

Case Studies Exercise: Contemporary Patterns of Exploitation

Session 7: Marxist and Dependency Theories of Development

Exercise Overview

Learning Objectives:

- Apply Marxist and dependency theory concepts to contemporary development challenges
 - Synthesize multiple theoretical frameworks covered in the course
 - Critically evaluate different explanations for persistent global inequality
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Setup for in-class part

- Stay in your groups of 3-4 students
 - Each group will receive ONE of three contemporary case scenarios
 - Your task: Analyze your case using the theoretical tools from today's lecture
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Case Scenarios

Choose one of these cases for your group, do other cases as optional follow-up exercise at home.

Case A: Lithium Extraction in Chile

Context:

- Chile holds 52% of world's lithium reserves (essential for electric vehicle batteries)
- Global "green transition" driving massive demand increase
- Major extraction in Atacama Desert (driest place on Earth)
- Lithium extraction uses 500,000 liters of water per ton of lithium
- Local indigenous communities losing access to water for agriculture
- Most lithium exported to China, US, South Korea for battery manufacturing
- Chilean company SQM (partially state-owned) controls production
- Profits largely repatriated to foreign investors and Santiago elites
- Local communities remain impoverished despite resource wealth

Case B: Vietnamese Electronics Manufacturing

Context:

- Vietnam attracted major electronics manufacturers: Samsung, Apple suppliers, Intel
- Manufacturing employs 3.5 million workers (10% of labor force)
- Wages: \$200-400/month (higher than Bangladesh textiles, lower than China)
- Workers assemble high-tech products but don't design them
- No major Vietnamese electronics brands emerged
- Technology and patents owned by foreign corporations
- Strict IP protections prevent technology transfer
- Export-oriented: 95% of output exported
- GDP growth 6-7% annually, but limited industrial upgrading
- Workers cannot afford the phones they assemble

Case C: Digital Platform Labor in Kenya

Context:

- Growing "gig economy" in Nairobi: Uber drivers, content moderators, data labelers
- Workers labeled as "independent contractors" not employees
- Content moderators for Facebook/TikTok earn \$1.50-2.50/hour
- View traumatic content daily; high rates of PTSD
- No benefits, sick leave, or job security
- Platforms owned by US tech giants (Meta, Scale AI, etc.)
- Work outsourced to Kenya due to English proficiency + low wages
- Kenyan government promotes "digital economy" as path to development

- Platform companies pay minimal taxes in Kenya
 - When workers organize, platforms can exit to other countries
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Analysis Task (10 minutes)

For your assigned case, work through the following questions using concepts from today's lecture:

1. Primitive Accumulation / Accumulation by Dispossession

Question: What is being taken or enclosed? Who is being separated from what means of subsistence or production?

2. Surplus Extraction

Question: Who creates value and who appropriates it? Trace the flow of surplus from workers to capitalists.

3. Core-Periphery Relations

Question: What is the position in the global system? Which elements suggest core vs. periphery characteristics?

Core characteristics present	Periphery characteristics present
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4. Unequal Exchange

Question: Is there evidence of unequal exchange? Consider:

- Wage differentials with similar productivity
- Technology/productivity gaps
- Terms of trade issues
- Monopoly power vs. competitive markets

5. Structural Heterogeneity / Dependency

Question: What makes the economy structurally dependent? What prevents autonomous development?

6. Contradictions

Question: What contradictions are visible? (e.g., growth alongside poverty, development requiring environmental destruction, etc.)

Class Discussion (3 minutes)

Each group briefly presents (1-2 minutes):

- One key mechanism of exploitation they identified in their case
 - One way their case illustrates dependency or uneven development
 - One question about whether/how this situation could change
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Further Questions After Class

The following questions are designed for deeper reflection after the lecture. You can work on these individually or discuss them in study groups.

Optional: Extended Reflection of cases after class

If you want to explore these ideas further, consider:

For Case A (Chilean Lithium):

- **Research:** Who owns the means of production in extractive industries?
- **Compare:** Norway's oil (sovereign wealth fund) vs. Nigeria's oil curse
- **Question:** Can "green transitions" in the North occur without exploitation in the South?

For Case B (Vietnamese Electronics):

- **Research:** How did South Korea's path differ from Vietnam's current trajectory?
- **Compare:** What industrial policies did successful late developers use?
- **Question:** Can countries climb the value chain within global value chains?

For Case C (Kenyan Platform Labor):

- **Research:** What forms does "digital colonialism" take?
- **Compare:** How do platform cooperatives differ from corporate platforms?
- **Question:** Can digital technologies create new forms of dependency?

Synthesis Questions

Question 1: Patterns Across Cases

What common patterns do you see across all three cases? What does this suggest about the structure of the global economy?

Question 2: Comparing Frameworks

How would analyzing these cases differ if you used:

- Neoclassical growth theory (Solow model)?
- New Institutional Economics (Acemoglu & Robinson)?
- Marxist/Dependency theory?

Framework	What would it emphasize?	What would it miss?
Neoclassical		
NIE		
Marxist/Dependency		

Question 3: Development Strategies

Given the Marxist/dependency analysis, what strategies might break these patterns?

Consider the three approaches from the lecture:

1. **Radical break (Frank)**: Complete delinking from capitalist world system
2. **Selective delinking (Amin)**: Reduce dependence, reorient to internal markets
3. **Pragmatic reform (ECLA/CEPAL)**: Strategic state intervention and industrial policy

Which seems most feasible? Most desirable? Why?

Question 4: Contemporary Relevance

Are these theories from the 1960s-70s still relevant today, or has globalization fundamentally changed the dynamics?

Consider:

- New forms of value extraction (data, intellectual property, platform economy)
 - Climate crisis and “green” extractivism
 - Rise of China and changing global hierarchy
 - New forms of dependency (technological, financial, digital)
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Note: These cases are designed to help you apply abstract theoretical concepts to concrete contemporary situations. The goal is not to find “correct” answers but to practice theoretical analysis and recognize patterns of exploitation and dependency in the modern global economy.