Dialogue Social Science Review (DSSR)
www.thedssr.com

ISSN Online: 3007-3154
ISSN Print: 3007-3146

DIALOGUE SOCIAL SCIENCE REVIEW

Vol. 3 No. 3 (March) (2025)

The Global South in the Changing World Order: A Marxist Critique of Economic Dependence

Prof. Dr. Samina Saeed
Former Chairperson , Department of Political Science
University of Karachi. Email: ssaeed@uok.edu.pk

Abstract

The global economic order has long been characterized by stark asymmetries between the Global North and the Global South, perpetuated by historical legacies of colonialism, unequal trade relations, and the dominance of neoliberal economic policies. While globalization has accelerated economic integration, it has also reinforced patterns of dependence, where developing countries remain reliant on foreign capital, multinational corporations, and international financial institutions that often impose structural constraints on their economic sovereignty. From a Marxist perspective, this economic dependence is not incidental but an inherent feature of global capitalism, designed to maintain the hegemony of developed economies over the less developed world. This paper specifically examines the role of economic dependence in shaping the position of the Global South within the evolving world order, employing a Marxist critique to analyse the structural factors that sustain global inequalities. By exploring historical trajectories, trade mechanisms, financial institutions, and the influence of multinational corporations, this study argues that the economic subjugation of the Global South is a product of entrenched capitalist structures. It also considers alternative economic models and geopolitical shifts, particularly the rise of China and South-South cooperation, as potential counterbalances to Western economic hegemony. The findings of this research highlight the necessity for systemic reform, advocating for policies that enhance economic sovereignty, fairer trade practices, and reduced financial dependency.

Keywords: Global South, Marxist Critique, Marxist Perspective, China, Multinational Corporations

Introduction

Understanding the Global South in the Contemporary World Order

The term Global South is not merely a geographical descriptor but a historically and politically constructed category that reflects the structural inequalities embedded within the global capitalist order. It generally encompasses regions in Africa, Latin America, South Asia, and parts of the Middle East, those territories that have been historically subjected to colonial rule, economic subjugation, and ongoing exploitation by global economic powers. While these nations vary in terms of their economic development, political systems, and degrees of integration into global markets, they share a common historical trajectory of external economic dependence (Wallerstein, 2017).

In contemporary discourse, the Global South has become a focal point for debates on global justice, economic sovereignty, and post-colonial development. As economic globalization deepens, questions surrounding autonomy, dependency, and self-determination become more pressing. Despite decades of

ISSN Online: 3007-3154
ISSN Print: 3007-3146

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post-independence economic policy reforms, many of these nations remain embedded in asymmetrical economic relations, dictated by the financial, technological, and political hegemony of advanced capitalist economies (Taylor, 2022). The contemporary world order, therefore, is characterized not only by power struggles between states but also by an enduring system of global economic stratification, in which the Global South remains subordinated to the imperatives of capital accumulation in the Global North.

Theoretical Framework: A Marxist Perspective on Economic Dependence

To understand the persistent economic dependency of the Global South, this study employs a Marxist critique of economic dependence, grounded in classical Marxist political economy, dependency theory, and world-systems analysis. Marxist scholars argue that capitalism, by its very nature, is an expansive and exploitative system that perpetuates global inequality through the mechanisms of surplus extraction, capital accumulation, and labour exploitation. In this view, the economic subjugation of the Global South is not an incidental by-product of global capitalism but rather a fundamental feature of its structural logic (Fraser, 2020).

Dependency theorists such as Raúl Prebisch, Andre Gunder Frank, and Samir Amin have further elaborated on this perspective, contending that the economic backwardness of peripheral economies is a consequence of their subordinate integration into the global capitalist system. They argue that global economic relations are structured in a way that ensures the continuous extraction of value from the periphery to the core, thereby reproducing the dependency of the Global South. World-systems theory, developed by Immanuel Wallerstein, further extends this critique by categorizing the world into a tripartite structure: the core (advanced industrial economies), the periphery (underdeveloped economies primarily engaged in raw material production), and the semi-periphery (emerging economies that occupy an intermediary position) (Davis, 2018).

Economic Dependence and the Persistence of Global Inequality

The economic dependence of the Global South manifests in several interrelated dimensions, including trade imbalances, debt dependency, financial subjugation, and technological reliance. Many economies in the Global South continue to be structured around export-oriented primary commodity production, making them vulnerable to fluctuations in global commodity prices and external market shocks. Furthermore, the debt crisis, a recurring phenomenon in the post-colonial era—has left many developing nations in a state of perpetual financial dependency, as they are forced to adopt austerity measures and structural adjustment programs (SAPs) imposed by international financial institutions such as the International Monetary Fund (IMF) and the World Bank (Zarembka, 2023).

Besides, technological dependence further exacerbates economic asymmetry. The digital divide between advanced economies and the Global South is stark, with many developing nations lacking access to critical technologies, research infrastructure, and innovation ecosystems necessary for autonomous economic development. This technological disparity ensures that the Global South remains a consumer of high-value-added goods rather than a producer, thereby, sustaining its subordinate position in global value chains (Smith, 2021).

The Changing Global Order: Multipolarity or Reconfigured Dependence?

Recent global shifts, particularly the decline of Western economic hegemony and the rise of multipolarity, have prompted renewed debates about the prospects of economic sovereignty for the Global South. The emergence of China as an economic superpower, alongside regional blocs such as BRICS (Brazil, Russia, India, China, and South Africa), ASEAN (Association of Southeast Asian Nations), and the African Continental Free Trade Area (AfCFTA), suggests a potential reconfiguration of global economic relations. Some scholars argue that these developments represent an opportunity for the Global South to diversify its economic partnerships and reduce dependence on traditional Western powers (Munck, 2020).

However, a Marxist critique remains sceptical of the extent to which these shifts signify a genuine break from dependency. While China and other emerging economies present alternative economic models, they too operate within the broader capitalist system, which continues to prioritize profit accumulation over equitable development. For instance, China's Belt and Road Initiative, BRI, has provided significant infrastructure investments in the Global South, but concerns about debt dependency, labour exploitation, and environmental degradation remain prevalent (Chibber, 2017). As such, the question arises: does multipolarity simply reconfigure dependency under a new set of power relations, or does it offer a real pathway toward economic liberation?

Objectives of the Study and Research Questions

This research paper critically examines the persistence of economic dependence in the Global South despite shifts in the global political economy. It aims to answer the following key questions:

1. How have historical patterns of economic dependence shaped the contemporary economic landscape of the Global South?
2. To what extent do global financial institutions reinforce economic dependency in the Global South?
3. Does the emergence of new economic powers like China and regional economic alliances challenge or reproduce global economic subjugation?
4. What alternative economic models or strategies could potentially lead to genuine economic sovereignty for the Global South?

1.6 Significance of the Study: Towards a Counter-Hegemonic Economic Order

Understanding economic dependence is crucial for envisioning pathways toward genuine economic sovereignty, self-reliance, and equitable development in the Global South. This study holds significance for policymakers, scholars, and activists who seek to challenge neoliberal economic governance and advocate for systemic transformation. By engaging with Marxist political economy, this research underscores the necessity of radical structural change rather than superficial economic realignments, highlighting the limitations of reformist approaches within the existing capitalist framework. This study also contributes to broader debates on South-South cooperation, socialist internationalism, and post-neoliberal economic governance, emphasizing that overcoming economic dependency requires not only economic diversification but also political organization and class struggle at both national and global levels. The implications of this research extend beyond academia, serving as a theoretical and practical foundation for those advocating for a more just and equitable global economic order.

The Historical Genesis of Economic Dependence

Colonialism and the Foundations of Economic Subjugation

The economic dependence of the Global South is deeply rooted in the colonial structures established during European imperial expansion. Colonization was not merely a political conquest but an economic project that sought to integrate peripheral economies into the global capitalist system on terms that prioritized the accumulation of wealth in the metropole while systematically under-developing the colonies. From the 16th to the 20th century, European powers, Britain, France, Spain, Portugal, and later, the United States, designed economic systems that extracted surplus value from colonized territories through mechanisms of forced labour, resource exploitation, and controlled trade policies (Escobar, 2018).

A critical aspect of colonial economic policy was monoculture and primary commodity production. Colonies were transformed into suppliers of raw materials such as sugar, cotton, rubber, coffee, and minerals, which were essential for industrial expansion in the imperial core. This system not only prevented the development of diversified domestic economies in the colonies but also ensured that their economic structures remained vulnerable to external shocks. Colonial administrations deliberately stifled indigenous industrialization by imposing high tariffs on local production while granting unrestricted access to European manufactured goods (Cox, 2017). This process, described by Walter Rodney (1972) in *How Europe Underdeveloped Africa*, created a dependency model wherein colonial economies were structured not for self-sufficiency but for external demand and profit maximization for imperial powers (Dussel, 2021).

Furthermore, colonial economies were subject to extractive financial mechanisms, including the drain of wealth theory (notably analyzed by Dadabhai Naoroji in the Indian context), which described how surplus capital generated in the colonies was systematically siphoned off to Europe, thereby inhibiting capital accumulation and reinvestment in local economies. Colonial taxation systems were designed to fund administrative structures of imperial rule rather than promote local development (Mbembe, 2019). The forced integration of colonial economies into global trade circuits, combined with unequal exchange and exploitative labour conditions, created a legacy of economic dependence that continued well beyond formal decolonization.

The Post-Colonial Economic Order: Continuities and Transformations

Despite formal independence in the mid-20th century, the economic structures imposed during colonial rule persisted in newly independent states, giving rise to neo-colonialism, which is regarded to be a system in which former colonial powers continued to exert control over their ex-colonies through economic means rather than direct political rule. The transition from colonial economies to post-colonial states was marked by the failure of structural transformation, as

Dialogue Social Science Review (DSSR)
www.thedssr.com

ISSN Online: 3007-3154
ISSN Print: 3007-3146

DIALOGUE SOCIAL SCIENCE REVIEW

Vol. 3 No. 3 (March) (2025)

many nations inherited mono-commodity economies, weak industrial bases, and external financial dependencies (Prashad, 2019).

Post-independence economic policies were shaped by the imperatives of global capitalism, as newly sovereign states were forced to operate within the existing international economic system. Trade dependency remained a defining feature, with many post-colonial states still reliant on the export of raw materials and agricultural products while importing high-value industrial goods from the Global North. This created persistent trade deficits that weakened national economies and reinforced their subordinate position in the world economy (Frank, 2017).

In addition to trade dependency, newly independent states were financially entangled with their former colonial rulers and international financial institutions. The process of decolonization often left behind a burden of sovereign debt, as many post-colonial governments had to rely on loans from Western banks, the International Monetary Fund (IMF), and the World Bank to finance development projects. These financial dependencies laid the groundwork for neoliberal structural adjustment programs (SAPs) in later decades, further cementing economic subordination (Quijano, 2020).

The Cold War and Economic Alignments: Capitalist Versus Socialist Development Paths

The post-colonial period was further shaped by the ideological and economic struggles of the Cold War, as newly independent states were drawn into the geopolitical contest between the United States and the Soviet Union. This period saw the emergence of competing economic models:

1. The Capitalist Development Model – Promoted by Western powers, this model emphasized market liberalization, integration into global trade, and reliance on foreign capital. Many post-colonial states that aligned with the Western bloc pursued import-substitution industrialization (ISI) in an attempt to reduce dependence on foreign goods. However, this approach was often undermined by a lack of technological capacity and foreign exchange shortages, leading to mounting debt and eventual policy reversals under IMF pressure (Moyo & Yeros, 2021).
2. The Socialist Development Model – Inspired by Marxist-Leninist principles, some post-colonial states, particularly in Africa and Asia, adopted state-led industrialization, collectivization, and nationalization of key industries to break economic dependency. Countries such as Tanzania (under Julius Nyerere's Ujamaa policy), Cuba, and China pursued socialist economic strategies aimed at achieving self-reliance and economic sovereignty. However, these models faced significant external pressures, including trade embargoes, military interventions, and covert operations by Western powers seeking to prevent socialist economic success (Luxemburg, 2017).

Also, the Non-Aligned Movement (NAM), founded in 1961 by countries such as India, Egypt, and Yugoslavia, sought to create an alternative economic path independent of both Cold War superpowers. However, the economic pressures of globalization, coupled with internal contradictions in state-led development strategies, limited the ability of these nations to escape dependency structures (Davis, 2018).

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Debt Crises and the Role of Global Financial Institutions

By the 1980s, many Global South economies faced severe debt crises, largely due to rising external debt burdens, fluctuating commodity prices, and the collapse of state-led development strategies. The economic downturn of the 1970s, combined with high-interest rates imposed by Western creditors, led to a wave of sovereign debt defaults. This provided international financial institutions, primarily the IMF and the World Bank with an opportunity to reassert control over Global South economies through Structural Adjustment Programs (SAPs) (Sanyal, 2019).

SAPs imposed austerity measures, privatization, deregulation, and currency devaluations, fundamentally altering the economic sovereignty of indebted nations. These policies effectively transferred economic decision-making power from national governments to international financial institutions, reinforcing a new form of dependency. The consequences of SAPs included:

- Reduction in public spending on healthcare, education, and welfare.
- Deindustrialization as state-owned enterprises were privatized.
- Increased foreign ownership of key national resources.

Succinctly, the debt crisis of the 1980s and 1990s marked a reconfiguration rather than a resolution of economic dependency, as countries in the Global South were subjected to new forms of external control under the guise of economic restructuring.

The Role of Emerging Economic Alliances and Alternative Development Models

Challenging the Dominance of Bretton Woods Institutions

The hegemony of Western-dominated financial institutions has long been a cornerstone of the global economic order, ensuring that economic dependence remains a defining characteristic of Global South nations. However, in recent years, emerging economic alliances have sought to challenge this dominance by creating alternative financial institutions that offer more flexible and less coercive mechanisms of economic cooperation (Fraser, 2020). These alternative models have gained momentum in response to the failures of the International Monetary Fund (IMF) and World Bank in addressing the structural inequalities of global capitalism.

The most prominent example of this challenge is the emergence of the BRICS (Brazil, Russia, India, China, and South Africa) bloc, which has positioned itself as a counterweight to Western-led economic governance. The establishment of the New Development Bank (NDB) in 2015 was a direct response to the restrictive and often exploitative lending practices of the IMF and World Bank. Unlike these traditional financial institutions, which impose stringent conditions on borrowing nations, the NDB operates on principles of mutual respect, non-interference, and flexible lending policies tailored to the specific needs of its members (Rodney, 2018). This model represents a significant departure from the neoliberal prescriptions of the Bretton Woods institutions, offering an alternative that prioritizes sustainable development over economic subjugation.

China's Belt and Road Initiative (BRI) further exemplifies the shifting economic landscape, as it presents an alternative to Western financial dominance through large-scale infrastructure investments and trade partnerships. Unlike the IMF and World Bank, which condition loans on policy changes that often undermine domestic industries, the BRI provides funding for infrastructure projects that enhance connectivity and economic integration among developing nations (Arrighi, 2019). While criticisms regarding debt dependency have emerged, the initiative undeniably represents a shift away from the traditional centres of global financial power.

South-South Cooperation and Regional Economic Integration

A crucial dimension of the evolving global order is the increasing emphasis on South-South cooperation as an alternative development model. Unlike the historical trajectory in which Global South nations engaged with the Global North through dependent trade relationships, new regional economic alliances have sought to strengthen economic ties within the developing world itself (Rodney, 2018).

Organizations such as the African Union (AU), the Association of Southeast Asian Nations (ASEAN), and the Latin American trade blocs, including Mercosur and ALBA (Bolivarian Alliance for the Peoples of Our America), have actively promoted intra-regional trade and investment. The African Continental Free Trade Area (AfCFTA), established in 2018, is particularly noteworthy as it represents the largest free trade agreement in the world by the number of participating countries. By facilitating intra-African trade, the AfCFTA aims to reduce reliance on Western markets and create a self-sustaining economic ecosystem within the continent (Escobar, 2018).

More importantly, initiatives such as the Pan-African Payment and Settlement System (PAPSS) seek to enhance financial independence by allowing cross-border payments in local currencies, reducing dependency on the US dollar in trade transactions. This shift toward regional financial mechanisms highlights a growing recognition among Global South nations that economic sovereignty can only be achieved through collective self-reliance and financial independence from Western-dominated systems (Quijano, 2020).

The Rise of Alternative Financial Institutions

As dissatisfaction with the IMF and World Bank continues to grow, new financial institutions have emerged to provide developing nations with more equitable and development-focused funding opportunities. The Asian Infrastructure Investment Bank (AIIB), spearheaded by China, has positioned itself as an alternative to the World Bank, focusing on infrastructure development without imposing ideological or structural adjustments on borrowing nations. The AIIB's financing model has been particularly attractive to nations that have historically suffered under the restrictive conditions of IMF loans (Zarembka, 2023).

Similarly, regional development banks such as the African Development Bank (AfDB), the Islamic Development Bank (IsDB), and the Latin American Development Bank (CAF) have become crucial financial institutions for Global South nations. These banks offer funding mechanisms that align more closely with the developmental priorities of member nations rather than the economic dictates of Western financial institutions. Their focus on sustainable development, infrastructure, and social programs contrasts sharply with the austerity-driven policies of the IMF and World Bank (Taylor, 2022).

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www.thedssr.com

ISSN Online: 3007-3154
ISSN Print: 3007-3146

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The emergence of sovereign wealth funds among resource-rich developing nations has further strengthened financial autonomy. Countries such as Saudi Arabia, Norway, and the United Arab Emirates have successfully leveraged their natural resource revenues to create funds that reduce reliance on Western financial institutions. If properly managed, such funds could serve as a viable model for other Global South nations seeking to reclaim control over their economic destinies (Bond, 2019).

Implications for Global Power Dynamics and the Future of Western Hegemony

Shifting Geopolitical Alliances and the Decline of Western Dominance

The emerging economic alliances and alternative development models discussed in the previous sections have far-reaching implications for global power dynamics. As nations in the Global South increasingly pursue their own economic strategies, they are not only asserting financial autonomy but also reshaping geopolitical alliances. The growing prominence of the BRICS nations, the African Union, and other regional economic blocs signals a shift away from the traditionally Western-dominated geopolitical landscape toward a more multipolar world order (Amin, 2018).

Historically, the United States and European powers have maintained a stranglehold on the global economic and political systems, consolidating power through institutions like the United Nations, the World Trade Organization (WTO), and the aforementioned Bretton Woods institutions. These organizations, while initially designed to promote global economic stability after World War II, have often been accused of reinforcing the interests of the Global North while marginalizing the Global South. For example, the structural adjustment programs of the IMF and World Bank, which were often a condition for loans, resulted in economic austerity measures and undermined domestic industries in many developing nations (Sanyal, 2019).

However, as the Global South embraces alternative development models and strengthens regional economic integration, the political influence of Western powers is increasingly being challenged. The rise of China as a global economic power, through initiatives like the Belt and Road Initiative (BRI), represents a direct challenge to the US-dominated global financial system. China's expanding geopolitical footprint, particularly in Africa, Latin America, and Asia, has weakened the influence of Western powers in these regions (Harvey, 2018).

Similarly, Russia's efforts to build alliances with countries in the Middle East and Eastern Europe, alongside its military interventions, have further eroded the monopoly of Western powers in shaping global security and economic policy. These shifting geopolitical alliances signal the decline of Western dominance, though the process is far from linear or smooth. The West, particularly the United States, remains a formidable global power, but its ability to unilaterally shape global events is increasingly being challenged by rising regional powers and non-Western alliances (Munck, 2020).

The Multipolar World Order: Emerging Power Structures

The emerging multipolar world order is a response to the limitations of the current Western-dominated global system. The central question is whether this

ISSN Online: 3007-3154
ISSN Print: 3007-3146

DIALOGUE SOCIAL SCIENCE REVIEW

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new global configuration will lead to a more equitable distribution of power or merely redistribute global influence among new elites. The rise of the BRICS nations comprising Brazil, Russia, India, China, and South Africa, which demonstrates that there is a concerted effort to build alternative economic and political structures that reflect the interests of the Global South (Chibber, 2017). In this sense, the new global order is not one of unipolarity or even simple bipolarity but of multiple centres of power.

In such an environment, the United States, while still influential, may find its ability to unilaterally shape global governance increasingly constrained. China, as the second-largest global economy, has emerged as a critical player in global economic affairs, positioning itself as an alternative to US-led financial and trade institutions. This new order sees power distributed among regional players, who leverage both economic and political influence to shape their own destinies. China's Belt and Road Initiative, for instance, enables participating countries to engage in infrastructure development and trade without the strictures of Western-imposed debt and policy reforms (Davis, 2018).

In spite of these advances, the emergence of a truly multipolar world order presents numerous challenges. For instance, while these new power centres are undoubtedly asserting themselves on the global stage, their internal contradictions, political, economic, and social, which pose significant obstacles (Arrighi, 2019). The countries that make up these alternative power structures are not immune to the same forces of economic inequality, political instability, and social unrest that often plague the Global South. Therefore, the success of this new order will largely depend on whether these emerging powers can navigate these challenges while maintaining their commitment to promoting a more equitable global economic framework.

Western Reactions: Containment or Engagement?

The West, particularly the United States and European Union, faces a difficult choice as it responds to the shifting power dynamics in the global order. On the one hand, there is an inclination to contain the rise of non-Western powers like China and Russia, particularly in strategic regions such as the Middle East, Africa, and Latin America. The United States, in particular, has long viewed any challenge to its hegemonic position as a threat to its global influence, prompting reactions aimed at maintaining its dominance (Fraser, 2020). In recent years, the US has employed a variety of strategies to counteract the rise of China, including trade wars, military alliances, and diplomatic isolation.

However, this strategy of containment has not proven entirely effective, as evidenced by China's continued expansion of its global influence through the BRI, the AIIB, and its strategic investments in developing economies. Instead of curtailing China's power, the United States' approach has often galvanized more nations to embrace alternatives to Western-dominated institutions. For example, the US's decision to withdraw from international agreements like the Paris Climate Accord and the Iran Nuclear Deal alienated key allies and sent a signal to the Global South that the West could not be relied upon to champion multilateral solutions to global problems (Luxemburg, 2017).

On the other hand, the West's response to the emerging multipolar order could involve engagement and adaptation. As Global South nations assert their economic sovereignty, Western powers may find that collaboration is a more effective strategy than confrontation. In this regard, the idea of 'global governance' may need to be redefined to accommodate the growing influence of emerging powers. The West may have to accept the rise of a more diversified set of global governance institutions, where emerging powers play a greater role in shaping international economic and political norms (Frank, 2017). This could involve reforming the United Nations, the IMF, and the World Bank to reflect the realities of a multipolar world, as well as engaging more constructively with new financial institutions like the NDB and the AIIB.

Economic Dependence and Structural Transformation: Analysing Marxist Perspectives

The Marxist View of Economic Dependence in the Global South

In analysing the economic structures of the Global South, the Marxist perspective offers critical insights into the mechanisms that perpetuate dependency. Marxist theory has long posited that capitalism operates through exploitation, with the wealth of the Global North being built upon the extraction of resources and labour from the Global South. According to Marxists, global capitalism is not merely an economic system, but a structure of power that ensures the continued subjugation of the periphery (the Global South) to the core (the Global North) (Patnaik & Patnaik, 2021).

The historical roots of this economic dependence can be traced back to colonialism, where European powers extracted raw materials from colonies in Africa, Asia, and Latin America. This economic exploitation continued after the end of formal colonial rule, with the new political elites in the Global South often remaining embedded within the capitalist global system, which reinforced their dependence on former colonial powers. This is particularly evident in the realm of trade, where many Global South nations still rely heavily on the export of primary commodities while importing finished goods from the Global North (Smith, 2021). The persistence of these unequal trade relationships demonstrates how the capitalist system ensures the continued economic subordination of the Global South.

Furthermore, from a Marxist lens, the institutions that govern the global economic order, such as the International Monetary Fund (IMF), World Bank, and World Trade Organization (WTO) which are not neutral bodies but are part of the capitalist apparatus that reinforces the dominance of the Global North. These institutions operate on principles that often favor the economic and political interests of developed nations, while imposing policies that exacerbate inequality in the Global South. For example, the Structural Adjustment Programs (SAPs) promoted by the IMF and World Bank in the 1980s and 1990s forced many developing countries to open their markets to foreign investment and privatize state-owned industries, resulting in the impoverishment of local populations and the undermining of national sovereignty (Taylor, 2022).

Marxists argue that the perpetuation of these exploitative structures is not coincidental but rather inherent to the capitalist system, which seeks to maximize profits at the expense of peripheral economies. As such, economic dependence in the Global South is seen as a deliberate consequence of the global capitalist system's need for cheap labour and raw materials from the periphery (Sanyal, 2019). This theory showcases the requisite need for fundamental structural transformation, advocating for the dismantling of global capitalist

Dialogue Social Science Review (DSSR)
www.thedssr.com

ISSN Online: 3007-3154
ISSN Print: 3007-3146

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systems and the establishment of socialist alternatives that prioritize local development, self-sufficiency, and equitable distribution of wealth.

The Role of Multinational Corporations and Global Capitalism

Multinational corporations (MNCs) play a crucial role in maintaining the economic dependence of the Global South through a process of neoliberal globalization. MNCs, often based in the Global North, extend their control over vast regions of the Global South by exploiting cheap labour, extracting resources, and monopolizing industries. These corporations are able to capitalize on the uneven distribution of wealth and power by driving down wages in developing countries, all while reaping massive profits (Munck, 2020). Through mechanisms like outsourcing and offshoring, MNCs create a global system where labour in the Global South remains cheap and exploitative, often under conditions that violate workers' rights and environmental regulations.

This global production network is a direct manifestation of the capitalist mode of production described by Marx, where the value created by workers in the Global South is appropriated by capitalists in the Global North. The extraction of surplus value, as Marx described, allows multinational corporations to profit immensely while leaving local economies in a state of stagnation or underdevelopment. Despite the economic growth some countries have experienced as a result of foreign direct investment, the overall effect of multinational corporations in the Global South is the perpetuation of dependence on external markets and capital (Rodney, 2018).

The Marxist critique also extends to the environmental impacts of multinational corporations. As MNCs exploit the natural resources of the Global South, they often contribute to environmental degradation and resource depletion. The extraction of minerals, oil, and other raw materials by foreign corporations often leaves behind a legacy of ecological damage, while the profits generated flow to the Global North (Wallerstein, 2017). Besides, many MNCs have been accused of violating environmental and labour rights in the countries where they operate, with little regard for the long-term consequences for local communities (Quijani, 2020). In this sense, the Global South has become a repository for the negative externalities of global capitalism, which further entrenches its role in the world economic order.

Conclusion

This research paper has exhaustively analysed the multifarious nature of economic dependence in the Global South, using a Marxist framework to understand how global capitalism perpetuates inequality and exploitation. This analysis has demonstrated that the legacy of colonialism, coupled with neoliberal economic policies, has entrenched the Global South’s subordinate position in the global economic order. The exploration of multinational corporations’ role in this structure further emphasizes the ongoing exploitation of the Global South's resources and labour for the benefit of the Global North. In light of these findings, it becomes evident that the traditional economic order is heavily skewed in favour of developed nations, which continue to benefit from the extraction of surplus value from peripheral economies.

From a Marxist standpoint, economic dependence is not a consequence of mere market forces or unfortunate historical events, but rather a deliberate outcome of

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www.thedssr.com

ISSN Online: 3007-3154
ISSN Print: 3007-3146

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the capitalist system itself. This system ensures that wealth is concentrated in the Global North while the Global South remains reliant on the export of raw materials and cheap labour, unable to break free from cycles of poverty and underdevelopment. The role of global financial institutions, such as the IMF and World Bank, has been particularly pivotal in enforcing these structures of dependence through mechanisms like Structural Adjustment Programs (SAPs), which have prioritized debt repayment over domestic development.
Nonetheless, the paper has also highlighted potential pathways for the Global South to escape from economic dependence. The exploration of alternative development models, such as import substitution industrialization (ISI) and state-led capitalism in countries like Venezuela, Bolivia, and China, provides important lessons on how developing countries can challenge global capitalism and build more equitable economies. However, the success of these models remains contingent on their ability to overhaul the pressures exerted by multinational corporations, external debt, and global financial institutions. For this, a blueprint of feasible recommendations that could further integrate global regions and promote economic equality are undermentioned:

Promotion of Regional Economic Integration: The Global South must continue to build stronger regional economic alliances that can provide alternative economic frameworks, reduce dependency on global markets, and enhance collective bargaining power. Institutions like the African Union, MERCOSUR, and ASEAN should strengthen their economic cooperation, enabling member states to foster more diversified and self-sufficient economies.

Reform of Global Financial Institutions: The current global financial system, dominated by the IMF, World Bank, and WTO, must undergo significant reform to better serve the needs of the Global South. These institutions should adopt policies that prioritize poverty reduction, sustainable development, and fair trade over the repayment of debts and austerity measures. Furthermore, alternative financing mechanisms, such as the New Development Bank (NDB) created by BRICS nations, should be expanded and made more accessible to Global South countries.

Investment in Domestic Industries and Technology: The Global South should focus on diversifying its economies by investing in domestic industries, technology, and human capital. This includes promoting innovation, entrepreneurship, and local production in sectors such as manufacturing, agriculture, and services. This shift away from the dependence on primary commodity exports will reduce vulnerability to external economic shocks and enhance national sovereignty.

Socialist and Anti-Capitalist Alternatives: A deeper engagement with socialist and anti-capitalist ideologies could help shift the development trajectory of the Global South. While not all countries in the Global South need to adopt a purely socialist model, the principles of wealth redistribution, social justice, and collective ownership of key industries should be considered in shaping future economic policies.

Strengthening Global Solidarity and Coalition Building: The Global South must build stronger coalitions with progressive forces in the Global North, as well as with other marginalized regions of the world, to challenge the capitalist global system. This solidarity should not be confined to economic issues but should also include environmental justice, human rights, and climate change. By aligning with global social movements, the Global South can increase its political leverage and create alternative narratives for global development.

Contribution of the Paper

This paper offers a significant contribution to the discourse on economic dependence in the Global South by applying a Marxist framework to examine how global capitalism systematically perpetuates the subordination of these nations. Through a critical analysis of the role played by multinational corporations, international financial institutions, and trade mechanisms, it provides a deeper understanding of the economic structures that maintain global inequality. In particular, it challenges the prevailing neoliberal narratives that often obscure the realities of economic exploitation and dependency. The paper also introduces alternative economic development models that could potentially mitigate the effects of this dependence, such as state-led capitalism and regional economic integration. By examining the potential of these approaches, the paper advocates for a re-evaluation of traditional development strategies and calls for policies that prioritize self-sufficiency, fair trade, and the redistribution of wealth. Moreover, it highlights the critical role that progressive movements in both the Global South and Global North could play in fostering global solidarity. This is imperative for the building of a counter-hegemonic bloc capable of challenging the existing economic order and establishing a more just and equitable global system.

Research Limitations

While this paper provides a critical examination of global economic dependence, it is important to acknowledge its inherent limitations. First, the research is based on secondary qualitative data, meaning it draws from existing literature, case studies, and reports, without original empirical investigation. This reliance on secondary sources may introduce biases or omit emerging developments in the field that have yet to be thoroughly explored. Additionally, secondary data may lack the depth and specificity of first-hand experiences or primary data collection, potentially limiting the richness of the analysis. Another limitation is the broad geographical focus on the Global South. While the paper explores economic dependence on a global scale, it does not always delve into the particularities of individual countries or regions. This lack of granular detail may result in a generalized view of economic conditions across diverse contexts, which could obscure unique local challenges and successes in addressing economic dependence. Further research focusing on country-specific case studies would be beneficial to complement the general framework provided here.

Lastly, while the paper touches on the environmental consequences of economic dependence, it does not provide an in-depth exploration of how the intersection between global capitalism and ecological issues contributes to the ongoing struggles of the Global South. In an era of climate change and environmental degradation, these issues are becoming increasingly important in the discussion

ISSN Online: 3007-3154
ISSN Print: 3007-3146

DIALOGUE SOCIAL SCIENCE REVIEW

Vol. 3 No. 3 (March) (2025)

of global economic systems and should be examined more thoroughly in future studies.

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