Neo-colonialism and he Prospects for Developmen Africa

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INTRODUCTION

Nearly twenty years ago, the vast majority of African countires achieved political independence. One of the basis for the struggle against colonialism was that colonial rule had failed to bring about economic develoment. It was widely hoped and assumed that with political independence one of the major, if not the major, pre-condition for economic development would be realised. This was well expressed in Nkrumah's dictum of "Seek ye first the political kingdom and all other things shall be given to you".

To help in achieving the objective of economic development, a wide range of activites were undertaken at both the national and international levels. Today,, however, very little of the optimism of the early 60s concerning the prospects for economic development still prevails. There is a great deal of debate as to what went wrong and who is to blame. There are of course those who hold that the developmental efforts of the sixties and seventies could not be labelled a failure, that the problem is that too much was expected too soon. But even among partisans of this view, there is the recognition that earlier strategies of development must be reconsidered. And this raises the question of the basic obstacles to development.

Broadly speaking, one could identify two schools of thought on this question. One sees the basic obstacle to development as residing within the underdeveloped countries, while the other puts the blame on the nature and functioning of the international political economy. The point of departure of this essay is that these views are partial and inadequate. There is a dialectical relationship between the national and international levels and a satisfactory treatment of underdevelopment must take both into account. Before developing this argument however we must first tackle the problem of what is development.

THE NATURE OF DEVELOPMENT

The meaning of the term development remains a confusing and controversial one in spite of, or maybe because of, the great deal of writing and discussion of which it has been the object. It is doubtful that this lack of clarity and controversy can be resolved in the near future, for the meaning of a concept such as development is heavily laden with politics. This means that, in the final analysis, the definition of the term is a function of one's position with respect to development, the interests and values that are likely to be affected by the realisation of development.

Further, the meaning of development is inextricably linked to one's theory of development, meaning by this ones ideas as to the determinants and process by which development occurs. And, given the major difficulties of verifying theories of development, ideologies and interests continue to masquerade as

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theories and perpetuate their particular conceptions of development in the absence of any empirical basis for granting them credibility. Therefore, as long as major conflicts of interests and values with respect to development remain, and as long as these continue to be manifested in opposing theories of development, the definitional problem of development is not a simple one of arriving at the definition of development. Definitions are not true or false but more or less useful and more or less precise. Thus the task is one of supplying a more useful and more precise definition of the concept of development, while fully and explicitly accepting the value-laden nature of this definition.

It therefore does not seem useful to provide a survey of the various definitions of development. Suffice it to note that, until recently, development was seen as synonymous with growth[1] meaning the increase in the quantity of goods and services produced within a country. The measurement of development, therefore, came to be increased in the gross domestic product and gross domestic product per capita. Thus, the International Development Strategy for the Second United Nations Development Decade set as targets for the developing countries annual growth rates of 6.0% for the GDP and 3.5% for the GDP per capita.[2]

But even among partisans of the above view, the limitations in the above definations were recognised. Thus a distinguished economist wrote the following in widely used introductory text book on economic development.

> Growth and development are often used synonymously in economic discussion, and this usage is entirely acceptable. But where two worlds exist, there is point in seeking to draw a distinction between them. Implicit in general usage, and explicit in what follows, economic growth means more output, and economic development implies both more output and changes in the technical and institutional arrangements by which it is produced. Growth may well imply not only more output, but also more inputs and more efficiency, i.e., an increase in output per unit of input. Development goes beyond these to imply changes in the structure of outputs and in the allocation of inputs by sectors. By analogy with the human being, to stress growth involves focusing on height or weight, while to emphasize development draws attention to the change in functional capacity - in physical coordination, for example, or learning capacity[3].

What is curious and disturbing though is that after this attempt at different taiting growth from development, the author announces in the next page that 'while its emphasis is on development, this book uses a measurement more appropriate to growth, viz, national incomes. To be, sure, the contradiction disappears when one takes Note Of the author's views that "Growth and development go together, of course, aft least up to a point where the economy loses its capacity to adapt to changed circumstances. In the early stages any economy that grows is likely to develop, and vice versa". But the exact relationship between growth and development is at a minimum a complex one that requires careful analysis and empirical investigation and not a mere assertion, especially since the author himself notes the possibility of a divergence between the two when he stated that "Growth wihtout development for example, more and more steel in the Soviet Union or more and more coffee in Brazil leads nowhere".

It is this view that development is a much broader concept growth, that the latter does not necessarily lead to the former, and that a fundamental aspect of development isstructuralchange that underlies most recent efforts at defining and measuring development. Thus Amin identifies the following features of underdeveloped countries:

1 .. the extreme unevenness that is typical of the distribution of productivities in the periphery, and in the system of prices transmitted to it from the centre, which results from the distinctive nature of the peripheral formations and largely dictates the structure of the distribution of income in these formations;

2 the disarticulation due to the adjustment of the orientation of production in the periphery to the needs of the centre, which prevents the transmission of the benefits of economic progress from the poles of development to the economy as a whole; and

3 economic domination by the centre, which is expressed in the forms of international specialization (the structures of World trade in which the center shapes the periphery in accordance with its own needs) and in the dependence of the structures whereby growth in the periphery is financed (the dynamic of the accumation of foreign capital).[7]

Development is therefore characterised by even productivity among the sectors of the economy, intergration among these sectors, and autonomy of the economy as a whole.

Another effort in a similar direction that incorporates some of the above measures but adds new ones operationalises the concept of development on the basis of ten processes grouped into three categories. These are

(a) Investment Processes - (1) investment; (2) government revenue; (3) education;

(b) Resource Allocation Process - (4) structure of domestic demand; (5) structure of production; (6) structure of trade;

(c) Demographic and Distributional Process
(7) labour allocation;
(8) Urbanization:
(9) demographic transition;
(10) income distribution[8].

While this formulation gains in completeness and precission, it is evenly complex and its application requires acces to vast amounts of reliable data. Moreover, it does not seem to us to emphasize sufficiently the humanistic element that does or should be the bedrock of a concerns for development. For in the final analysis, development has as its goal the improvement to the living

conditions of the vast majority of people, within the limits set by the resources and techniques available.

Thus, a more useful view of development is the one that sees it as largely concerned with the poorest 40-50 percent in society with the hope of meeting their basic minimum needs. "It follows that the problem of development must be redefined as a selective attack on the worst forms of poverty. Development goals should be expressed in termsof the progressive reduction and eventual elimination of malnutrition, disease, illiteracy squalor, unemployment and inequalities". Further, "it also follows that the concern for more production and better distribution should be brought together and not treated separately. This invariably means that employment should be treated as a primary, not secondary, objective of development since It is the most powerful means of redistributing income in a poor society[9]". In almost identical terms another writer states that "The questions to ask about a country's development are, therefore: what has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined from high levels, then beyond doubt this had been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result 'development' even if per capita income doubled[10]".

On the basis of the above, we can now define development as refering to a situation in which, over a period of time, per capita income increases - while poverty, unemployment, and inequality decrease. To this we will add an increase in the relative autonomy of the economy, so that the developmental process becomes one that is increasingly and significantly self-generated.

IT must be emphasized though, that autonomy is a relative term that does not mean autarchy or rejects interdependence. We are in fundamental agreement with the view that

> "at a certain point in time, both Europe and Africa (or at least large zones of each) came to be incorporated into a single social system, a capitalist world economy that we find the underlying determinants of social actions at a more local level ... It is not that there are no particularities of each acting group. Quite the contrary. It is that the alternatives available for each unit are constrained by the framework of the whole, even while each actor opting for a given alternative in fact alters the framework of the whole".

This social system first emerged in Europe in the sixteen century and then expanded to include the whole world[11]. Thus, it is not a question of going back to afragmentedsocial system characterised by geographically based economic units that are highly autonomous from each other. We hold that in the present epoch, a world social system is inevitable and the only one possible. The ultimate question is the nature of this global social system. Geographical areas may succeed in securing some autonomy from the global system, but this is likely to be limited and temporary and must best be seen as short term goals or strategies designed to change the system as a whole

"... it becomes obvious that the historic question, *who shall prevail?* cannot be decided within national boundaries, that interior successes and failures only prepare more or less favourable conditions for its decision on the world arena. [12]".

In sum, when we refer to autonomy, we mean securing in the existing capitalist world economy a modicum of local initiative designed to promote development as defined above and to transform the world economy in order to enable development to be realised for all. This inevitably means a world socialist system.

Two other problems connected with our above definition to development require some comments. The first deals with the question of the extent to which it is possible to achieve simultaneously increases in per capita income and reductions in poverty, unemployment, inequality, and dependence. The conventional wisdom until recently was that increases in per capita income were incompatible with the achievement of the other four objectives at least in increases in per capita income the short-run. It was this conclusion that inspired development strategies directed at (a) expanding the traditional or agricultural sector; (b) encouraging the development of local entrepreneurs and a local middle class; and (c) substantial reliance on foreign aid, foreign investments, and the export sector of the economy. On the other hand, there are strong arguments that the incompaitbilities are more apparent than real, at least over a period of time13.We cannot resolve this debate here. All we can note is that the problem is not purely economic but emminently political. In a concrete time and place, contradictions may well exist between, say, increasing per capita income and reducing unemployment or dependency. What is necessary is to decide on the increases in per capita income that one is willing to give up in order to achieve a certain reduction in unemployment or dependency. It will be futile and useless to decide on this trade-off in an sbstract and a prior manner. Such a decision can only be made in a sensible manner after all relevant aspects have been taken onto account. Thus the trade-off will depend on how high per capita income is as compared with enemployment or dependency. Such choice, as we have noted, will also be a political one and a reflection of the power of the varioys groups and classes in the society. In the long run, given political will and the requisite intelligence,we do not see why over a reasonable period of time, there could not be gains in all five aspects of development even if gains in some aspects may have to forgone at specific points in time and the overall gains in some of them less than if no gains had been make in the other aspects.

The second problem that is posed is that of the level that must be achieved before development can be said to have been achieved. How high should per capita income be? What is meant by poverty and how low should it be? How much inequality, unemployment, and dependency is tolerable? These are not easy questions to answer, especially at an abstract level and for all countries. It all depends on the particular time and place. In general terms, however, we can say that in the final analysis, since we are dealing with a world social system, the answers depend on what is feasible, given the resources and

techniques that are globally available. Specifically, this means that per capita income should be as high as would be possible if there were no obstacles to he development and use of the productive forces that are globally available and that poverty should be as low as is compatible with the state of development of the productive forces. Further, equality would mean that the productive forces should be used primarily to produce goods and services that are to be enjoyed by the vast majority of mankind, and autonomy will mean that the productive units will have equal say at the global level on what is to be produced, how the are to be produced, and how the goods and services produced are to be distributed. And finally, employment simply means that anyone who wants to work has a very high probability of being able to do so within a very short period of time, taking into account whatever structural adjustments may be occuring in the economy.

The foregoing may appear highly utopian. But while we admit that the above goals cannot be achieved in the near or even foreseeable future, we are persuaded that this is what development must mean in the final analysis and in the long run. It must never be forgotten that the fundamental goal of society is to rise above material needs, to eliminate oppression and exploitation that are the result of scarcity, and to be free to choose the future. Further, while what is felt to be a need is in part a result of individual preferences, it is largely a function of what is perceived to be technically feasible. And since we live in a global system, this determination is made on the basis of a global perception.

We therefore reject the view that the underdeveloped countries must not aspire to the same levels of consumption as those already achieved in the major capitalist countries. Equally, we reject the notion that because of physical constraints, ecological disaster can only be avoided by zero growth rates in population and industrial production[14]. We share the view that the limits to growth arguments overstates the physical limits to growth and that such an objective is politically unfeasible[15]. The limits to growth are both at present and in the long run basically political and social rather than the result of limitations in resources and technology. Thus the question that remains is the prospect for achieving development as defined above by the underdeveloped countries of Africa. The answer to this must be sought at both the international and national levels.

THE WORLD CAPITALIST SYSTEM AND DEVELOPMENT

The prospects for development of the world as a whole and of particular regions must be sought primarily in the nature of the global capitalist system. For, as argued earlier, it is fundamental nature of this system that determines what is possible in the system as a whole and the constraints and opportunities open to its parts. This system has been described as follows:

> The essential elements of a capitalist world-economy include the creation of a single world division of labor, production for profit in this world market, capital accumulation for expanded reproduction as a key mode of maximizing profit in the long run, emergence of three zones of economic activity (care, semiperiphery, and periphery), with not merely

unequal exchange between them but also persistent merchandise trade imbalances, a multiplicity of state structures (strongest in the core, weakest in the periphery), and the development over time of two principal world class-formations (a bourgeoise and a proletariat) whose concrete manifestations are however complicated by the constant formation and reformation of a host of ethno-national groupings[16].

The first thing to emphasise about this system is that its *raison d'être* is expanded reproduction for capital accumulation and ultimately of profit maximization. Development as defined above is not an objective, even for the centres of this system. To be sure, as a result of expanded reproduction, capital accumulation, and investments, total and per capita production of goods and services do increase. But this does not necessarily or automatically lead to reductions of unemployment, poverty, or inequality. In fact, the opposite is the case and is only counter-acted by the political and economic struggles of the working-class. It is this that explains the fact that even countries with very high levels of per-capita income are also characterised by incredible degrees of poverty, unemployment, and inequality.

We are suggesting not of course that living standards in the centres of the world capitalist system are the same or worse than in other areas or have not improved since the origins of the capitalist world system. Far from it. What we are saying is that these gains fall far short of what is technologically possible today and resulted not from the inherent logic of the system but from political struggle. The mechanism by which capitalism results in increased production as well as relative poverty, unemployment, and inequality has been well analysed and need not detain us. This process is well-depicted in the following statement:

> The increase in the social surplus products in relation to the necessary product does not lead to a tremendous increase in well-being and comfort for society as a whole, but to an increase *in the surplus labour appropriated by the possessing classes,* in a growth in the degree of exploitation of the working class. The decrease in the ratio between the new wealth created each year and accumulated social wealth does not mean that mankind can live more and more exclusively on this accumulated wealth, it does not mean a constant increase in leisure, but becomes, on the contrary, a periodic source of convulsion, crises and unemployment. The growth in the mass of dead labour in relation to living labour does not mean an ever-greater saving of human labour, but the creation of a vast industrial reserve army, under the pressure of which consumption by the producers remain restricted to the necessary product, and their physical effort is lengthened or intensified[17].

IF capitalism cannot promote development in the centres of world capitalism, waht are the prospects that it will do so in the periphery?

The prevailing view until recently was that the major obstacles to development were internal. This was summarised in the famous 'vicious circle', according to which countries were poor because they were poor. As stated by one of its leading exponents:

> Perhaps the most important circular relationships of this kind are those that afflict the accumulation of capital in economically backward countries. The supply of capital is governed by the ability and willingness to save; the demand of capital is governed by the incentives to invest. A circular relationship exists on both sides of the problem of capital formation in the poverty-ridden areas of the world. On the supply side, there is the small capacity to save, resulting from the level of real income. The low of real income is a reflection of low productivity, which in its turn is due largely to the lack of capital. The lack of capital is a result of the small capacity to save, and so the circle is complete.
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> On the demand side, the inducement to invest may be low because of the small buying power of the people, which is due to their small real income, which again is due to low productivity. The low level of productivity, however, is a result of the small amount of capital used in production, which in its turn may be caused, or at least partly caused, by the small inducement to invest. The low level of real income, reflecting low productivity, is a point that is common to both circles[18].

It is this perspective that underlies the savings-gap notion and leads to the policy conclusion that the development of underdeveloped countries can only come about through external stimuli. Specifically, this means that capital, technology, and managerial skills must be transfered from the developed to the underdeveloped countries and the latter should seek outlets for its goods In the former. It is this development strategy that has characterised most international and national actors and it is the central element in the call for a New International Economic Order. According to this view therefore, the world capitalist economy can bring about the development of its periphery But is this true and is it likely to happen?

One may start out by examining the validity of the thesis that underdevelopment is a result of poverty. It has been noted that:

> The model behind it is detective in that the variables specified or implied in it are either relatively unimportant as determinants of development, or they do not interact in the fashion implied. If the thesis were valid, for instance, innumerable individuals, groups and communities could not have risen from poverty to riches as they have done throughout the world, in both rich and poor countries. This in itself should be sufficient to disprove the thesis as a general proposition. But the thesis is also refuted by the very existence of development countries, all of which started poor, with low incomes per head and low levels of accumulated capital, that is with the economic features which now define underdeveloped countries. Yet they have advanced, usually without appreciable outside capital and invariably without external grants, which would have been impossible according to the thesis of the vicious circle of poverty and stagnation[19]

Let us note immediately that we disagree with some parts of the above quotation, especially with the view that features that now define underdeveloped countries are the same as those that characterised presently developed countries at an earlier stage of their history. This view is fundamentally wrong because "the essential fact is left out, namely, that the underdeveloped countries form part of a world system, that the history of their integration into this system forged their special structure - which thenceforth has nothing in common with what prevailed before their integration into the modern world[20]". In essence therefore, the obstacles to development are not solely or even essentially internal and this is shown by the fact that presently developed countries were not prevented from developing by internal factors. A further arguement against the vicious circle theory is that its basic assertion hat the critical obstacle to development is the absence of capital is false". ... contrary to the commonly held view that receives a great deal of emphasis in western writings on underdeveloped countries, the principal obstacle to their development is *not* shortage of capital. What *is* short in all of these countries is what we termed actual economic surplus invested in the expansion of productive facilities". The author goes on to note that the principal obstacle is in the manner in which the potential economic surplus is utilized. "It is absorbed by various forms of excess consumption of the upper class, by increments to hoard at home and abroad, by the maintainance of vast unproductive bureaucracies and of even more expensive and no less redundant military establishments. A very large share of it — on the magnitude of which more is known than on that of others — withdrawn by foreign capital[21].

In dispensing with the theory of the various circles, we have only indirectly treated the question of the extent to which the world capitalist system can promote development in the periphery. We have shown that its contention that obstacles to development are internal and that external stimuli is necessary for development is false. But even if development can occur without this external stimuli, does its presence favour or obstruct development in the present epoch?

The answer would seem to be that there is no inherent reason why external stimuli cannot result in the development of the periphery, *provided that this stimuli is of the right magnitude and form.* That is, provided that there is in fact genuine and massive transfer of capital, technology, and managerial skills, and that the markets of the developed countries are completely open to the products of the developed countries. But even this, we hasten to add, is likely to result in growth and not development as defined above. More to the point, is the question of the extent to which the internal logic of the world capitalist system can ensure this nature of transfer of resources.

Let us recall that the first and second United Nations International Developm nt strategy set as targets the transfer of one per cent of the GNP of the developed countries to the developing countries. A recent study showed that "The average annual transfer amounted to 0.76 per cent of the combined gross national product of the development market economics — substantially short of the target[22]". The same U.N. study also concluded with respect to the access of the underdeveloped countries to the markets of the developed countries that the 1972 - 1975 period "saw some retrogressive measures, clearly at variance with the 'standstill' clauses in the International Development strategy, which called upon all countries to refrain from erecting new barriers affecting the exports of development countries[23]". Information on the transfer of technology and managerial skills is not available to us but it is extremely doubtful that performance in this area is any better. In sum, experience to date does not provide any grounds for thinking that within the world capitalist system, massive transfers of resources to underdeveloped countries can occur.

The above picture is even gloomier with a closer look. Thus, is we take into account not only the inflow of capital but also the outflow, we find that underdeveloped countries export more capital than they receive. Thus, a study cf U.S. companies in Africa shows that, over a period of time, these companies took out more capital in the form of profits than they brought in to Africa . Further, the above figures on the flow of resources from developed to undeveloped countries ignored the problem of how these resources were distributed among the underdeveloped countries. On this point, it has been noted that "one of the principal faults of the present structure of the transfer of resources is the fact that the needs of the poorest regions of the world are relatively neglected. Only 52% of the concessionary aid given by the DAC countries go to countries with low revenues[25]". It is not surprising, therefore, that during the first half of the second development decade, only about a fifth of the underdeveloped countries averaged growth rates of over 6% a year, while in countries with over half the population of underdeveloped countries the growth rate was less than 3.5% a year. Only 1 in 10 of the least developed countries exceeded the 6% growth rate in production and these had only 2% of the population of the least developed countries.

We can, conclude therefore that the world capitalist system has not made possible a massive transfer of resources to underdeveloped countries even in order to ensure growth. That, at best, resources are transfered to a few underdeveloped countries, that these happen to be those that are relatively well-off while the most deprived countries are neglected. Thus, even when growth results from the workings of the world capitalist system, this growth is unevenly distributed and therefore accountuates the existing unequalities.

Why is this so?

To respond to this question, we must recall the point made earlier. And that is, we are dealing with a system that is in the first place capitalist in nature and in the second place world-wide in scop. We have already described the essential features of these two aspects. The fact that it is capitalist in nature of the system means that these objectives are pursued at in such a manner as to facilitate this task.

Capitalism has changed of course since its origins in Europe in the sixteenth century and has reached the stage of development known as 'Imperialism'. 26 Lenin identified the feature of imperialist as (1) the concentration of production and capital as result of the merger of bank and industrial capital (3) leading to the dominance of monopolies; (2) the emergence of finance capital as a result of the merger of bank and industrial capital; (3) the increasingly important role of the export of capital as distinct from the export commodities; (4) the formation of international monopolies which share the markets among themselves; and (4) the territorial divisions of the world among the capitalist countries. The further notes the "Imperialism emerged as the development and direct continuation of the fundamental characteristics of capitalist in general. But capitalism only became capitalist imperialism at a definite and very high stage of its development..."[28]

At the present epoch, capitalism and the existence of a world wide social system (the world capitalist system) taking the form of imperialism are thus inextricably linked togethe. Imperialism developed out of capitalism and is designed to resolve the basic contradictions of capitalism. These are the crisis of over-production and the tendency of the rate of profit to fall which Marx held to be the fundamental laws of motion of capitalism. Exports of commodities form the centres of capitalism help solve the crisis of over-production and keeps up profits. Acquisition of primary goods from the periphery of capitalism reduces the cost of production and thus counteracts the tendency of the rate profit to fall. Equally, the export of capital to the periphery where they rreceive higher returns has a favourable impact on the rate of profit. The essential point to note is that the function of the periphery is to serve the needs of the centre and that the dynamics area of capitalism remains the centre of advance capitalism. We can cite many facts in support of this conclusion.

A sympathetic student of muyltinational enterprises notes that "when developing and introducing major new products of this kind (those demanding a long gestation perriod and a great deal of locational decisions - where to do the development work, where to manufacture the first runs of the new product, and where to market the product - which have been of consuming interest to government. The basic disposition of multinational enterprises in all these decisions has been clear-cut. To use the home market, if at all possible, for all these operations. Numerous qualifications and exceptions exist, but the undderlying tendency survives."[29]

It follows from this that the advancedf centres of capitalism remain the centres of technololgy innovation. Secondly, a world division of labour develops that "involves a hierarchy of occupational tasks, in which tasks requiring higher levels of skills and greater capitalization are reserved for higher-ranking areas."[30]This is explainable by the product - cycle theory. According to this theory, there are three phases in the life history product:(a) the introductory phase; (b) the maturing phase; and (c) the standardised phase. During the first phase, because of a large domestic market and adequate resources for research and developments, production facilities are located in the home countries and foreign demands satisfied by exports. During the second phase, the foreign market for the product had grown large and the technology involved has been diffused to foreign competitions or imitate. The original company thus looes theadvantageof its technological lead and the result is as follows:

> the advantage shifts to foreign production, owing among other things to proximity to the local market and lower labor costs. Therefore, if the American Corporation is to maintain its market share and forestall competition, it must establish foreign branches or subsidiaries. In short, the threatened loss of an export market and the use of foreign competitions, is the stimulus for the establishment of foreign subsidiaries.
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> Finally, in the third or standardized phase of the product cycle, production has become sufficiently routamized so that the comparative advantage shifts to relatively low-skilled, low-wage, and labor-intensive economics. This is now the case, for example, in textiles, electronic components, and footwear. It is this stage which gives rise to offshore production, particularly of components, in such places as Taiwan, Hong Kong, and other low wage areas. During this later stage, the corporation may export components or finished products back to the United States."[31]

What is been of the American MNCs is undoubtedly true of the others and this means that the leading growth sectors of the world economy are in the centre.

The product-cycle theory entails relatively more abundant financial resources in the centre countries in order to cover research and development costs plus production and this accounts for the fact that more funds are transferred to the centre countries from the periphery than is the case the other way round, a point we noted earlier in the case of U.S. companies in Africa. Further, wages in the periphery have to be relatively lower in order that investments can be made and substantial profits reaped. It is this that is at the heart of the concept of unequal exchange, meaning a situation in which wages are differentiated geographically even with productivity.

In sum, we can conclude that the world capitalist system works in such a way that (a) The centres of technological innovation as well as the leading growth sectors of the world economy remain in the areas of advances capitalist development: (b) that funds are transfered from the periphery to the centre; and (c) wages in the periphery are kept lower than those prevailing in the centre. To this one could add that tendency of skilled labour to imigrate to the centre form periphery, a process that has been labelled the brain-drain. And finally, to maintain their advantage, capitalists in the centre cannot help but block the emergence of competitors in the periphery. All this is at the base of what Hymer labelled the Law of Uneven Development according to which the basic tendency of the world capitalist economy is to produce poverty as well as wealth, underdevelopment as well as development. The end result, he notes, will be the following:

> A regime of North Atlantic Multinational Corporations would tend to produce a hierarchical division of labour between geographical regions corresponding to the vertical division of labour within the firm. It would tend to centralize high-level decision-making occupations in a few key cities in the advanced countries, surrounded by a number of regional sub-capitals, and confine the rest of a number of regional sub-capitals, and confine the rest of the world of lower levels and villages in a new Imperial system. Income, status, authority, and consumption patterns would radiate out from these centres along a declining curve, and the existing pattern of inequality and dependency would be perpetuated. The pattern would be complex, just as the structure of the corporation is complex, but the basic relationship between different countries would be one of superior and subordinate, head office and branch office.[33]

The inequalities at the world level noted by Hymer will inevitably to ranslated into inequalities among classes and regions within underdeveloped ountries.

Our contention thus far is that the logic of the capitalist world economy

precludes dfevelopment as we have defined it on a world scale. Terefore, even if it is true that some underdeveloped countries have or are " developing",our positionwill still be valid as long as developments is not occuring for the vast majority of underdeveloped countries. Also, our arguement is that failure to develop is not essentially a result of factors internal to underdeveloped countries, such as lack of resources or effort. The underdeveloped countries that are said to be "developing" are not developing primarily because they are btter endowed with resources or effort. The underdeveloped countries that are said to be ddeveloping are not developing primarily because they are better endowed with resources or the greater efforts. Rather, they are developing because this is in the logic of and responds to the needs of the global capitalist economy at that point in time.

But, as noted earlier, the explanation for the failure of global development to take place must also be sought within the regions in which development is not taking place. These obstacles, it must be noted, are not inherent in the underdeveloped areas and neither have they existed from time immemorial. Rather, they are created and maintained by the workings of the world capitalist system. Nonetheless, they meri independent analysis and to this we now turn. Our analysis will be based on the African experience.

INTERNATIONAL FACTORS AND DEVELOPMENT

The point of departure in analysing internal constraints to development within Africa must be the nature of the states existing in this region. The state could be defined like Weber as the political structure or grouping which "successfully upholds a claim to the monopoly of the legimate use of physical force in the enforcement of its order".[34] For Weber, domination is central to the political process and the political group is essentially one that exercises domination through force and, potentially, violence. Given the class nature of societies, we can more accurately define the state, like Marx, as the organ of class rule, an organ for the oppression of one class by another. To form a state. therefore, the political group must concentrate the means of coercion within a given territory in its hands. This is what it at the base of the principle of effective control as a ground for recognition of sovereignty in international law.

The state that emerged in Europe after 1500 met the above condition. It has been noted that the ration-state in Europe differed from other political structures in the following significant ways: "(1) it controlled a well-defined, continuous territory; (2) it was relatively centralized; (3) it was differentiated from other organizations; (4) it reinforced its claims through a tendency to acquire a monopoly over the concentrated means of physical coercion within its terriroty".[35] A basic determinant of successful state building in Europe was success in war.

> ... most to the political units which disappeared, perished in war. The building of an effective military machine imposed a heavy burden on the population, involved taxes, conscription, requisitions, and more. The very act of building it — when it worked — produced arrangements which could deliver resources to the government for other purposes.

> Thus almost all the major European taxes began as 'extradordianry levies' earmarked for particular wars, and became routine sources of governmental revenue). It produced the means of enforcing the governments will over stiff resistance: the army. It tended, indeed, to promote territorial consolidation, centralization, differentiation of the instruments of government and monopolization of the means of coersion, all the fundamental state - making processes. War made the state, and the state made war".[36]

We should add that the process of military consolidation went hand in hand with the emergence of a national economy. In fact, the development of the capitalist mode of production was at the heart of the transition from feudual to nation-state political structures.

> "For such a community to make shape, it is necessary for capitalism to have reached a considerable degree of development. Only when capitalist development has led to the creation of an international market, and linked all parts of the country by stable economic ties, do local dialects fuse into a single national language, and a common psychological make-up and a national character develop among people who begin to come into close association with one another".[37]

This is akin to Deutsch's theory of nationalism, which seems successful nation states as dependent on the rate of assimilation or differentiation around a core area.

> "A decisive factor in national assimilation or differentiation was found to be the fundamental process of social mobilization which accompanies the growth of markets, industries, and towns, and eventually of literacy and mass communication".[38]

We can identify therefore, certain features that were central to the process of state formation in Europe. These were the creation of effective means of coercion within the territory and the establishment of a national economy as a result of the emergence of the bourgeoisie as the dominant class symbolised by the shift from the feudal to the capitalist mode of production. To what extent did the process of state creation in Africa follow a similar pattern?

It is evident that the present African states did not emerge as a result of internal processes. The prevailing territorial boundaries were not a result of internal political and military expansion and consolidation. Rather, the states were created by European colonial powers, and the territorial boundaries a result of the relative military and political capabilities and interests of the rival European colonial powers. The ultimate coercive power, the power to protect the territorial boundaries and to control the dominate the people in the territories were not located in the colonial territories, but in the European colonial powers. Thus, the frequently observed fact that Europe was able to rule the colonies with relatively few troops. There are many reasons for this but an important factor was that in case of need, troops could be sent from Europe.

In the economic sector, it is equally evident that the territorial boundaries of African states were not the result of any process of internal economic expansion. To be sure, there were traditional relations among various African communities prior to the European arrival and, in some cases, such as the trans sahara trade, this went as far back as the tenth century. But this was essentially long distance trade in luxury goods between two external areas, not trade in essentials between areas that constitute a single unit characterised by division of labour. But even this interterritorial trade did not survive the arrival of the Europeans; they were disrupted as of the 15th century when Africa was beginning to be intergrated into the world capitalist economy.[39] In sum, the African states did not occupy territories that formed integrated economic units, and there was no economic class within them with the objective or capability of creating such an economy. Instead, various enclaves within each colony were linked to European centres by the European bourgeoisie, thus initiating the process of disarticulation and subordination of the African economics.

To be sure, there is a link between the absence of politico-military centres within African countries and the non-existence of integrated economies. Both go hand-in-hand, with the latter determining the former and both are necessary for genuine nation-states to emerge. It is in this sense that African states are artificial. They are not artificial because the boundaries do not correspond to so-called natural geographic, ethnic, or linquistic boundaries. Rather, they are artificial because they do not correspond to territorial limits within which groups in the area can exercise coercive control or organise and integrate the economy.

The present reality of African states is not much different from what it was at the origin. Ultimate coercive power does not rest within African territories. To be sure, military and police establishments do exist and are being expanded. But all evidence suggests that most African armies are unable to deal with any significant internal, much less external threat. Figures for the regular armed forces or 34 Sub-Saharan African states around 1967 show that they varied from a low of 600 for the then Central African Republic of a high of 50,000 for Nigeria. For every 10,000 people, the size varied from a low of 1.6 for Tanzania to a high of 35.7 for Somalia. Military expenditures as a percentage of GNP ranged from 0.7% for Burundi to a high of 5.9% for Zaire. Fifteen countries spent less than 2% of their GNP on the military and only 7 countries (Congo-Brazzaville, Guinea, Mali, Mauritania, Senegal, Somalia, and Zaire) spent more than 3% of their GNP on the military.[40] But even the above figures exaggerate the military power available to African states. For the reality is as follows:

> African armies have rarely been cohessive, non-tribal, westernized, or even complex organizational structures. Neat hierarchical command charts camouflage deep clearages — an extension of wider societal chasms shared by most African states. Differential recruitment and promotion patterns cause tensions that reinforce other lines of division based on rank, age, tribe and education. These have been training programs that metropolitan countries set up in the waning years colonial rule ...
>
> Personal animosities and ambitions have also been rife in the officer corps. And whatever fragile organizational unity African armies may have: orginally possessed has usually been rapidly eroded by the politicization of their internal cleavages after independence and the sharpening of personal jealousies and power struggles. Indeed, many African armies bear little resemblance to a modern complex organization model and are instead a *coterie of distinct armed camps owing primary allegiance to a handful of mutually competitive officers of different ranks seething with a variety of corporate, ethnic, and personal grievances.*[41]

This discription of the army should not be surprising, for the army cannot be more developed than the society, it cannot rise above the con-traditions and chaos in society, and is more likely to reflect these. The end result, though, is that the African armies are not effective and reliable instruments of coercion. Direct evidence of this is numerous. Witness the panic of certain African states at the threat of invasion from a handful of European mercinaries. Recall the call for external aid every time an African state is faced with an internal armed uprising. In sum, the security of African states continues to rest in the hands of external powers. This reliance on external actors takes the form of reliance for troops, training, and equipment - let it be recalled that with the exception of Egypt and maybe one or two others, no African state has an arms industry.

What political and economic consequences can one expect from a fundamental reliance on external actors in meeting the basic purpose of a state, that of providing security? It cannot but follow that those occupying the formal state positions are, feel themselves to be, and are perceived by others to be dependent on others for their continued stay in office. In the final analysis, they remain in office at the pleasure of external actors, meaning in this case the political class in the capitalist countries and the bourgeoise they represent. As we will argue later, occupation of state office is the vital goal in African countries. Consequently, it cannot help but follow that those who occupy state office will do everything to remain in the good graces of the metropolitan bourgeois and its political representatives. Fundamentally, this means contributing to the maintenance of the world capitalist system as described above. We should add that the European colonial powers consciously recruited individual who would be willing to play this role for leadership positions and suppressed the others.

And since this system produces underdevelopment in the periphery, those occupying state office in Africa are active participants in the perpetuation of the underdevelopment of Africa. This is the fundamental internal factor that explains the underdevelopment of African countries

Internal collaboration with agents of European imperialism is not recent. It has been noted that what made colonialism feasible was the establishment of

> relationships between the agents of external expansion and their internal collaborators' in non-European political economics. Without the voluntary or enforced co-operation of their governing elites, economic resources could not be transferred, strategic interests protected or xenophobic reaction and traditional resistance to change contained. Nor without indigenous collaboration, when the time came for it, could Europeans have conquered and ruled htier non-European empires.[42] This collaboration exists today and is vital for the maintainance of the world

capitalist system as testified by the declarations of the leaders of western countries as to the serious consequences that will follow if they should loose Africa.

The form of this collaboration by the African governing class has not changed in its essence. It takes the form of opening African markets to goods from the centre and exporting the goods needed by the centre. Further, the investment climate in the periphery is made as attractive as possible, meaning favourable treatment with respect to the imports of raw materials and machinery, low taxes on profits, the granting of monopolicies free expatriation of profits, control of labour unions by making strikes illegal in order to keep wages low, absence of meaningful price controls, and government expenditures on infrastructures in the service of foreign investments. These are but a few of the ways in which collaboration with the international bourgeoisie take place and are characteristic of most African countries.[43] Although data for this is not available to us, we would suggest that another major form of collaboration is support by the governing class of the international bourgeoisie against indigenous competitors or would do competitors.

It may be asked why, if our analysis is correct, is there so much talk of the need and importance of economic development of African leaders. Why is there a call for a New International Economic Order?

Before we respond to the above question, let us note that is of concern to us not the motives, the good or bad intentions of African leaders. Our basic concern is with their actual behaviour and the objective factors that determine this behaviour. We see African leaders not as evil men but as individuals who occupy specific positions, who therefore have certain interests and capabilities. Thus the fact that they may want development in the abstract — we doubt that many people will come out against development — does not mean that their interests and capabilities make it possible for them to promote development. Therefore, whatever they may say does not change the fact that they are promoting underdevelopment rather than development.

In connection with the call for a New International Economic Order, the move was spareheaded by Algeria. Our research reveals that while other African countries rallied around the slogan, few have been actively involved in pushing for its realisation. In fact, the interest and effort manifested is often a result of the personal commitment of the delegate taking part in the deliberations and do not reflect the interest, efforts, and commitment of the government they are representing. And finally, we may ask whether creation of the New International Economic Order that is being called for will really promote the development of the periphery. One writer has this to say on this subject:

> The policy changes contemplated increases and indexation for prices of primary products, vastly expanded resource transfers to the Third World, assured access to technology and markets in the rich countries, and the right of host countries to restructure their relations with multinational corporations — would not lead to substantial economic gains for the Third World.[44]

Another author goes even further and concludes:

> But there are far more substantial reasons, hitherto largely ignored, that the North should promote a package of reforms. The most obvious is the opportunity to change what would appear to be *concessions* to the South into leverage over it. For as debt financing, market access programs, and bigger stocks and earning stabilization schemes became more highly institutionalised, the Third World would become more systematically integrated into the international system. Given the relative balance this could only enhance Northern power as it increased Southern vulnerability. Through its increased leverage, the North could better control trade and investment relations with the South and exercise more direct political influence.[45]

What then remains of the call for a New International Economic Order as evidence of efforts to promote the development of the periphery? The opposite has been shown, that creation of the proposed New International Economic Order will not produce significant economic gains for underdeveloped countries but will instead lead to their greater integration into the increased dependence on the world capitalist system. It may be that the call for a New International Economic Order was an officer on the part of African leaders, but this does not change the results that are likely to be forthcoming.

We shall end our discussion of the collaborationist role of the African governing class by noting that our contention is not that there are no conflicts between them and the international bourgeoisie and their political agent. Far from it. Neither are we suggesting that the African governing class does not want to seek to increase the relative resources, especially financial, at its disposal. To meet its own increasing consumption needs, and to dampen internal protests resulting from economic frustrations, the African governing class is in need of and seeks more resources. This is really what it considers development access to great financial resources. But this objective does not prevent it from playing an essentially collaborationist role for it can increase its share of the take without altering the basic nature of its link with the international bourgeoisie. In fact, increasing the relative share of the African governing class represents nothing more than a change-over from formerly colonial to neo-colonial relations.[46] And this means the perpetuation of underdevelopment.

Another way in which the governing class inhibits development, and even growth, is in its use of the social surplus. In discussing the contention that one of the obstacles to development in underdeveloped countries is the low level of income, we have touched on this point by calling attention to the over-consumption of the African governing class. To this must be added the hoarding of money in foreign banks and the use of resources on wasteful projects and bloated and unproductive bureaucracies.

Data on the above points are hard to come by but the reality is evident to anyone who has spent any time in Africa Observation suggests that proportional to the number of cars or individuals, there are more luxury cars in Africa than in the developed countries. Equally, the well-to-do African spends far more on drinks, clothing, entertainment, household furniture, etc.

than a European occupying a comparable position in his home country. This means that income distribution must be highly unequaly. According to one estimate, in the coastal countries of Black Africa, 93% of the population receives only 55% of the national income while the remaining 7% receives 45% of the national income.[47] One case study shows that in Ghana between 1956 and 1965, when a socialist government as presumably in power, the wages and salaries of the poorest 25% of the population actually decreased from 14.5% to 11% while the wages and salaries of the top 25% increased from 45.0% to 49.5% during the same period.[48]

Why this high level of consumption on the part of the African governing class and the consequent income inequality? Two explanations may be advanced. One derives from the nature of this class itself. Fanon had this to say on the subject:

> In the Colonial Countries, the spirit of indulgence is dominant at the core of the bourgeoisie; and this is because the national bourgeoisie identifies itself with the Western bourgeoisie, from whom it has learnt its lessons. It follows the Western bourgeoisie along its path of negation and decadence without ever having emulated it in its first stages of exploration and invention, stages which are an acquisition of that Western bourgeoisie whatever the circumstances. In its beginnings, the national bourgeoisie of the Colonial countries identifies itself with the decadence of the bourgeoisie of the West.[49]

This refers to the demonstration effect, and the tendency of the African governing class to emulate the consumption patterns of their European counterparts. Unlike Fanon, we contend that in fact, the African governing class out-consume their European counterparts. This is possible though in large part because it is functional or at least not incompatible with the needs of the world capitalist system and the role of the periphery.

> In reality, increasing social inequality is the mode of reproduction of the conditions of externally oriented development. It opens up a much bigger market for luxury consumer goods, in particular for consumer durables, than would have existed if the distribution of income had been more even".[50]

Thus, once again, an internal characteristic of the periphery that is an aspect and a cause of underdevelopment is seen to be linked with the logic of the world capitalist system.

Thus far, we have been examining the African governing class and how It contributes to underdevelopment. Another group that deserves examination is the African economic entrepreneur. In a way, there is no sharp differentiation between the two groups, since the governing class uses its position to acquire a foothold in the economy. This is in fact one of the main reasons for seeking state office. The members of the African governing class for the most part lacked wealth or a base in the economy and the attraction of state office is to change this. In situations where the opposite was the case, state office is still a way of increasing wealth and augmenting one's economic base. This is possible because of the regulating power of the government, not to mention all the

other illegal possibilities of increasing income. But even if there is a large overlap between the two groups, it is still useful to look at the economic side of the situation.

The first thing to point out is that the size of the African economic entrepreneur class is very small and for the most part of recent origin, due to obstacles created by the coloniasl system.

> There was a marked absence of capitalists among the bourgeoisie, since local business enterprise was on the whole discouraged by the colonia power. Anyone wishing to achieve wealth and status under colonialism was therefore likely to choose a career in the professions, the civil service or the armed forces, because there were so few business opportunities. Foreigners controlled mining, industrial enterprises, banks, wholesale trade and large-scale farming

When Africans became involved in economic activities in any significant manner, it was in farming, trading, transportation, and real-estate. The picture is not different today, except for the addition of some contractors, joint-partnerships with or without portfolio investment in foreign companies and, in a few instances, actul industrialists.[52]

But it is still the case that tradeis the dominant sector of activity of this group. As Fanon notes,

> The psychology of the National burgeoisie is thsat of the business man, not that of a captain of industry; and it is only too true greed of the settlers and the system of embargoes set up by colonialism has hardly left them any other choice".[53]

What is bad about this is that this economic group becomes nothing but a transmission belt for international capitalism.

> Seen through its eyes, its mission has nothing to do with transforming the nation. It consists, prosaically, of being the transmission line between the nation and a capitalism, rampant though camouflaged, which today puts on the masque of neo-colonialism. The National bourgeoisie will be quiete content with the role of the Western bourgeoisie's business agent, and it will play its part without any complexes in a most dignified manner".[54]

The end result is that the African commercial group cannot play the inventive and creative role of a true bourgeoisie, and thus cannot promote development. Fanon notes that the big African farmers suffer from the same limitations as their commercial counterparts.

> Through manifold scheming practices they manage to make a clean sweep of the farms formerly owned by settlers, thus reinforcing their hold on the district. But they do not try to introduce new agricultural methods, nor to farm more intensively, nor to integrate their farming systems into a genuinely national economy".[55]

To this, one could add their inability to shift away from the production of crops primarily for exports.

For development to occur, there must be an economic class that wants and is capable of promoting development. In the developed capitalist countries, this meant primarily the industrialists.[56] Further, the government, and therefore the governing class, must play a critical role in facilitating the growth of the manufacturing sector, as was the case in Great Britain, among others.[57] In the case of Africa, we have sene that both conditions are absent and that the absence is a result of, and reponds to the needs of, the international capitalist system. Our conclusion in this section, therefore, is that local conditions"do inhibit development, but that these local conditions are largely a result of the world system into which they are integrated.

CONCLUSION

Our basic contention in this paper is that the development of presently underdeveloped countries is impossible in the prevailing world economic system. The basic reason for this is that the system is capitalist in nature, and that capitalism and development are inherently incompatible. When capitalism becomes imperialism, it allows a relatively higher level of development of the centre, but only as a result of the underdevelopment of the periphery. And finally, the world capitalist system creates condition in the periphery that contribute to the underdevelopment of this periphery. What then is the solution? It logically follows from our analysis that what is necessary is a new world system that can and wants to promote global development. This means a socialist world system in the best sense of the team. Until such a system is created, and is a way of bringing about such a system, the only alternative is to try to remove the local conditions that inhibit development. And this means tackling imperialism and its collaborators

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Hegemony, Neo-colonialism and Political Instability in Contemporary Nigeria

J.O. Ihonvbere and T. Falola***

INTRODUCTION

The primary aim of this paper is to use Antonio Gramsci's concept of hegemony as a basis for comprehending the nature and crisis of the Nigerian state since political independence in 1960. The point is to present arguments that will demonstrate the fact that the best way to understand the crisis of the Nigerian state and its vulnerability to military coups like other Third World states is to locate the crisis, and the coups in particular, in the inability of the Nigerian bourgeoisie to create a viable hegemony in the social formation. Our position is that the bourgeoisie has been unable to constitute itself into a hegemonic class because of its peripheralisation in the world capitalist system, its tenuous relation to production, the domination of the Nigerian economy by international capital and the consistent challenges it has faced from other social classes in the country.

Military coups as part of this crisis can be understood not form the various peripheral theories or motives that dominate the literature but as part of the strategy of the dominant social classes to retain control of the social formation in times of crisis resulting from challenges to the weak or pseudo hegemony imposed by the dominant classes. Coups are also the precipitates of contradictions between the dominant classes and international capital. These contradictions result from the internal reproduction of the crisis of capitalism at the centre of the world system or from efforts by a faction or fraction of internal dominant forces to extend their control over the accumulation processes in the economy.

In this paper, we begin with a brief discussion of the concept of hegemony as advanced by Antonio Gramsci in *Prison Notebook*. We then look at the hegemonic crisis of the Nigerian state and conclude by looking at military coups as a specific instance of hegemonic crisis in peripheral capitalist societies using the Nigerian example.

THE CONCEPT OF HEGEMONY IN GRAMSCI

In the *Prison Notebooks*, Gramsci notes that a social group can be supreme at two levels which are inter-related. The first is at the level of control over the coercive instruments of the state — this is the level of class 'domination'. The second is the level of moral and intellectual leadership exercised by the dominant class through which it imposes its will on society without the use of force — this form of domination or supremacy is exercised through state institutions in 'civil society'. Civil society encompasses the educational, religious, social and cultural institutions through which the dominant class 'releases' into the social formation ideas and beliefs which in actuality reflect and encompass their interest but are presented as the interests of the society at large. It is this latter form of manifestation of class supremacy that constitutes hegemony. The use of statepower and coercion does not constitute hegemony