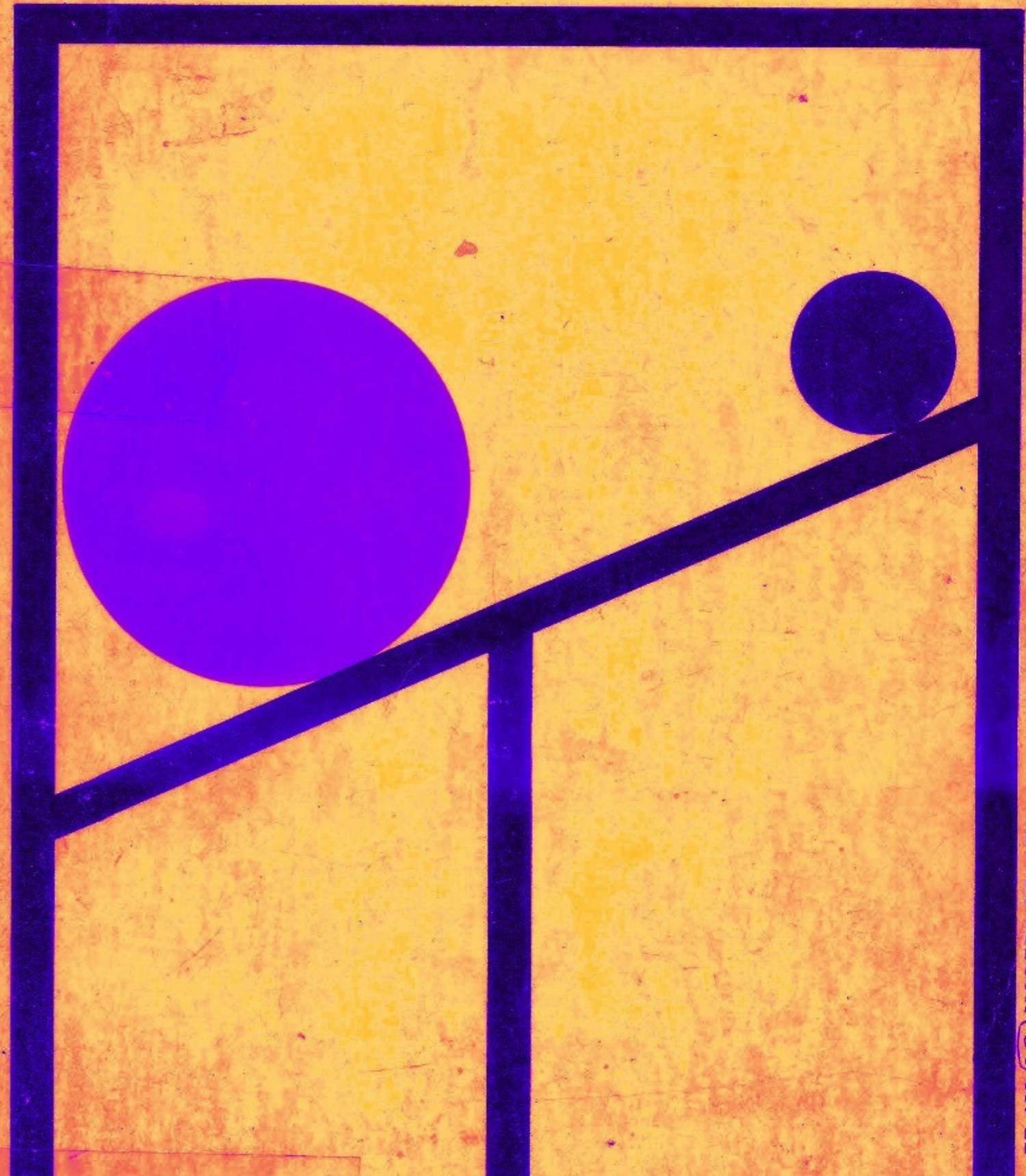
We are requesting assistance in our work, from anyone interested (no academic or theoretical expertise is required). We need help simply with proofreading, formatting, the audio-visual work of our podcast, graphic design, translation, and more!

If you are interested in getting more involved, please click or scan this code:



Unequal Exchange: A Study of the Imperialism of Trade By Arghiri Emmanuel

With Additional Comments by Charles Bettelheim



I might seem self-centred to write an article about the relationship between Arghiri Emmanuel and us – meaning first, Communist Working Circle (1963-1977) and later Manifest-Communist Working Group (1977-1989), both located in Copenhagen, Denmark. The alibi for such an article is that it uncovers sides of Emmanuel’s political views, on the political strategy of socialists in the Global North, which are not very well known. Emmanuel was explicit about the consequence of “unequal exchange” on the international solidarity of the working class. But, he has not written much about the strategic consequence of this, in terms of praxis for socialists in the global North.¹ Another aspect of interest in the relationship between Emmanuel and us is the meeting between academic research and the use of theory for developing a strategy for praxis.

CWC and Emmanuel

To understand our interest in the theory of “unequal exchange”, we have to look at our political views in the late 1960s. Coming from a Maoist background, Communist Working Circle (CWC) in 1966 formulated the “parasite theory.”² It was a continuation of Lenin’s concepts of “parasite state” and “labour aristocracy” in his writing on imperialism and opportunism in the European working class, in the contexts of the First World War and the split in the Second International. We adapted—so to speak—Lenin’s concepts to the Scandinavian consumer state in the late sixties. Discussing the opportunism of the economic class struggle, the national chauvinist attitude of the working class, and the cooperation between capital and the working class in managing the capitalist welfare state.³ However, we also wanted to consolidate the “parasite state theory” in the economy of imperialism. Again, we turned to Lenin’s book “Imperialism, the Highest Stage of Capitalism”, and in particular, his concept of “super-profit”—extraordinarily high profits from colonial investments. We wanted to update Lenin’s data from 1914 on foreign investments and profits and other factors related to imperialism. An exercise that had already been done by Varga and Mendelsohn in 1938.⁴ We collected a huge amount of data and processed them into categories similar to Lenin’s. We concluded that the profits from investment in the Third World did not have a size that could explain the difference in living standards between the imperialist countries and the Third World. However, our empirical studies also revealed that the difference in wage level between the imperialist centre and former colonies had expanded from five to one before the Second World War to fifteen to one at the beginning of the 1970s. We also noted a substantial increase in international trade based on an international division of labour exchanging raw materials and agricultural products from the Third World for industrial goods produced in the imperialist countries.

One should think that it would be obvious to couple these observations with the “dependency theory”, which emerged in this period, but not so, due to our dogmatism. The CWC looked for the answers within the body of work of Marx, Engels, Lenin, and Mao. There was scepticism toward the new academic Marxism. The relationship between struggles on the ground and academia is a complicated one. However, the collaboration between academic “theorists” and “practitioners” would certainly benefit radical movements. There can be no viable radical theory without the personal investment and first-hand experience of the militant. At the same time, theoretical reflection and scientific analysis helped us to understand the conditions of our struggles better.



Marx was an academic. He held a PhD in philosophy. This is reflected in his approach to political theory. His economic theory was based on the critique of academic paradigms and scientific investigation. Capital puts just about any doctoral thesis to shame. But Marx dedicated his life to politics, not academic credentials. He wanted to change the world, not collect titles. As a result, he became a political refugee, first leaving Germany for France, then France for England. He worked for the International.

Lenin went to law school. He continued to spend much of his time in libraries, and many of his writings are based on academic studies. But Lenin had no intentions to pursue an academic career either. He was a professional revolutionary since his youth. His most influential texts were political, such as “Imperialism, the Highest Stage of Capitalism,” or “State and Revolution.” For Lenin, the most important question always was: “What is to be done?”

In the early twentieth century, Marxist theory was mainly developed by activists with academic backgrounds. Mao was educated as a teacher, and worked as a librarian, only to become a professional revolutionary. His class analysis and philosophical writings were always closely tied to political practice. Also, the anti-colonial theory was largely developed by liberation movement leaders with academic training, including Frantz Fanon, Kwame Nkrumah, and Amílcar Cabral.

Particularly in North America and Europe, a major shift in the creation of Marxist theory occurred in the late 1960s and the beginning of the 1970s. As a consequence of the student and youth rebellions, radical theory became a viable academic career path. The decade saw a boom in the publication of academic books and journals edited by Marxists. With the shift from theorists related to praxis to academia, the theoretical work shifts form and content. The term political is almost an antonym to the term scholarly. Many academics fear that political engagement on the ground discredits them, making them biased, in the eyes of academia. The question of “What is to be done?” is seldom raised, let alone attempted to be answered.

However, many of the dependency theorists had a background in praxis. Before being an academic in the 1960s, Emmanuel had been a member of the Greek Communist Party. During the Second World War, he was a militant of EAM, the communist-led national liberation front inside the Greek Free Forces in the Middle East. In April 1944 he took an active part in the mutiny of these forces against the right-wing Greek government installed by the Allies in Cairo.⁵ The revolt was suppressed by British troops and Emmanuel was taken prisoner, then sentenced to death by a Greek court-martial in Alexandria.⁶ By the end of 1945, he was however granted amnesty and sent to a British prison camp in Sudan. In March 1946 he was released and moved to Belgian Congo where his family had a trading business. There he became an economic adviser to Patrice Lumumba's national liberation movement. He was however kidnapped in July 1960 by Belgian settlers and deported to Nairobi. Then he moved to Paris and began to study economics at the age of fifty.

On one hand, there is no radical theory without practical experience. Theoretical work cannot be separated from movements against capitalism and imperialism. It must respond to the questions posed by struggles on the ground. We cannot afford non-activist theory. On the other hand, there is no radical practice without theoretical reflection. We must evaluate the effects of our struggles and reflect on our experiences. We cannot afford anti-theoretical activism. Radical theory must contribute to radical practice. Its purpose is not just to understand things, but to change things. This requires the development of strategy and tactics.

While CWC, due to dogmatism, had difficulties in moving ahead in developing theory, on the individual level some of the members were beginning to read a huge amount of new political economy, which was published at the beginning of the 1970s: Amin, Gunder Frank, Wallerstein, Magdoff, Swezy, and Emmanuel.



KUF/Anti-imperialistic Action Committee poster in protest against the World Bank congress in Copenhagen 1970: "The World Bank: This is where imperialism's most effective minions work in order to reinforce the exploitation of the oppressed and to increase the profits of the monopolists. We are on the side of the oppressed! Whose side are you on?"

The First contact

In 1974, a member of CWC, visiting Paris went to Emmanuel's address to have a talk, but as he was not at home, he slipped some of our pamphlets, in Emmanuel's mailbox. A week later, he got a letter from Emmanuel, regretting that he was not at home and that he was interested in developing contact and exchanging materials, stating that:

*"I have found your efforts to clarify your position very remarkable. What I admire in particular is your courage, morally and intellectually. I know from my own experience how difficult it is to resist conformism. There are very few passages in your text that I would not sign... What impressed me most... was the remarkable way in which you clarify that the Marxist notion of the labour aristocracy does not inevitably mean a minority. If Lenin generally (even if not always) wrote about the labour aristocracy as a minority, it simply reflected historical reality. But there is nothing in the theories of Marx, Engels, Lenin, or any other classical Marxist that limits the 'aristocratization' of the proletariat to a certain percentage or minimum of a specific nation. I have written about this previously myself, but I now see that you stated this before I did."*⁷

Actually, this is not true. Emmanuel introduced the notion of unequal exchange in his article "Échange inégal et politique de développement" (Unequal Exchange and Development Politics) written together with Charles Bettelheim in 1962. In it, they asked the question: "Must we... enlarge Lenin's notion of the labour aristocracy, by saying that the working classes of today's advanced countries constitute the labour aristocracy of the Earth?"⁸

However, due to the reasons mentioned above, the relations with Emmanuel and CWC were not developed in the following years. In May 1978, a split occurred in CWC: the members of approximately 30 people exclude Gotfred Appel and his lifelong companion Ulla Houton from the organization. The reasons for the split were a combination of factors. An internal campaign against male chauvinism, which ran off the track, dissatisfaction with the centralized command structure, but also dissatisfaction with the lack of progress in the theoretical studies, which was the basis for developing strategy and thereby our praxis. It can be summed up to the difficulties of developing a revolutionary organization with the necessary commitment and discipline, in a county, in which the social conditions are not ripe for radical change.

Manifest-Communist Working Group and Emmanuel

After four months of internal debates, some of us felt the urgency to restart the praxis and organizational work. In August 1978 "Manifest-Communist Working Group" (M-CWG) was formed. We adopted more or less the theoretical body and praxis of CWC but changed our organizational form to a flat structure with monthly collective meetings. We rebooted the study circle to develop our theoretical foundation in terms of economic and historical analysis. We informed Emmanuel about the split and visited him to establish closer contact. There were several reasons why we were inspired by his work. Perhaps most importantly, his understanding of foreign trade and unequal exchange was a direct extension of Marx's theory of value. Marx had plans to investigate foreign trade more closely

in a fourth volume of Capital, but never got to write it.⁹ Emmanuel picked up this loose end. Another reason why Emmanuel appealed to us was his clarity on the political consequences of unequal exchange, namely the creation of a “labour aristocracy”:

“When however the relative importance of the national exploitation from which a working class suffers through belonging to the proletariat diminishes continually as compared with that from which it benefits through belonging to a privileged nation, a moment comes when the aim of increasing the national income in absolute terms prevails over that of the relative share of one part of the nation over the other. From that point onward, the principle of national solidarity ceases to be challenged in principle, however violent and radical the struggle over the sharing of the cake may be. Thereafter a de facto united front of the workers and capitalists of the well-to-do countries, directed against the poor nations, coexists with an internal trade-union struggle over the sharing of the loot. Under these conditions, this trade-union struggle necessarily becomes more and more a sort of settlement of accounts between partners, and it is no accident that in the richest countries, such as the United States—with similar tendencies already apparent in other big capitalist countries—militant trade-union struggle is degenerating first into trade unionism of the classic British type, then into corporatism, and finally into racketeering.”¹⁰

Emmanuel’s book “Unequal Exchange”—first published in French in 1969, and then in English in 1972—got a lot of attention. In the following years, it was translated into Italian, Spanish, Portuguese, and Serbo-Croat and was discussed in literally hundreds of articles. While his critique of David Ricardo’s classic and neoclassic international trade theory received much positive academic attention, his thesis on the political consequences of unequal exchange on the international solidarity of the working class, met with enmity. Emmanuel was a respected academic but did not have many political friends at the time.

For us in M-CWG, the notion of unequal exchange provided the most accurate explanation of the parasite state. In the first issue of our new journal “Manifest” published in September 1978, there was an extract from Emmanuel’s book Unequal Exchange. As we began to exchange articles with Emmanuel, we translated and published some of them in Danish. From time to time, we visited Emmanuel in Paris, often when we were in Paris for reasons related to our praxis. Because of the sensitive nature of this, we did not communicate with Emmanuel before but just turned up and rang the bell at his apartment—which must have seemed a bit weird and impolite. He was not informed about the illegal side of our praxis, just that we supported different liberation movements in the Third World as best we could.

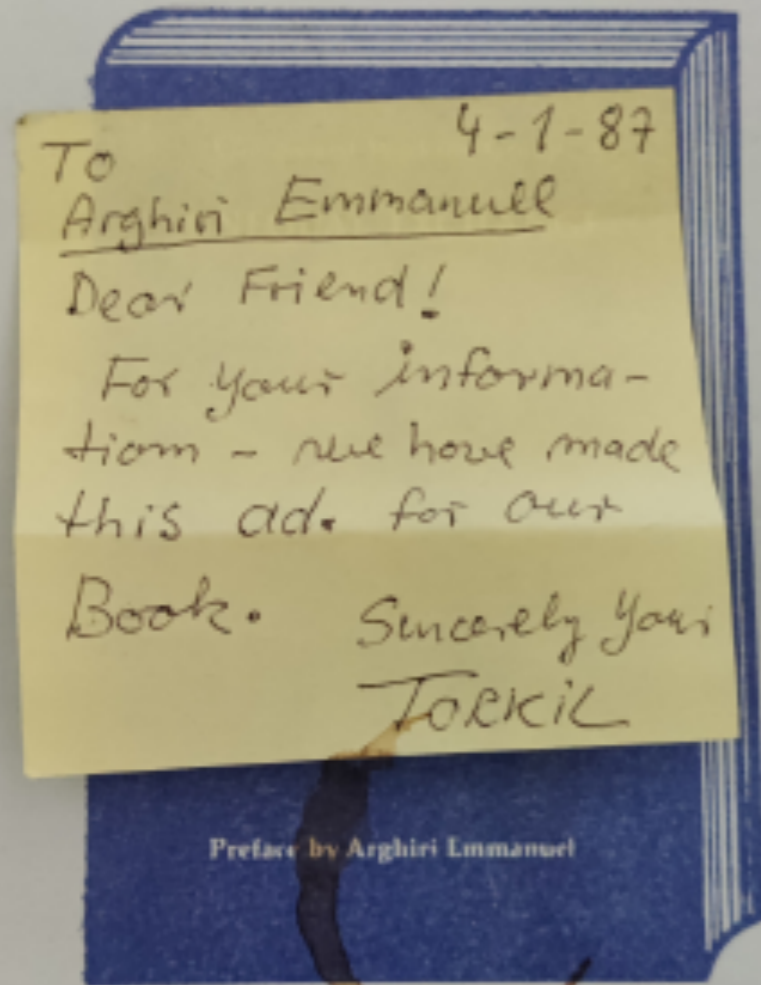
As we studied Emmanuel’s writings on unequal exchange, we made our own adaptation emphasizing aspect, which had a strategic impact. Especially we focused on the quantitative side of the unequal exchange, to measure if its size could explain the difference in living standards between the centre and periphery in global capitalism. Our political strategy and practice were linked to the importance of imperialism in sustaining “the imperial living”, in our part of the world. If the national liberation movements in the Third World were victorious, they could cut the pipelines of imperialist value transfer, and thereby

create a revolutionary situation in our part of the world. Our updated version of Lenin’s ‘parasite-state-concept’ was developed between 1966 and 1970, in a long series of articles written in polemical debate with Swedish and Danish left-wing groups. However, at the time, the “parasite-state theory” was never presented systematically. For us, the notion of “unequal exchange” provided the most accurate explanation of the economic foundation of the parasite state. We could now formulate a comprehensive theoretical basis for our anti-imperialist strategy and practice.

In 1980-1981 we wrote a manuscript for a book, which combined our analysis of the parasite state and labour aristocracy with Emmanuel’s theory of unequal exchange. The book summarized our historical and economic analysis of global capitalism, outlined the political consequences, and presented a strategy for anti-imperialist practice in our part of the world. The writing of the book was a collective process. I wrote the drafts, which were discussed in workshops, and then I rewrote the texts until the final manuscripts were accepted. None of us was academics in social science or economics. Rather, most of us were half or full-time political activists with temporary jobs to make a living. However, as we already have been members of CWC for many years, we had solid schooling in Marxism, reading “Capital” page-by-page, study circles in dialectic materialism, and other subjects. We translated our finished text now called, “Unequal Exchange and the Prospects of Socialism” into English and sent it to Emmanuel for comments.¹¹ We met with him in October 1982, where we went through the manuscripts, and he was so kind to write a preface to the book.

What we added to the theory of unequal exchange at the beginning of the 1980s were two things: 1. a quantitative estimate of the size of unequal exchange, and 2. an anti-imperialist strategy based on political consequences of unequal exchange. We wanted to make the notion of unequal exchange as concrete as possible by providing the actual figures of the value transferred from the Third World to the imperialist countries. Emmanuel does not give any estimates in his book. Samir Amin writes that the unequal exchange was approximately 300 billion US \$ in 1980, but he did not explain how he had reached this figure.¹² The calculations were complicated. ILO statistics on wages and the size of the labour force in every country are notoriously unreliable. We also had to estimate the wage share of production costs. We gathered a huge amount of trade statistics from UNCTAD and so on. Then we elaborated a model to calculate the size of unequal exchange and discussed it with Emmanuel.¹³ Our calculations put the amount of unequal exchange at 312 billion US dollars in 1977.¹⁴ In 1998, Gernot Köhler developed a more advanced model to calculate the size of unequal exchange.¹⁵ Jason Hickel, Dylan Sullivan & Huzaifa Zoomkawala, using Köhler’s method have calculated the value transfer by unequal exchange from 1960-2017.¹⁶ In that period, the South lost 62 trillion dollars. In 2017 alone, the “emerging and developing economies,”—as defined by the IMF—lost \$2.2 trillion to the “advanced economies.” To the size of these figures, you have to add the dynamic effect of the value transfer, in terms of accumulation of the value gained, and the difference in the development of the productive forces caused by the difference in wage level.

**A new book on the
economics of imperialism
and its political consequences**



**from
MANIFEST PRESS**

Our second contribution to the theory of unequal exchange was adding an anti-imperialist strategy. In the preface to our book, Emmanuel writes:[17]

“If all, or almost all wage-earners, white collars and blue collars together, have become a labour aristocracy by definition producing less value than their wages allow them to appropriate and thus becoming the objective allies of imperialism, which brings them the supplement, what, then, becomes of the political action of revolutionary Marxists? To whom, to which class, to which strata of society can they therefore address themselves?”

This question visibly worried them as much as it troubled me. For it is not exactly easy to say to those who have committed their lives to a cause and who have already sacrificed part of it thereto, that they have quite simply mistaken their side.

This is the question to which the members of the “Kommunistisk Arbejdsgruppe” have replied in this book. One must, they say, quite simply, put oneself at the service of the classes which have an interest in overthrowing imperialism, “... no matter where they are geographically”. This is clearer and more distinct than anything that I have been able to mumble in the answer here and there to my various questioners.....an anti-imperialist victory in the Third World, even without a direct socialist content, would indirectly open the way to socialism if only by the impoverishing and re-proletarianizing of the centre.

Nevertheless, the surest way would be a break by the underdeveloped countries both with the capitalist system internally by means of planning and with imperialism externally by the elimination of unequal exchange. The first is an internal matter, the second implies that these countries act in concert internationally.

Finally, this thesis shows that, while the conflict is international, that does not necessarily mean that it is a conflict of nations. It remains a class conflict. But classes can only fight where they exist, not where they do not exist. Now, as a result of some historical changes which Marx could not forecast, classes are no longer distributed “geographically” today, according to the classical intranational model. The proletariat, the true party to the cause of the socialist revolution, has practically disappeared in the affluent countries of the centre. It continues to exist in the periphery....

This, rather crudely summarized and imperfectly interpreted, seems to be the position of the authors. But the latter have not been satisfied with producing a formula; they have inferred a line of political action from it and are themselves personally committed to it. They practice the “geographical delocalization” about which they speak. They have crossed the front lines and have put themselves at the service of the organized revolutionary movements in the South. The structure of this book reflects the progress of their praxis, as I have been able to witness it through personal contacts which I have had with them. Firstly to know the world, then to transform it. But... to know the world as it is today and not as it was in Marx’s time and nevertheless to do this by using the Marxist method.”

The section to which Emmanuel refers in the final chapter VI of the book: “What can Communists in the Imperialist Countries do?” in which we state.¹⁸

“In the richest imperialist countries, there are no classes today which are objectively interested in overthrowing the imperialist system because all classes in these countries profit by this system.... It cannot be the task of the Communists to lead the struggle of the labour aristocracy and thus to maintain or increase its privileges.... As anti-imperialist mass movements are only found where imperialism means exploitation and impoverishment, the task of the Communists is to support the movements there. The most effectual practice of Communists in an imperialist country today is to support the anti-imperialist liberation movements in the Third World who fight against capitalism and international exploitation and for socialism.... We support the national revolutionary movements in the underdeveloped countries because these social movements represent the biggest possible social improvement in their countries; because, through a revolution, they have the possibilities of liberating enormous productive forces, especially in the form of human labour power; because, through the efforts of establishing a socialist society in their own country, they take a step towards the establishment of socialism in the whole world, also if these countries are not in a situation in which they can establish a socialist society immediately. There is no direct or easy way from an underdeveloped and exploited economy to socialism. In spite of this, the national movements in these countries represent the greatest threat to the imperialist system today.”

We also sent the manuscript also to Immanuel Wallerstein. From 1977 to 1980, we spent much time studying the origins of capitalism and the division of the world into the centre and periphery. We published several articles about it in our magazine “Manifest.” We were impressed by Immanuel Wallerstein’s book “The Modern World System,” in which he describes the birth of capitalism in Europe and colonialism as one process. The fact that he had been working with FRELIMO in Mozambique and written frequently on African liberation movements early in



KUF/Anti-imperialist
Action Committee
poster, ca. 1969:
“Without the Victory of
the Third World There
Will Be No Socialism
Here!”

his career was also a qualification from our point of view. As a response to our manuscript, Wallerstein wrote in 1983:¹⁹

“It represents a very strong presentation of the political implication of the theory of unequal exchange for the left forces in the core/imperialist countries. While I do not share the conclusions in many ways, I believe these are questions, which could benefit from fuller discussion. While there are many works already on unequal exchange, its defenders tend to discuss largely its economical functioning and its detractors its political implications. Your book has the singular virtue of arguing both the economic and the political issues.”

In 1987, we sent a copy to Samir Amin, who also was a great source of inspiration. He wrote back:²⁰

“I fully appreciate your work, and do share most of it (yet I think you are to “severe” with the western working class). Anyway, I hope we shall have the opportunity to discuss this. I particularly appreciated your estimate of the transfer of value S-N inherent in the price system. This is really a good piece.”

However, our strategy of supporting the national liberation movement in the Third World, as a way to cut off the value transfer of unequal exchange was already passé in 1981, when we wrote the book. It might have been correct in the 60s and 70s, but at the beginning of the 80s neoliberal globalization was on its way. The decolonization process of national liberation did not continue into an economic liberation from imperialism, as had been the wish of most liberations movement. The productive forces in the newly liberated states in the Third World were not developed to a sufficient degree, to break the power of the capitalist market forces, which blocked the road to the development of socialism. The capitalist neoliberal offensive put an end to the rebellious long 1960s. The neoliberal counter-offensive was able to do what the U.S. army could not in Vietnam, putting the Third World on its knees. Capitalism had still options for expansion—a new spatial fix. The forces of the Third World were too fragmented. The socialist camp was split, not able to transcend each their nationalism and form a united economic and political alternative to the dominating capitalist system. The neoliberal economic and political offensive crushed the spirit of the 60ties. Capitalism was not finished yet, it had an ace to play, the globalization of industrial production.

In the latter part of the 1980s, we continued to exchange papers with Emmanuel. We studied his other major works, “Profit and Crises” published in English in 1984, and his writings on the “debt crises”, technology, and the development of the productive forces in the global South.²¹ It seemed that Emmanuel had perceived, that the wave of national liberation of the Third World had lost its momentum and returned to the study of the fundamental contradiction in the capitalist mode of production, and the development of the productive forces in the Third World, as the prerequisite for the break with the imperialism of unequal exchange. At the time, we did not manage to transform our strategy and practice.

The end of M-CWG

In April 1989, after nearly twenty years, our “undercover” support work to liberation movements was disclosed by the police, and the core members of M-CWG were arrested. I was a major story in Danish media, and a journalist – Peter Kramer, from the Social Democratic daily newspaper “Aktuelt” follow the track of our political inspiration and phoned Emmanuel to make an interview. On May 17th the interview was published and Emmanuel was quoted as:²²

“I do admire this little group of socialists in Denmark. Because they went out and struggled side by side with the revolutionaries in the Third World. They put their own lives at risk”...For Emmanuel the meeting with the Danish group was unforgettable. Yesterday he told “Aktuelt”: “Time and time again I have been asked, what can revolutionary socialists do to support the revolutionaries in the Third World? Actually, my answer has always been plain: Nothing at all. I haven’t been able to give a reel answer. But the Danish group gave me the answer...”... Until yesterday he knew nothing about his Danish political comrades being imprisoned, nor that they were being charged for a number of armed robberies of which the haul should have been sent to the PFLP. “It is impossible. But if it is true anyway, it is madness no more no less. It is a hopeless, harmful idea to rob banks in West Europe and send the money to liberation movements in Africa. And I can’t believe they have done it.”

Emmanuel was not entirely satisfied with how the media interpreted his comments. This became clear in a letter he sent to us the 7.6. 1989:²³

“Dear Friends,

All of a sudden, some day ago, a Danish journalist (Aktuelt) called on me over the phone and after informing me of your imprisonment, which I completely ignored till then, he abruptly put me a great number of questions (for about half an hour). As a result of my being dumbfounded by the news, my poor command of oral English and the crisscrossing of questions from one level to the other, I probably let some considerations of mine about principles in the abstract appear as sentences on your actual case. I want to tell you solemnly that whatever my personal opinions about the appropriateness of the means in general, and whatever the material facts, which I still do not know, I am intimately convinced, not only about the purity of your motivations but also about your ability to have means fit the end, under any special circumstances. What I strived to convey to this journalist during this long interview, and which my clumsy phrasing did not help find its way into the short published report, was that when one’s own part in the struggle of the Third World is confined to writing books and articles, as currently is mine, one is not entitled to judge those who risk their lives. What one can only feel in the presence of such an amount of self-sacrifice and generosity is sheer, silent respect. I would just add to that my best wishes.”

We only received the letter one year and ten months later as we were in isolation, and our letters were subject to censorship, and the police apparently did not want to pass on this letter. So, it was only 6.3. 1991 I was able to send an answer and explain the specific intention of our praxis.²⁴

Emmanuel replied on March 26th²⁵: “The pragmatic, specific, motives you set forth in your letter do indeed make better sense than the hazardous, global political goal.”

In another letter, dated May 31, 1991, Emmanuel writes²⁶: “More and more do I understand why you considered illegal actions necessary to pursue the noble goal that had inspired your legal ones.”

While in prison, we continued exchanging letters. After my release, I visited Emmanuel in Paris in January 1996, at the height of neoliberalism, when almost everybody had forgotten about dependency theory and unequal exchange. This, despite the significance of unequal exchange, was more than ever due to the outsourcing of hundreds of millions of industrial workplaces to low-wage countries in the global South. We promised each other to keep on with the struggle. Emmanuel died at the age of ninety, in 2001.²⁷

In the first decade of the 21st century, it was uphill, there was very limited interest in Emmanuel’s legacy. An exception was Gernot Köhler calculation of the size of unequal exchange in 1998 and John Brodin’s extensive PhD, “The Bias of the World A History of Theories of Unequal Exchange from Mercantilism to Ecology”, from 2006. Emmanuel had trusted his archive to his friend and assistant Claudio Jedlicki, but he could not find a library or institution to host them. However, in the last decade, there has been a growing interest in the theory of unequal exchange, reflected in books and articles by for example Donald A. Clelland, Andrea Ricci, Kunibert Raffer, Zake Cope, Marcel van der Linden, (I may have forgotten some)... There is an entire field of studies of “ecological unequal exchange” and nowadays there is also a recognition of the political implications of unequal exchange, the division of the global working class is not a taboo. There have been conferences on the subject of the “Imperial mode of living” in 2020 and 2021, which was unthinkable in the 1970s.

In the past years, I have been part of a growing network of academics, activists young and old–“The Emmanuel Association”–dedicated to promoting the ideas of Emmanuel. After being stowed away for twenty years Emmanuel’s papers are in the process of being transferred to a public archive. There is also a process of digitalization of his papers to be posted on a website to reach a broader audience.²⁸ As an old friends of Emmanuel and former member of M-CWG it is a great satisfaction, to be able to pass on the work of developing the ideas of Emmanuel to the next generation.

Torkil Lauesen, Copenhagen 1.7.2022.

Unequal Exchange on the Individual Level

Torkil Lauesen

Emmanuel's main contribution to the political economy was the theory of unequal exchange. It deals with imperialism by means of trade, based on international wage differentials. It is a criticism of the classic David Ricardo's theorem of "Comparative Cost"—which states that all nations benefit from international trade—as well as of the new neoclassical theory of trade. Alternatively, Emmanuel bases his theory on the Marxist concept of value.

Therefore, in the following, the word "price" refers to the actual money paid for goods or wages, while the word "value" refers to the Marxist concept. The value of labour and the value of goods refers to the socially necessary amount of work it takes to reproduce the labour power and produce the goods. Given the globalization of capitalism, there is a global value of labour while the price of labour differs due to the polarization of globalized capitalism and the existence of state borders. While capital and goods can move freely, the movement of the labour force is much more confined.

While Emmanuel focuses on how international trade accentuates the polarization of global capitalism into a centre-periphery structure of exploited and exploiting countries, I will also look at how unequal exchange between nations works at the level of the individual wage labourer.

The prerequisites and mechanism are the same. A difference in price of labor due to the immobility of labour, and a tendency towards the formation of a global value of labour and goods.

The balance

If we look at the individual wage labourer, there is a balance between the appropriation of value through the consumption of goods and the exploitation of labour through the extract of surplus plus value in the working process.

While the value transfer from the Global South to the Global North in the form of profit is commonly accepted in Marxist theories of imperialism, the value transfer in the form of commodities produced by low-wage labour being consumed by high-wage workers is controversial, as it calls into question the idea of global working-class unity and solidarity against global capitalism.

However, the fact that you are a wage earner does not necessarily mean that you are exploited. Some wage workers consume more value than they create. In concrete terms: the value (with the relatively low price) of the smartphones, iPads, sneakers, t-shirts, IKEA furniture, chocolate bars, bananas, coffee, etc. produced in the Global South and consumed by workers in the Global North, may be greater than the value extracted from the wage earners in the working process.

Already in 1857, Marx discussed the possibility of workers drawing advantages from the labour of other workers. This happens when the goods some workers produce are sold for less than their value and consumed by other workers who can afford them because of the higher wages they are paid. As he wrote in the Grundrisse¹:

"As regards the other workers, the case is entirely the same; they gain from the depreciated commodity only in relation (1) as they consume it; (2) relative to the size of their wage, which is determined by necessary labour."

It is certainly possible for a wage earner to consume more value than she or he produces. This is not a matter of morals but of mathematics. The theory is not controversial when the wage earner is an administrative director of a bank or a professional football player, but it becomes so when it is between workers in the world.

The unequal exchange developed through the 19th century as colonialism divided the world into rich and poor countries with growing differences in wage levels. The unequal exchange accelerated throughout the 20th century with the growth of transnational companies and international trade, providing super-profits for capital and cheap goods, based on the exploitation of low-wage labour, for the consumers in the imperialist core.

Assuming a globalized value of labour, and given the huge difference in the price of labour (wage) between the Global North and Global South, then being a wage labourer does not necessarily imply that you are exploited. It is a matter of calculation. A worker in the electronic industry in South East Asia, and a worker in the automobile industry in North America or the EU are both wage laborers. Both create value and both are a source of surplus value and hence profit for capital. Their labour is exploited. However given the high wage level in the Global North, the worker can appropriate more value through the consumption of goods produced by low-wage labour, than the value extracted through the labour process. As Emmanuel states²:

"...a labour aristocracy by definition producing less value than their wages allow them to appropriate and thus becoming the objective allies of imperialism, which brings them the supplement..."

If we look at the wage labour in the Global North then the appropriation of value through consumption – due to the relatively high wage level, is higher than the exploitation by capital through the surplus value extracted through the labour process.



In the Global South, the value consumed covers only the value of labour power (sometimes less called super-exploitation) Hence the exploitation by surplus value exceeds the value appropriated by consumption

Political consequences

In the description of unequal exchange's political consequences, in the form of the constitution of the labour aristocracy and the parasite state, it is important to keep in mind that these phenomena and processes are historical. Just as unequal exchange can explain the emergence of these political trends, changes in the balance between appropriation through consumption and exploitation by wage labour in a national context will have political consequences.

There is, of course, no one-to-one relationship between the above-mentioned economic balance and the revolutionary potential of a given working class. Want and misery do not necessarily lead to revolution; they can even sometimes be an obstacle, and there are many other factors involved.

A revolutionary situation requires both that the ruling class can no longer rule in the old way, and that the oppressed will not allow being ruled in the old way anymore. However, there is also a correspondence between material interests and political action.

The "parasite state theory" of the Communist Working Circle, did not only state that the working class gains from imperialism.³ The bourgeoisification was a historical phenomenon created by a very specific historical, economic, and political development in capitalism, and since it is a historical explanation, it opens up the possibility of change in the position of the class.

The "parasite state" theory states that the working class in Western Europe and North America occupies a dual position. They are an object of exploitation as they perform wage labour which creates surplus value and thus profit for capital. However, by virtue of their relatively high wage level, they are also able to acquire value through their consumption of goods produced by low-wage labor in the Global South. Whether they are exploited or exploiter – from a global perspective – is a matter of a balance between the acquisition of value through consumption and exploitation through their contribution of surplus value to capital.

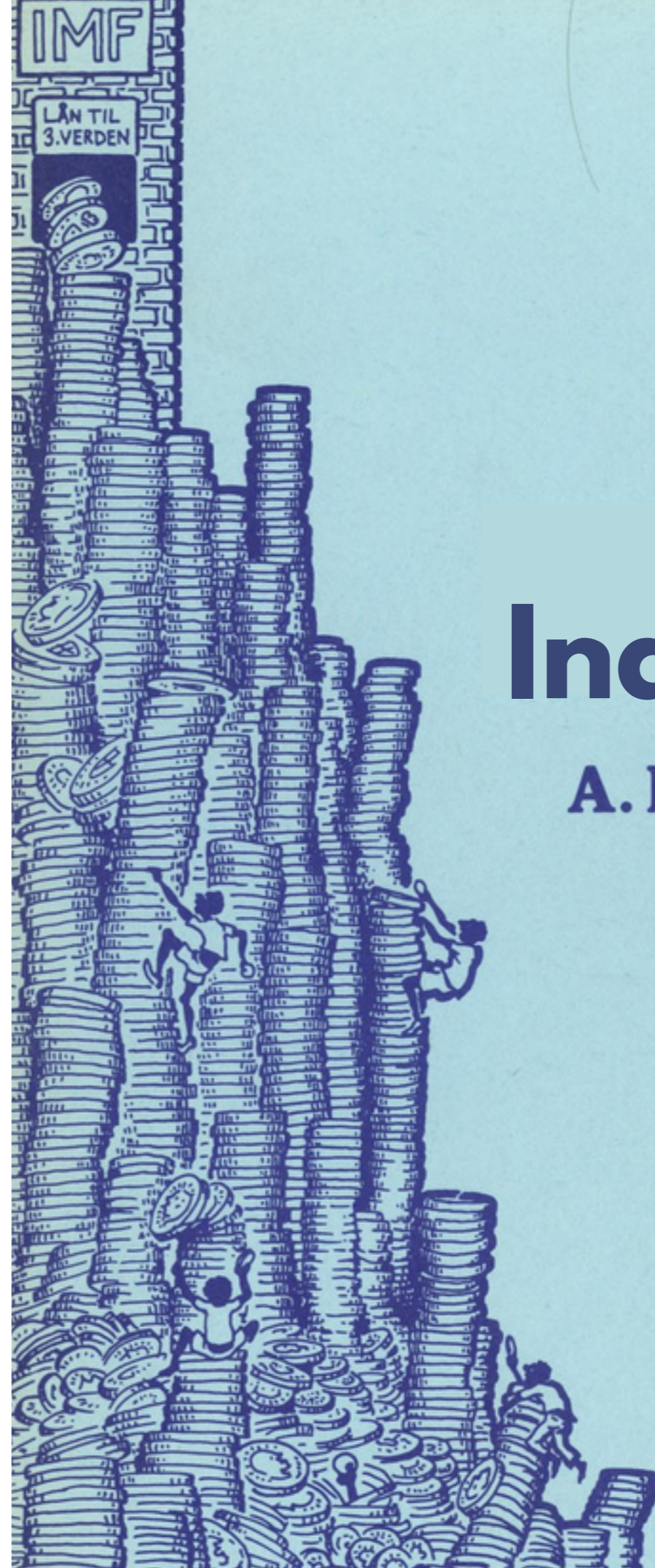
Without this double perspective on the position of the working class, the "parasite state" theory becomes static and loses its revolutionary content. Via this double perspective on the relation between – exploitation in the national framework and international exploitation, the theory can explain both the historical process of bourgeoisification and the working class' support for colonialism and imperialism up through the 20th century, but at the same time maintain a future possibility of the class as gravediggers of capitalism.

Torkil Lauesen, Copenhagen 6.2022.



Indebted

**A. Emmanuel &
Fidel Castro**



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Unequal Exchange on the Individual Level

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