



## Understanding the Political Economy of Contemporary Africa

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### Abstract

Current academic programmes in social sciences for African Universities have been prescribed by the World Bank and allied authorities in order to destroy any capacity to develop critical thought. Unable to understand really existing systems which govern the contemporary world, the brain washed cadres are reduced to the status of 'executives' implementing programmes decided elsewhere, unable to contribute to changing that world rejected by their own people. A critique of this totalitarian shallow 'unique thought' which has invested the teaching of economics is the subject of this paper. Further readings, offering a critique of 'post modernist' sociology and cultural studies (see, for instance, Samir Amin, *The Liberal Virus*, Pluto 2004, pages 19 et seq.) complete the picture of the ongoing intellectual disaster. CODESRIA constitutes an important intellectual locus conducting real open debates with a strong sense of responsibility.

### Resumé

Les Programmes en sciences sociales dans les universités africaines ont été prescrits par la Banque mondiale et les autorités alliées afin de détruire toute capacité de développer une pensée critique. Incapable de comprendre réellement les systèmes qui existent et qui régissent le monde contemporain, les cadres qui ont reçu un lavage de cerveau sont réduits à mettre en œuvre des programmes décidés ailleurs, incapables de contribuer au changement de ce monde étant rejeté par leur propre peuple. Une critique de cette totalitaire faible « pensée unique » qui a investi dans l'enseignement de l'économie est le sujet de cet article. D'autres lectures poussées, offrant une critique de la sociologie « post moderniste » et les études culturelles (voir, par exemple, Samir Amin, *The Liberal Virus*, Pluton 2004, pages 19 et suiv.) complètent le tableau de la catastrophe intellectuelle en cours. Le CODESRIA constitue un important locus intellectuel qui mène de réels débats ouverts avec un fort sens de responsabilité.

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### **Imaginary Capitalism and the Para-theory of ‘Pure’ Economics**

The concept of capitalism cannot be reduced to the ‘generalized market’, but instead situates the essence of capitalism precisely in power beyond the market. This reduction, as found in the dominant vulgate substitutes the theory of an imaginary system governed by ‘economic laws’ (the ‘market’) which would tend, if left to themselves, to produce an ‘optimal equilibrium’ for the analysis of capitalism based on social relations and a politics through which these powers beyond the market are expressed. In really-existing capitalism, class struggle, politics, the state, and the logics of capital accumulation are inseparable. Consequently, capitalism is by nature a regime in which the successive states of disequilibrium are products of social and political confrontations situated beyond the market. The concepts proposed by the vulgar economics of liberalism – such as ‘deregulation’ of the markets – have no reality. The so-called deregulated markets are markets regulated by the forces of monopolies which are situated outside the market.

Economic ‘alienation’ is the specific form of capitalism which governs the reproduction of society in its totality and not only the reproduction of its economic system. The law of value governs not only capitalist economic life, but all social life in this society. This specificity explains why, in capitalism, the economic is erected into a ‘science’ – that is, the laws which govern the movement of capitalism are imposed on modern societies (and on the human beings which form those societies) ‘like laws of nature’. In other words, the fact that these laws are the product not of a trans-historical nature (which would define the ‘human being’ vis-a-vis the challenge of ‘scarcity’) but of a particular historical nature (social relations specifically characteristic of capitalism) is erased from social consciousness. This is, in my opinion, how Marx understood ‘economism’, the unique characteristic of capitalism.

In addition, Marx brings to light the immanent instability of this society, in the sense that the reproduction of its economic system never tends towards the realization of any sort of general equilibrium, but is displaced from disequilibrium to disequilibrium in an unforeseeable manner. One can account for this after the fact but never define it in advance. The ‘competition’ between capitals – which defines capitalism – suppresses the possibility of realizing any sort of general equilibrium and thus renders illusory any analysis founded on such a supposed tendency. Capitalism is synonymous with permanent instability. The articulation between the logics produced by this competition of capitals and those which are deployed through the evolution of the social relations

of production (among capitalists, between them and the exploited and dominated classes, among the states which form capitalism as a world system) accounts, after the fact, for the movement of the system as it displaces itself from one disequilibrium to another. In this sense, capitalism does not exist outside of the class struggle, the conflict between states, and politics. The idea that there exists an economic logic (which economic science enables us to discover) that governs the development of capitalism is an illusion. There is no theory of capitalism distinct from its history. Theory and history are indissociable, just as are economics and politics.

I have pointed out these two dimensions of Marx's radical critique precisely because these are the two dimensions of reality of which bourgeois social thought is ignorant. This thought is, in fact, economicist from its origins in the era of the Enlightenment. The 'Reason' that it invokes attributes to the capitalist system, which replaces the Ancien Regime, a trans-historical legitimacy, making it the 'end of history'. This economic alienation was to be accentuated thereafter, precisely in the attempt to respond to Marx. Pure economics, starting with Walras, expresses this exacerbation of the economism of bourgeois social thought. It substitutes the myth of a self-regulating market, which would tend through its own internal logic towards the realization of a general equilibrium, for the analysis of the real functioning of capitalism. Instability is no longer conceived as immanent to this logic, but as the product of the imperfections of real markets. Economics thus becomes a discourse which is no longer engaged in knowing reality; its function is no more than to legitimize capitalism by attributing to it intrinsic qualities which it cannot have. Pure economics becomes the theory of an imaginary world.

The dominant forces are such because they succeed in imposing their language on their victims. The 'experts' of conventional economics have managed to make believe that their analyses and the conclusions drawn from them are imperative because they are 'scientific', hence objective, neutral and unavoidable. This is not true. The so-called pure economics on which they base their analyses does not deal with reality, but with an imaginary system which not only does not approach reality but is located squarely in the opposite direction. Really-existing capitalism is another thing entirely.

This imaginary economics mixes up concepts and confuses progress with capitalist expansion, market with capitalism. In order to develop effective strategies, social movements must liberate themselves from this confusion.

The confusion of two concepts – the reality (capitalist expansion) and the desirable (progress in a determined sense) – is at the origin of many disappointments expressed in the criticisms of implemented policies. The dominant discourses systematically mix up concepts. They propose means that enable the expansion of capital and then quality as ‘development’ that results, or would result, according to them. The logic of the expansion of capital does not imply any result qualifiable in terms of ‘development’. It does not suppose, for example, full employment or an amount designated in advance for the unequal (or equal) distribution of income. The logic of this expansion is guided by the search for profits by individual enterprises. This logic can entail, in certain conditions, growth or stagnation, expansion of employment or its reduction, can reduce inequality in incomes or accentuate it, according to circumstances.

Here again the sustained confusion between the concept of ‘market economy’ and that of ‘capitalist economy’ is at the source of a dangerous weakness found in critiques of the policies that are carried out. The ‘market’, which refers by nature to competition, is not ‘capitalism’, which is defined precisely by the limits to competition that the monopoly or oligopoly (for some people, to the exclusion of others) of private property implies. The ‘market’ and capitalism form two distinct concepts. Really-existing capitalism is, as Braudel’s analysis has shown so well, the opposite even of the imaginary market.

In addition, really-existing capitalism does not function as a system of competition among the beneficiaries of the monopoly of property – competition among them and against others. Its operation requires the intervention of a collective authority representing capital as a whole. Thus the state is not separable from capitalism. The policies of capital, thus of the state insofar as it represents capital, have their own concrete logical stages. It is these logical stages that account for the fact that, at certain times, the expansion of capital entails an increase in employment, at other times a decrease in employment. These logical stages are not the expression of ‘laws of the market’, formulated in the abstract as such, but requirements of the profitability of capital in certain historical conditions.

There is no ‘law of capitalist expansion’ which is imposed as a quasi-supernatural force. There is no historical determinism anterior to history. The inherent tendencies of the logic of capital always clash with forces which resist its effects. Real history is thus the product of this conflict between the logic of capitalist expansion and those logics that spring from social forces resisting its expansion. In this sense, the state is rarely simply the state of capital, it is also at the heart of the conflict between capital and society.

For example, the industrialization of the post-war period, from 1945 to 1990, was not the natural product of capitalist expansion but rather resulted from conditions imposed on capital by the victories of national liberation movements, which forced globalizing capital to adjust to this industrialization. For example, the erosion of the effectiveness of the national state, produced by capitalist globalization, is not an irreversible determinant of the future. On the contrary, national reactions to this globalization could impose unforeseen trajectories onto global expansion, for better or worse according to circumstances. For example, the concerns stemming from the environment, which are in conflict with the logic of capital (which is by nature a short-term logic) could impose important transformations onto capitalist adjustment. One could multiply the examples.

The effective response to the challenges can only be found if one understands that history is not governed by the infallible unfolding of economic laws. It is produced by social reactions to the tendencies expressed by these laws which, in turn, are defined by the social relations within the framework in which these laws operate. The ‘anti-systemic’ forces – if one wants to refer to this organized, coherent and effective refusal to unilateral and total submission to the requirements of these alleged laws (in fact, quite simply, the law of profit characteristic of capitalism as a system) – make real history as much as the ‘pure’ logic of capitalist accumulation. These forces govern the possibilities and the forms of the expansion which then develop within the framework that they have organized.

The method proposed here prohibits formulating ‘recipes’ in advance that would allow the future to be made. The future is produced by the transformations in the social and political relations of force, themselves produced by struggles whose outcomes are not known in advance. One can nevertheless reflect on this process, in the context of contributing to the crystallization of coherent and possible projects and, consequently, help any social movement avoid false solutions. In the absence of such reflection, a movement could easily become bogged down in the pursuit of these ‘solutions’.

The project of a humanist response to the challenge of capitalism’s globalized expansion is by no means utopian. On the contrary, it is the only possible realistic project, in the sense that the beginning of an evolution towards such a response could rapidly win over powerful social forces capable of imposing a logic on it. If there is a utopia, in the banal and negative sense of the term, it is truly the project of managing the system, understood as regulation by the market.

## The Theoretical Model of Capital Accumulation in the Contemporary World

The aim of this study is to show that there is a basic difference between the model of the accumulation of capital and economic and social development that is characteristic of an autocentric system and that of a system in the periphery. This difference – that we consider to be absolutely fundamental – having been highlighted, it is in the general theoretical framework that we shall try to relocate questions of social structure as well as the diverse aspects that are essential to the problems of the contemporary world, both social (particularly that of unemployment, under-employment and marginalisation) as well as ideological and political (especially problems of social consciousness, class consciousness, problems of planning, the mobilisation of resources and people, problems of education and its social role, etc.).

This table below ‘sums up’ abstractly the difference – from this viewpoint – between an autocentric system and a peripheral one.

(main articulation of an autocentred system)			
1	2	3	4
Exports	Mass consumption	Luxury consumption	Production goods

Note too that the articulated sectors above also apply to the dependent periphery. The activities in the different sectors would, of course be different.

The economic system is divided into four sectors that can be considered either from the production angle or from that of the distribution of the active population involved in the production activities as described.

### *The Determining Articulation in an Autocentric System*

The determining articulation in an autocentric system is the one linking sector 2 (the production of mass consumption goods) to sector 4 (the production of industrial plant that enables the production of sector 2). This determining articulation has indeed been characteristic of the historical development of capitalism at the centre of the system (in Europe, North America and Japan). It therefore illustrates abstractly the ‘pure’ mode of capitalist production and has been analysed as such, in Marx’s *Capital*. It can also be shown that the development processes of the USSR and China have also been based on this

articulation, although the forms, as far as China is concerned, are original.

Marx does, indeed, show that in the world of capitalist production there is an objective relationship (that is to say, necessary) between the rate of surplus value and the level of development of the productive forces. The rate of surplus value essentially determines the structure and social distribution of the revenue (its division between the wage earners and the surplus value that takes the form of profit and, hence, that of demand (as it is the wage earners who constitute most of the demand for mass consumption goods, the profits are totally or partially ‘saved’ with a view to being ‘invested’). The level of development of the productive forces is expressed in the social division of labour: the allocation of the work force, in appropriate proportions, to sections 2 and 4 (sections 2 and 1 in Marx’s reproduction model). This objective relation, although fundamental in *Capital*, has often been ‘forgotten’, particularly in the debate on the tendency of the rate of profit to diminish. The argument, often put forward, that the increase in the organic composition of capital can be compensated by that of the rate of surplus value loses its coherence as soon as one realizes that the contradiction between the capacity of the system to produce and its capacity to consume – inherent in the capitalist mode of production – is constantly being overcome and this explains the objective character of the relationship between the rate of surplus value and the level of development of the productive forces. As we have so often emphasized, this theoretical model of accumulation is infinitely richer than all the subsequent empiricist models:

- i) because it reveals the origin of profit (which requires a prior theory of value) and gets rid of economic rationality as an absolute quality, restoring it to its real status of rationality *in a system* and not rationality independent of the system, as Piero Sraffa has rediscovered so brilliantly (in *Production of Commodities by Means of Commodities*, Cambridge University Press, 1960);
- ii) because it shows that the economic choices made in this system are necessarily sub-optimal, showing the ideological – i.e. non-scientific – character of the marginalist constructions of ‘general equilibrium’; and
- iii) because it demonstrates that the ‘real wage’ cannot be ‘any old wage’ and that it therefore gives an objective status to social power relationships.

The objective relation in question is expressed in the conjunctural fluctuations of activities and unemployment. An increase in the rate of surplus value above its objectively necessary level leads to a crisis, when

there is insufficient effective demand. A reduction of this rate slows down economic growth and therefore creates labour conditions that are favourable for capital. As we have shown, this adjustment – which indeed corresponds to the history of the accumulation of the industrial revolution at the time of the 1930 crisis (a history marked by the economic cycle) is now more complex because the influence of this secondary effect in wage variations on the choice of techniques is responsible for the suboptimal character of the economic system. The tendency towards full employment (which does not exclude but, on the contrary, involves a small margin of permanent unemployment) as well as substantial conjunctural fluctuations of unemployment show how this system functions. The internal transformations of contemporary capitalism have removed the functionality of this adjustment mechanism. The monopolisation of capital on the one hand and the organization of workers at the national level on the other, made possible ‘planning’ that was aimed at reducing conjunctural fluctuations. If the working class accept to operate in this framework, which is the system by which, under the leadership of the State, capital and labour accept a ‘social contract’ linking growth of the real wage to that of productivity (in given data which is calculated by the ‘technocrats’) almost stable full employment can be guaranteed.

Except that obviously some sectors of the society can, by refusing the ‘contract’, cause trouble. This is especially the case of the small and medium enterprises who will be the ones to suffer from the concentration and who can – especially in relatively backward structures – carry out more or less effective political blackmail. Also, except that foreign relations are not subject to this kind of planning. The contradiction is growing between the global character of production – illustrated by the increasing weight of the multinational corporations – and the continuing national character of institutions, both capital and labour. The social-democrat ideology expressed in this type of social contract, is limited by the borders of the national state.

Schematic as this model may seem – it is evidently an abstraction of reality – it nevertheless captures the essence of the system. In this model, foreign relations are made abstract, which means, not that the development of capitalism operates in an autarchic national framework, but that the essential relations in the system can be grasped by making an abstraction of them. Besides, the foreign relations of the developed regions as a whole with the periphery of the world system remain quantitatively marginal in comparison with the internal flows within the centre. These relations, furthermore, help primitive accumulation, and not expanded reproduction and it is for this reason that such abstraction is valid.



The historically relative character of the distinction between mass consumption goods and luxury goods is also apparent here. The demand from wage earners expands with economic growth – the progress of the productive forces. While, at the outset of capitalist history this demand was almost exclusively made up of essential consumption – food, textiles, housing – it has now reached a more advanced stage of development with production of consumer durables (cars, electric domestic appliances, etc.). This development of the type of ‘mass’ products is of decisive importance for understanding the problem that concerns us. The structure of the demand at the beginning of the system was such that it favoured the agricultural revolution as it provided an outlet for food products for the domestic market (historically this transformation of agriculture took the form of agrarian capitalism). Then, as we know, the textile industry and urbanization played a historical role (hence the saying ‘when [building] construction is doing well, everything is doing well.’ On the other hand, the consumer durables – as their production takes up much capital and skilled labour – developed late when productivity in agriculture and the industries producing non-durable goods had already reached decisive stages.

### *The Main Articulation in the Peripheral Model*

The model of accumulation and economic and social development in the periphery of the world system has virtually nothing in common with the one outlined above.

At its origin we find the setting up – under the stimulus from the centre – of an export sector that was to play a determining role in the creation and shaping of the market. We will not advance much further by perpetually repeating the platitude that the products exported by the periphery are primary minerals and agricultural products, for which this or that region in the periphery has some natural advantage (abundant minerals or tropical produce). The ultimate reason that creates an export sector lies in the answer to the question about the conditions that make it ‘profitable’. National capital is in no way obliged to emigrate because of insufficient outlets in the centre. However, it will emigrate towards the periphery if it is more profitable to do so. The equalisation of the rate of profit will distribute the benefits from this higher income and make the export of capital appear to be a way of combating the tendency for the rate of profit to fall. Obtaining from the periphery the products that constitute the basic elements of constant capital (raw materials) and variable capital (food products) at costs of production that are lower to

those of analogous products in the centre (or, evidently, substitutes in the case of specific products like coffee or tea): this is the reason for creating this export sector.

It is therefore here that the necessary theory of unequal exchange has to be introduced. The products exported by the periphery are interesting to the extent that – *ceteris paribus* – and here this expression means *equality in productivity* – labour costs can be inferior to those in the centre. They can be so because the society will be subjected by all possible means – economic and non-economic – to adapt to its new function: supplying cheap labour to the export sector.

This is not the place to develop the history of the shaping of the periphery to the requirements of the centre. We have also done this when we distinguished the stages of the development of capitalism (mercantilism, competitive industrialism without capital exportation, financial capitalism of the monopolies with capital exportation) on the one hand and, on the other hand, the different regions of the Third World' (Latin America, Africa, Asia). We shall just say that once a society – which has become in this sense dependent – has been subjected to this new function, it loses its 'traditional' character because it is obviously not the function of genuinely traditional societies (i.e., pre-capitalist) only to supply cheap labour to capitalism! All the problems of transforming so-called traditional societies must be re-considered in this context, without reference to 'dualism', that is to say at the supposed juxtaposition of an autonomous 'traditional' society and an extension of 'modern' society.

For, while in this model and at this stage there is no real articulation between the export sector and 'the rest of the economy', society is subjected to the principal requirement of supplying cheap labour to the export sector. The main articulation characterising the accumulation process at the centre – through the existence of an objective relationship between the cost of labour and the level of development of the productive forces – completely disappears. Wage remuneration in the export sector will therefore be as low as economic, social *and political* conditions allow. As for the level of development of the productive forces, it would be heterogeneous in this case (whereas it is homogeneous in the autocentric model): advanced (and sometimes very advanced), in the export sector and backward in 'the rest of the economy'. This backwardness – maintained by the system – is the condition that enables the export sector to benefit from cheap labour.

In these conditions, the domestic market engendered by the development of the export sector will be limited and biased. The narrow nature of this market is to be explained by the fact that the periphery attracts only a limited

amount of capital from the centre, even though it offers greater profits. The contradiction between the capacity to consume and the capacity to produce is overcome at the level of the world system as a whole (centre and periphery) by enlarging the market at the centre, with the periphery – fully deserving of its name – functioning only in a marginal, subordinate and limited way. This dynamic leads to a growing polarization of wealth to the benefit of the centre.

Nevertheless, based on a certain extension of the export sector, a domestic market made its appearance. In comparison with the market engendered in the central process, this market is biased – relatively speaking – against the demand for mass consumer goods, and – relatively speaking – in favour of that for ‘luxury’ goods. If all the invested capital in the export sector was foreign, and if all the profits of this capital were re-exported back to the centre, the domestic market would in fact be limited for mass consumer goods, all the more limited by the low remuneration of labour. But, in fact, part of this capital is local. In addition, the methods used to ensure this low remuneration are based on the reinforcement of different local and parasitical social strata that function as a conveyor belt: *latifundistas* here, kulaks there, commercial compradors or State bureaucratic bourgeoisie, etc. The domestic market will therefore be mainly on the demand for ‘luxury’ goods of these social strata.

It is this specific articulation – which is expressed by the export sector/luxury goods link – that is characteristic of the periphery model dependent on accumulation and economic and social development. Industrialisation, through the substitution of imports, will thus start at ‘the end’, that is by making products that correspond to the more advanced stages of development of the centre, the ‘durable’ goods. As we have already said, these products consume huge amounts of capital and rare resources (such as skilled labour, etc.). As a result there is a *basic distortion* in allocating resources in favour of these products, to the detriment of those in sector 2. This sector will be systematically penalised: it will not generate any ‘demand’ for its products and it will not attract any financial and human resources that enable it to modernise. Hence the stagnation of ‘subsistence agriculture’ is explained: its potential products are in low demand and it has no means of effecting a serious transformation in the allocation of scarce resources. All choices of ‘development strategies’ based on ‘profitability’, the structures for the distribution of revenue as well as the structures of price relative to those of demand being what they are, have necessarily led to this systematic distortion. The few ‘industries’ thus installed within this framework, will never become poles of development: on the contrary they

will accentuate the inequality within the system, impoverishing most of the population (who are included, as ‘producers’, in sector 2). Indeed, they enable a still greater integration of the minority into the world system.

Seen from a social viewpoint, this model will lead to the specific phenomenon of the *marginalisation* of the masses. By this we mean an ensemble of mass impoverishing mechanisms, which take various forms: the proletarianisation of the small agricultural producers and artisans, rural semi-proletarianisation and impoverishment without proletarianisation of the organised peasants in village communities, urbanisation and a massive increase in overt urban unemployment, under-employment, etc. Unemployment thus takes very different forms from those it took in the central development model: under-employment in general tends to grow rather than being relatively limited and stable – apart from conjunctural fluctuations. The function of unemployment and under-employment is thus different from its function in the central model: the weight of unemployment ensures a minimum remuneration of labour that is relatively rigid and blocked in both sector 1 and sector 3. Wages do not appear to be considered both as cost and income, creating a demand that is essential for the model, but only as a cost, the demand originating elsewhere: abroad or among the privileged social categories.

The ‘extraverted’ origin of the development which perpetuates itself in spite of the growing diversification of the economy, its industrialisation, etc. is not an *original sin, a deus ex machina* outside the model of peripheral dependent accumulation. This is because it is a model that reproduces the social and economic conditions for it to function. The marginalisation of the masses is the very condition that enables the integration of a minority into the world system and a guarantee of growing income for that minority, which conditions the adoption by this minority of the ‘European’ consumer models. The extension of this consumer model guarantees the ‘profitability’ of sector 3, and strengthens the social, cultural, ideological and political integration of the privileged classes.

Thus, at this stage of the diversification and deepening of under-development, new mechanisms of domination/dependency develop – mechanisms that are cultural and political. But also through economic mechanisms: technological dependency and the domination of transnational companies. In fact, sector 3 requires capital-intensive investments that only the great transnational oligopolies can provide and they are the material support of technological dependency.

But also at this stage there appear more complex forms in ownership structure and economic management. Experience shows that in the

industrialisation process, the participation of local private capital through import substitution is often frequent, even if it is subordinate. It also shows that – at least in the large countries – there is a sufficient market created by the development of sectors 1 and 3 that can make the establishment of sector 4 feasible. This is often imposed by the State. However, the development of a basic industry and a public sector by no means ensures that the system will evolve towards a full-blown autocentric system. This is because sector 4 is at the service, not of the development of sector 2, but of that of sectors 1 and 3.

The analysis therefore poses the fundamental question: development for whom? If development only makes sense if it integrates the masses and their interests, the model of dependent peripheral accumulation leads to an impasse. A development strategy *for the masses* must be based on a fundamental revision of priorities in the allocation of resources and this implies rejecting the profitability rules of the system. This is where the real meaning of a transition strategy lies. Transition is nothing else but the historical period of revising the model, of reversing its priorities, from a gradual move from the articulation 1-3-4 to the articulation 2-4. It must be seen from this angle and not simply of that of the ‘forms’ of the economy: industrial diversification versus mono-production of exports, public ownership versus foreign capital, etc.

The passage of the dependent, under-development model (based on the main articulation 1-3) towards a genuine, autonomous and autocentric development model (based on articulation 2-4) is the essential content of the *transition* issue. The integration into the world system of countries that have become under-developed is at the origin of a specific contradiction of the system that tends to become its main contradiction: on the one hand it created the objective conditions of a need for development, which is felt as such by the peoples of the periphery, but on the other hand it blocks the road for these countries to achieve a full-blown capitalist development, which was the historical response to the problem of accumulation, the precondition for socialism. This is why this specific contradiction has become the main contradiction, that is to say, the one that is expressed by a rupture towards a surpassing of the system.

This is nothing more than yet another expression of the *law of unequal development*, according to which systems are destroyed and overtaken first not in their central core but based on their peripheries that constitute the weak links of a chain: those that express the contradiction in its maximum intensity.

## The Political Economy of Africa in the Global System

### *Africa's Marginalisation*

It is usually said that Africa is 'marginalised'. The phrase suggests that the continent – or at least most of it south of the Sahara, except perhaps South Africa – is out of the global system, or is at best integrated into it only superficially. It is suggested also that the poverty of African people precisely is the result of their economies being not sufficiently integrated into the global system. I challenge these views.

Let us consider first some facts which are hardly mentioned by the incense-bearers of current globalisation. In 1990 the ratio of extra regional trade to GDP was for Africa 45.6 per cent while it was only 12.8 per cent for Europe; 13.2 per cent for North America; 23.7 per cent for Latin America and 15.2 per cent for Asia. These ratios were not significantly different throughout the twentieth century. The average for the world was 14.9 per cent in 1928 and 16.1 per cent in 1990 (Source: Serge Cordelier, *La mondialisation au delà des mythes*, La découverte, Paris 1997, p. 141 figures from WTO 1995).

How can we explain this curiosity that Africa is apparently even more integrated in the world system than any other developed or developing region? Of course the levels of development, as measured by per capita GDP, are highly unequally distributed, and, from that point of view, Africa is the poorest region in the modern world system, its GDP per capita amounting only to 21 per cent of the world average and 6 per cent of that of the developed centres. Therefore the high proportion of Africa's extra regional trade with respect to its GDP would reflect the small size of the denominator of the ratio. Simultaneously, the exports (as well as the imports) of Africa represent only a minute proportion of the world's trade. And this is exactly the reason for which Africa is considered 'marginal' in the world system, i.e. having little importance ('the world could live easily without Africa'). That concept according to which a country or a region is qualified 'marginalised', if its quantitative weight in the global economy is small, assumes implicitly that the logic of the expansion of the global capitalist economy pursues the maximisation of production (and therefore also of trade). This assumption is utterly wrong. In fact it matters little that Africa's exports have represented only a minute part of world trade yesterday and today. Capitalism is not a system which sets out to maximise production and productivity, but one which chooses the volumes and conditions of production which maximise the profit rate of capital. The so-called marginalised countries are, in fact, the super-exploited in brutal ways and therefore, impoverished countries, not countries located 'at the margin' of the system.

The analysis needs therefore to be completed on other grounds. The relatively modest ratio for the developed areas – North America (USA and Canada) and Western-central Europe (the European Union, Switzerland and Norway) is associated not only to the highest levels of development but also with a qualitative characteristics that ought to be spelled out: all developed countries have been built historically as auto-centred economies. I introduce here that essential concept which is ignored by conventional economics. Autocentred is synonymous to ‘basically inward looking,’ not to ‘autartic’ (‘closed’). That means that the process of capitalist accumulation in those countries which have become the centres of the world system has always been – and I submit continues and will continue to be so in the visible future – simultaneously inward-looking and open, even in most cases aggressively open (‘imperialist’). That means therefore that the global system has an asymmetric structure: the centres are inward-looking auto-centred and simultaneously integrated in the global system in an active way (they shape the global structure); the peripheries are not inward-looking (not auto-centred) and therefore integrated in the global system in a passive way (they ‘adjust’ to the system, without playing any significant role in shaping it). That vision of the real world system is totally different from the one offered by conventional thought which describes superficially the world as a ‘pyramid’ constructed of unequally wealthy countries ranking from the lowest levels of GDP per capita to the highest ones.

My conclusion from this conceptualisation is that all the regions of the world (including Africa) are equally integrated in the global system, but they are integrated into it in different ways. The concept of marginalisation is a false concept which hides the real question, which is not ‘to which degree the various regions are integrated’ but ‘in which way they are integrated’.

Additionally, the figures referred to above indicate that the degree of integration in the world system has not dramatically changed throughout the whole twentieth century, as is being suggested by the dominant fashion discourse on globalisation. There have been ups and downs but the trend which reflects the progress of the degree of integration has been continuous and rather slow, not even accelerating throughout the last decades. That does not exclude the fact that globalisation – which is an old story – has developed through successive phases that should be identified as qualitatively different, focusing on the specificities of each of them, in relation to the changes commanded by the evolution of the centres of the system, i.e., dominant global capital.

### *Africa's Integration into the Global System*

On the basis of the methodology which I have suggested here, we can now look into the various phases of Africa's integration in the global system and identify the specific ways in which that integration operated for each of the successive phases analysed.

Africa was integrated into the global system from the very start of the building of that system, in the mercantilist phase of early capitalism (the sixteenth, seventeenth and eighteenth centuries). The major periphery of that time was the colonial Americas where an outward-looking export economy was established, dominated by European Atlantic merchant capitalist interests. In its turn, that export economy focused on sugar and cotton, was based on slave labour. Therefore, through the slave trade, large parts of Africa – especially West Africa – were integrated into the global system in this most destructive way. A good part of the later 'backwardness' of the continent is due to that form of 'integration' which led to a decrease in population to the extent that it is only now that Africa has recovered the proportion of the global population of the world it had probably around 1500 AD. It led also to the dismantling of earlier larger state organisations to which were substituted with small military brutal systems and permanent war between them.

In America itself the mercantilist form of integration in the world system destroyed the potential for further development in many devastated regions. During that phase of early capitalism the highest rates of growth were achieved in areas such as the Caribbean, North-East Brazil, and the US South. An expert of the World Bank, if he had visited those areas at that time, would have written about their 'growth miracle' (the value of Saint Domingue's exports of sugar was, at a time, larger than the total exports of England !) and concluded that New England, which was building an auto-centred economy, was on the wrong track. Today, Saint Domingue is Haïti and New England has become the USA!

The second wave of integration of Africa in the global system was that of the colonial period, roughly from 1880 to 1960. Once conquered, it was necessary to 'develop' the Africa in question. At this juncture the logic of world capitalism enters the picture. A key question is: what natural resources do the various regions of the continent possess? It seems to me that in this context we would understand what each of the three models of colonisation operated in Africa were : the trading economy incorporating a small peasantry into the world tropical products market by subjecting it to the authority of a market of controlled oligopolies making it possible to reduce the rewards for peasant labour to the minimum and to waste



land; the economy of Southern Africa's labour reserves organised around mining, supplied with cheap labour by forced migration coming precisely from the inadequate 'reserves' to enhance the perpetuation of traditional rural subsistence; the economy of pillage which the concessionary companies embarked upon by taxing those enterprises that engaged in massive labour exploitation. Here neither the local social conditions permitted the establishment of 'trading' nor the mineral resources justified the organisation of reserves intended to furnish abundant manpower. The conventional Congo basin belonged to this third category in the main.

The results of this mode of insertion into world capitalism were going to prove also catastrophic for Africans. First it delayed – by a century – any commencement of an agricultural revolution. A surplus could here be extracted from the labour of the peasants and from the wealth offered by nature without investments of modernisation (no machines or fertilizer), without genuinely paying for the labour (reproducing itself in the framework of the traditional self-sufficiency), without even guaranteeing the maintenance of the natural conditions of reproduction of wealth (pillage of the agrarian soils and forests). Simultaneously, this mode of development of natural resources tapped into the framework of the unequal international division of labour of the time, and excluded the formation of any local middle class. On the contrary, each time that the latter started the process of its formation, the colonial authorities hastened to suppress it.

As a result, today most so-called 'less developed countries' are, as everybody knows, located in Africa. The countries which today make up this 'fourth world' are, for large part, countries destroyed by the intensity of their integration in an earlier phase of the global expansion of capitalism. Bangladesh, for example, is the successor state of Bengal, which was the jewel of British colonisation in India. Others have been – or still are – peripheries of peripheries. For example, consider Burkina Faso which has supplied most of its active labour force to Côte d'Ivoire. If one had taken into consideration the two countries as, in fact, constituting a single region of the capitalist system of the epoch, the characteristic rates of the 'Ivory Coast miracle' would have had to be divided by two. Emigration impoverishes the regions which feed its flow and thus support the costs of bringing up youth who are lost at the moment when they become potentially active, as well as the costs of supporting the old after their return. These costs, much greater than the 'money orders' sent to the families by the active emigrants, are almost always forgotten in the calculations of our economists. There are only few countries which are 'poor' and not integrated or little integrated in the global system. Perhaps North Yemen or Afghanistan were exceptions

in the past. Their integration which is underway to date, like that of others yesterday, produces nothing more than a ‘modernisation of poverty’ – the shantytowns taking on the landless peasants. The weaknesses of the national liberation movements and of the inheritor states of colonisation date back to this colonial fashioning. They are therefore not the products of the pristine pre-colonial Africa, which disappeared in the storm, as the ideology of global capitalism endeavours to derive its legitimacy from it, by holding forth its usual racist discourse. The ‘criticisms’ of independent Africa, of its corrupt political middle classes, of the lack of economic direction, of the tenacity of rural community structures forget that these features of contemporary Africa were forged between 1880 and 1960.

No wonder then that neocolonialism has perpetuated these features. The form that this failure took is quite fully defined by the limits of these famous Lome Agreements which have linked Africa to Europe of the EEC. These agreements have indeed perpetuated the old division of labour – relegating independent Africa to the production of raw materials, at the very time when – during the Bandung period (from 1955 to 1975) – the third world was embarking elsewhere on an industrial revolution. They have made Africa lose about thirty years at a decisive moment of historic change. Undoubtedly, African ruling classes were here maximally responsible for what was going to start the involution of the continent, particularly when they joined the neocolonial camp against the aspirations of their own people, whose weaknesses they exploited. The collusion between African ruling classes and the global strategies of imperialism is therefore, definitely, the ultimate cause of the failure.

### *Development without Industrialisation*

Yet, having gained their political independence the peoples of Africa embarked as of 1960 on development projects the main objectives of which were more or less identical to those pursued in Asia and Latin America despite the differences of ideological discourses which accompanied them here and there. This common denominator is easily understood, if we simply recall that in 1945 practically all Asian countries (excluding Japan), Africa (including South Africa), and – although with a few nuances – Latin America were still bereft of modern industry – except mining here and there – and were largely rural by the composition of their population, governed by archaic regimes, land-owning oligarchies or were of colonial status (Africa, India, South East Asia). Beyond their great diversity, all the national liberation movements had the same objectives of political independence, modernisation of the State, and industrialisation of the economy.

There is today a great temptation to read this history as that of a stage of the expansion of world capitalism, which was said to have performed, more or less certain functions attached to primitive national accumulation, thereby creating the conditions for the next stage, which we are now supposed to be entering marked by the opening out to the world market and competition in this field. I will not suggest that we should yield to this temptation. The dominant forces in world capitalism have not 'spontaneously' created the model(s) of development. This 'development' was imposed on them. It was the product of the national liberation movement of the contemporary third world. The reading which I propose therefore stresses the contradiction between the spontaneous and immediate trends of the capitalist system, which are always guided only by the short-term financial gain that characterises this mode of social management, and the longer-term visions which guide the rising political forces, in conflict for that very reason, with the former. This conflict is certainly not always radical; capitalism adjusts itself to it, even profitably. But it only adjusts to it; it does not generate its movement.

All liberation movements in Africa shared this modernist vision, which for that very reason I qualify capitalist. Capitalist by its concept of modernisation, expected to produce the relationships of production and the social relationships basic and peculiar to capitalism: the wage relationship, business management, urbanisation, patterns of education, the concept of national citizenship. No doubt other values, characteristic of advanced capitalism, like that of political democracy, were woefully lacking, and this was justified by the exigencies of prior initial development. All countries of the region – radicals and moderates – chose by the same formula of the single party, farcical elections and leader-founder of the Nation. Yet, in the absence of a middle-class of businessmen, the State with its technocrats – was expected to substitute itself. But sometimes also, in so far as the emergence of the middle-class was held in suspicion on account of the priority that the latter would give to its immediate interests over the longer-term developmental projects under construction. Suspicion became, in the radical wing of the national liberation movement, synonymous with exclusion. This radical wing then believed naturally that its project was that of the 'building of socialism'. It then took up the Soviet ideology.

If we adopt the criterion of national liberation movement, that is 'national construction', the results are on the whole arguable. The reason is that whereas the development of capitalism in earlier times supported national integration, the globalisation operating in the peripheries of the system, on the contrary, breaks up societies. However, the ideology of national movement ignored this contradiction, having been enclosed in the bourgeois concept of 'making up for a historic backwardness', and conceiving this catching up by

passive participation in the international division of labour (and not trying to modify it by delinking). No doubt, according to the specific characters of pre-capitalist pre-colonial societies, the impact of this disintegration was more or less dramatic. In Africa, whose artificial colonial demarcations did not respect the previous history of its peoples, the disintegration wrought by capitalist peripherisation made it possible for ethnocentricities to survive, despite the efforts of some ruling groups following national liberation to get rid of its manifestations. When crisis came, destroying suddenly the increase in the surplus which had enhanced the financing of trans-ethnic policies of the new state, the ruling class itself broke up into fragments which, having lost every legitimacy based on the achievements of 'development', try to create for themselves new bases often associated with ethnic retreat.

While a number of countries in Asia and Latin America did embark during those 'decades of development' of the second half of the twentieth century on a process of industrialisation which turned out, in some cases, to be competitive on global markets, 'successful development' (in fact growth without development) remained in Africa within the old division of labour, i.e. providing raw materials. Oil countries are typical, since other major mineral resources, such as copper, suffer a long structural demand crisis, but also some 'tropical agricultural,' as Côte d'Ivoire, Kenya, Malawi. These were shown as 'brilliant successes'. In fact they have no future, they belonged to the past from the very start of their prosperity. Therefore most of those experiences turned to be unsuccessful growth even within those limits of the old division of labour. This is the case of most of Africa. These difficulties were not necessarily the product of 'bad policies.' but of objective conditions. This type of development had already been achieved in the colonial times and reached its ceiling by 1960. This was the case of Ghana. The Ivory Coast miracle was just a matter of 'catching up' with colonial West African coast achievements!

### *Global Capital and Economic Regression in Africa*

What followed the erosion of the national development projects of the 1960s and 1970s is well documented. The starting point was the brutal reversal in the balance of social forces, to the benefit of capital, which occurred in the 1980s. Dominant capital, as represented by the TNCs (transnational corporations) moved into the offensive, operating in Africa through the so-called 'structural adjustment programmes' enforced throughout the continent since the mid-1980s. I say 'so-called' because in fact those programmes are more conjunctural than structural, their real and exclusive target being the subordination of the economies of Africa to the constraint of servicing their

high external debt, which in its turn, is to a large extent the very product of the stagnation which started appearing in the LDCs along with the deepening crisis of the global system.

During the two last decades of the century, average rates of growth of GDP have fallen to roughly half of what they had been in the previous two decades, for all regions of the world, Africa included, except for Eastern Asia. It is during that period of structural crisis that the external debt of third world countries (and Eastern Europe) started growing dangerously. The global crisis is, indeed – as usual – characterised by growing inequality in the distribution of income, high rates of profits, and therefore a growing surplus of capital which cannot find an outlet in the expansion of the productive systems. Alternative financial outlets have to be created in order to avoid a brutal devalorisation of capital. The US deficit, the external debt of third world countries are responses to that financialisation of the system. The burden has now reached unsustainable levels. How could a poor African country earmark half or more of its exports simply to pay the interests of such a debt, and simultaneously be requested to be ‘more efficient’ and ‘adjust’? Let us remember that, after World War I, the payment of German’s reparations did represent only 7 per cent of the exports of that industrialised and powerful country. And yet most economists at that time considered the level too high and the ‘adjustment’ of Germany to it impossible! Germany could not adjust to a loss of 7 per cent of its export potential, but Tanzania is supposed to be able to adjust to a loss of 60 per cent of it!!!

The devastating results of these policies are known: economic regression, social disaster, growing instability and even sometimes total disruption of whole societies (as in Rwanda, Somalia, Liberia, Sierra Leone). During the whole 1990s Africa’s rate of growth of GDP per capita has been negative (- 0.2 per cent). Africa has been alone in that case. As a result, Africa’s share of global trade decreased. That fact is precisely what is being qualified as ‘marginalisation’. Instead one should speak here of a dramatic mal-integration in the global system. Conventional neoliberal economists pretend that this is only a ‘hard transition’ towards a better future! But how could it be? The destruction of the social structures, growing poverty, the worsening of education and health standards cannot prepare a better future, and cannot help African producers to become ‘more competitive’ as requested from them. Quite the opposite.

This neocolonial plan for Africa indeed reflects the worst pattern of integration in the global system. It cannot produce but further the decline of the capacity of African societies to meet the challenges of modern times. These challenges are surely to a certain extent new, relating to the long

run possible effects of the ongoing technological revolution (informatics) and through them, on the organisation of labour, its productivity and new patterns of the international division of labour. What ought to be said in this respect is that all of these challenges are operating in the real world through conflicts of strategies. For the time being, the dominant segment of global capital – the TNCs – appears to dictate what is favourable to the progress of its particular strategies. African peoples and governments have not yet developed counter strategies of their own, similar perhaps to what some Eastern Asian countries have been deploying. In that frame, globalisation does not offer Africa any solution to its nagging development problems. Foreign direct private investments in Africa are, as everybody knows, negligible and exclusively concentrated on mineral and other natural resources. In other words the strategy of TNCs does not help Africa moving beyond a pattern of international division of labour belonging to the remote past. The alternative, from an African point of view, needs to combine the building of auto-centred economies, social structures, and societies in order to participate more equally and fully in the global economy. This general law is valid for Africa today as it has been throughout modern history for all the regions of the world.

It is still too early to know if the African peoples are moving towards that goal. There is talk today of an ‘African Renaissance’ but its details are rather sketchy. No doubt that the victory of the African people in South Africa, i.e., the dismantling of the Apartheid system, has created positive hopes not only in that country but throughout large parts of the continent. But there are not yet visible signals of these hopes developing into alternative strategies. That would need dramatic changes at various national levels, going far beyond what is generally suggested under the labels of ‘good governance’ and ‘political multiparty democracy’, as well as at regional and global levels. Another pattern of globalisation would therefore gradually emerge from those changes making possible the correction of the mal-integration of Africa into the global system. The classical dependency-periphery theory that still holds today for a balkanised and economically exploited Africa must be confronted head-on by alternative theories stressing intellectual cooperation, political cooperation, and, above all, economic cooperation.