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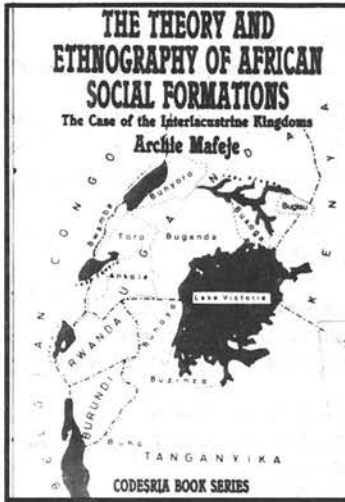
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Ali El-Kenz, coordinator of the group, is presently Professor of Sociology at the Université d'Alger as well as Director of Research at CREAD. As a specialist of industrial and labour sociology, his many publications include: *L'Economie de l'Algérie* (T. Benhouria), Paris - Maspéro, 1980. *Les Maîtres-penseurs* - Alger, ENAL - 1984. *Une expérience industrielle en Algérie*, Paris - CNRS, 1987.

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Structural Adjustment and De-industrialisation in Nigeria: 1986-1988

Yusuf Bangura*

Résumé: Le Programme d'Ajustement Structurel du Nigeria a beaucoup affecté le secteur industriel du pays. La raison fondamentale avancée pour justifier les PAS est qu'il fallait profondément restructurer ce secteur pour corriger les distorsions constatées dans le taux d'échange, du régime tarifaire et de la structure des prix. Il fallait également promouvoir l'exportation, attirer les investissements étrangers et libéraliser les politiques de revenue. L'application de mesures destinées à atteindre ces objectifs a fait disparaître un certain nombre d'industries. Celles qui ont pu résisté au choc de l'ajustement sont surtout les industries agro-alimentaires. L'application de ces mesures a également donné un sérieux coup au niveau de vie des travailleurs et à la performance des industries. Face à cette situation nouvelle, les syndicats et les ouvriers ont eu des réactions diverses. Même si certains leaders syndicalistes ont pu être corrompus jusqu'au point d'accepter de collaborer, la plupart d'entre eux ont plutôt résisté et ont préféré garder leur indépendance d'action.

Introduction

Nigeria's structural adjustment program has had a profound impact on the country's manufacturing sector. The program itself is anchored on the premise that the industrial sector needs a fundamental restructuring to correct the distortions in the exchange rate, tariff regime and domestic price structure which became acute in the 1970s and early 1980s leading to a major balance of payments and budgetary crisis in 1981/82.

The industrial cost of most companies have gone up dramatically as a result of the massive devaluation of the Naira, the deregulated interest rates and the discriminatory interim tariff regime. Many industries have had to fold up, introduce various rationalisation schemes and retrench workers. The rigorous liquidity squeeze and consumer resistance have further compounded the problem. Capacity utilisation was 25% in 1987, compared to 30% in 1986. According to the Manufacturers Association of Nigeria's estimates for 1987, there was a huge stock of finished goods valued at over ₦70m, representing about 15% of total production from a sample of only 31 companies. The relationship between industry and the state remains tense. Serious campaigns have been waged by industrial firms for a review of the tariff and interest rates and for proper funding of the foreign exchange

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market to stabilise the market and reduce the rate to "realistic" levels. The level of performance of the industries has been uneven; those that can easily find local substitutes such as the agro-allied industries have less problems of adjustment compared to those that are heavily dependent on imports for raw materials such as the metal and engineering industries.

The adjustment program itself has affected workers considerably, in terms of retrenchment, reduced incomes, uncertain work schedules, collapse of industrial facilities and high commodity prices. Several unions have tried to protect the threatened gains of their members but the bargaining strength of the unions has been eroded. Union responses have been combined in some cases with individual workers' initiatives and, in other cases, with the more comprehensive approach of the Nigeria Labour Congress which has been trying to work out a political response to the adjustment program.

The National Industrial Crisis

Nigeria's industrialisation has been rather sluggish and uneven despite the huge petro-dollars and agricultural surpluses that have been sunk into projects that are connected with manufacturing activities. Studies have drawn attention to the structural defects of the early phase of industrialisation which relied on trading companies as the pioneers of Nigerian capitalism. The local raw material base of the precolonial economies was severed from many of the local cottage industries, leaving the latter to either atrophy or play a subordinate role in the new colonial economy¹. Merchant capital, as Kay has argued, imposes serious constraints on the development of balanced and self-reliant industrialisation in the epoch of advanced capitalism².

There was an inherent self-interest by the trading firms, conditioned by the changing context of world politics, the agitation by nationalist forces to participate in local business and the profound concern by the companies to defend profit margins, to move into import-substitution industrialisation. The choice of light industrial products such as detergents, soft drinks, leather works, textiles, confectionery and alcoholic products suggested that no new research would be undertaken since the technology for these goods had been standardised. The parent firms of the trading companies would simply transfer some of the production techniques, in a packaged form, to beat the tariff walls and enjoy the incentives provided by the state³.

1 See for instance, A. Olukoshi, "The Multinational Corporation and Industrialisation in Nigeria: A Case Study of Kano, 1903-1986", (Ph.D. thesis, University of Leeds) 1986.

2 G. Kay, *Development and Underdevelopment: A Marxist Critique*.

3 Y. Bangura, *The Recession and Workers Struggles in Nigeria's Vehicle Assembly Plants: Case Study of Steyr-Nigeria* (mimeo, Zaria) 1986.

The seeds of the current industrial crisis were planted in the early structures of manufacturing activities. Local raw materials provided the foreign exchange for the importation of necessary industrial inputs such as machinery, spare parts and raw materials. There was no meaningful attempt to source the raw material base of the new industries locally. Peasant agriculture fed industrialisation through the external sector, rather than directly, thus denying the agricultural sector the benefits of industrialisation, since the industrial sector itself relied on the external sector for its own raw materials. This is a major contradiction in peripheral import substitution. The Manufacturers Association of Nigeria has shown that although the late 1950s witnessed an attempt at systematic planning of the economy not much emphasis was laid on the maximum utilisation of local resources and transfer of technology. The primary concern was to attract sufficient foreign capital to set up import substitution industries⁴.

The oil boom of the 1970s deepened the structures of import-dependent industrialisation. Studies by Ekuerehare and Okigbo have underlined the central role of the state in the post-civil war economy, indicating figures for the rate of gross investments as high as 68% and 60% in 1977 and 1978 respectively. The financial basis for the expansion of the state sector was provided by the exponential growth of the revenues derived from the oil industry. These jumped from ₦4.733b in 1978 to ₦10.00b in 1979.

Petroleum revenue was used to pursue very exorbitant capital projects, pay very expensive foreign consultancy fees, support the external commercial needs of industry and repatriate companies profits. These projects were to be executed within the context of the policy of indigenisation which was championed by the fledgling domestic business class. Indigenisation further strengthened the role of the state in the economy. Given the weak bargaining position of the local business groups, the state had to play a central role in equity participation and regulation by setting up institutions such as the Nigerian Enterprises Promotion Board, the Nigerian Industrial Development Bank, the Bank of Commerce and Industry, the Security Exchange Commission and several joint venture schemes.

A definite pattern of state capitalist accumulation was laid which was to form the basis of attack by the IMF and the World Bank. The latter were to argue that the state sector was over extended and unproductive and that industries were unduly protected and inefficient. There was quite a lot of over-invoicing of international trade transactions, inflation of contracts and misappropriation of public expenditure funds. Thus, although the gross fixed capital formation and the net fixed capital formation jumped from 22.8% and 18.2% in 1973/74 to 40.1% and 35.7% in 1978/79 respectively, the

4 Manufacturers Association of Nigeria, "Review of Industrial Policy and Strategy".

contribution of the manufacturing sector in the 1970s to the gross domestic product was just about 6 to 8%⁵. The manufacturing sector continued to be dominated by a handful of light industrial consumer goods. Kirkpatrick and Nixon have shown the structural differences between the manufacturing sector in LDCs and those in the advanced economies. Food, textiles, petroleum refineries, transportation equipment and chemicals accounted for nearly 45% of total manufacturing value added in developing countries in 1970. In the case of the developed Western economies, non-electrical machinery, transport equipment, electrical machinery and metal products accounted for 47% of manufacturing value added in the same year⁶. Engineering activities are generally under-represented in the manufacturing sector of LDCs, except for Argentina and Brazil which have made progress in non-electrical machinery and Hong Kong and Singapore in electrical machinery.

The commodity composition of Nigeria's industrial output is not even representative of the average Third World pattern. Transport equipment, chemicals and engineering are almost completely absent in the country's manufacturing sector. Ninety per cent of the total output is accounted for by consumer goods, with hardly any production of capital or intermediate goods. As Kirkpatrick and Nixon note, little progress has been made in the field of capital goods, "where most LDCs are heavily reliant on imports which represent anything between 30 and 60% of fixed investment", even though India, Brazil, Argentina and Mexico have made substantial strides towards self-reliance⁷.

In a study conducted by Ekuere and Ihuoma on the capital goods sector in Nigeria, serious concern was raised about the very low contribution to manufacturing from the real engineering industries, such as machinery and transport equipment⁸. The degree of dependence on the foreign supply of industrial and agricultural machinery and equipment is as high as 98.8% and 93.9% respectively. Despite the 16.4% of value added in manufacturing attributed to it, the engineering sector of industry is heavily dominated by metal, furniture and fixtures, structural metal products and fabricated metal - usually regarded as very elementary engineering sub-sectors. The primary engineering sub-groups viz. the manufacturing of agricultural and industrial

5 O. Teriba et al., *The Structure of Manufacturing Industry in Nigeria*.

6 C. H. Kirkpatrick and F. Nixon (ed.), *The Industrialization of Less Developed Countries* (Manchester University Press), 1983.

7 Ibid.

8 B. Ekuere and A. Ihuoma, "Capital goods industry as essential ingredient in Nigeria's self-reliant industrialization strategy", Paper to the Nigerian Economic Society Association Conference: May 1984.

machinery and equipment, household electrical apparatuses and transport equipment, account only for 2.3% of value added in manufacturing⁹.

The advent of the civilian administration of between 1979 and 1983 coincided with a dramatic increase in the international price of oil from \$14.9 a barrel in 1978 to \$33 in 1979 and \$44.4 in 1980. The deflationary measures of 1978, following the tumbling of oil revenues by 16% in 1977, were reversed. Imports were liberalised, tariffs were reduced, public expenditure was increased and various fiscal measures such as the approved user scheme were introduced, thus deepening the dependence of Nigerian industries on foreign inputs. As the World Bank mission of 1983 observed,

*the focus of economic activity in the country shifted sharply to international trade, international and domestic finance, services, construction and real estate*¹⁰.

The importation of consumer goods rose from ₦240m in 1974 to ₦2.136b in 1978 and ₦3.897b in 1981; that of capital goods increased from ₦670m in 1974 to ₦3.968b in 1978 and ₦4.667b in 1979; and raw material imports jumped from ₦519.3m in 1974 to ₦1.880b in 1978 and ₦3.038b in 1981¹¹.

Investment and trade credits obtained from the international capital market, the World Bank and foreign governments also rose dramatically. The total external loans received by the public sector more than doubled from 1982 to 1983. The cumulative external loans commitment was estimated at ₦18.5b at the end of 1983. This contrasted sharply with the total outstanding debt of US\$2.35b in 1978. The level of aggregate capital inflow of ₦5.5bn declined by 7.7% between 1982 and 1983, whereas the level of capital outflow which stood at ₦2.2b in 1983 represented a 7.6% increase over that of 1982. The economy entered a very serious debt crisis. In 1983, the repayment of principal and interest on the public debt rose to ₦1.3b, an increase of 72.2% when compared with payments in 1982. The public debt service ratio jumped from 8.9% in 1982 to 17.4% in 1983¹².

The dramatic drop in oil revenues from \$22.4b in 1980 to \$16.7b in 1981, \$12.8b in 1982 and \$10b in 1983 seriously affected the balance of payments, public finances and industrial performance. The state had to ration the limited foreign exchange through a highly bureaucratised and corrupt import licence system. Capacity utilisation dropped to about 40% in

9 Ibid.

10 The World Bank, *Nigeria: Macro-Economic Policies for Structural Change*, Report No. 4506 - UNI, 15th August 1983.

11 National Economic Council, Expert Committee Report on *The State of the Nigerian Economy* (Lagos), 1983.

12 Central Bank of Nigeria, *Annual Report and Statement of Accounts*, 1983.

1984/85, many industrial establishments folded up and the general turn over of companies and value added came under considerable strain. As Table 1 shows, the number of people employed in the industrial sector declined from 453,632 in 1980 to 322,396 in 1983, a drop of almost 25%.

**Table 1 : Survey of Manufacturing Industry 1980-1983
(Revised Estimates)**

Year	No. of Establishments	No. of employed	N'000 Gross Output	N'000 Value Added
1980	2,315	453,632	10,246,438	5,340,741
1981	2,342	449,093	12,621,228	4,810,346
1982	2,120	329,704	8,886,306	3,957,235
1983	2,112	322,396	10,156,186	5,225,470

Source: Federal Office of Statistics: *Industrial Survey of Nigeria, 1980-83*.

The Structural Adjustment Program

The industrial crisis and poor performance of the other sectors of the economy necessitated a structural adjustment program. The adoption of the current World Bank-supported program was fraught with difficulties. Vested interests had developed around the allocation of import licences, the contract-content of public expenditure, the regulated interest rates, subsidies and tariff regimes. Even though the state had applied for an IMF stand-by agreement as early as April 1983, it was not until 1985, under the current administration, that an adjustment program acceptable to the IMF and World Bank was adopted. Harris has emphasised the structural imperatives of the Bretton Woods institutions which aim to,

*construct, regulate and support a world system where multinational corporations trade and move capital without restrictions from national states*¹³.

Central to the logic of this position is the allocation of world resources according to comparative advantage and market forces leading to the global equalisation of the returns to the factors of production.

The stabilisation programs of the Buhari and Shagari administrations placed considerable emphasis on state regulation even though both regimes

13 L. Harris, "The Bretton Woods System in Africa", paper delivered to the *IFAA Conference* in London on "Africa, the IMF and the World Bank" 9th September 1987.

agreed with the IMF on the need to control budgetary expenditure. The Buhari administration refused to accept an adjustment program that is pivoted around domestic state deregulation and a market-determined exchange rate. But the difficulties encountered with debt rescheduling, the refusal of the London and Paris clubs to sustain Nigeria's credit lines and the collapse of oil prices, undermined the effectiveness of Buhari's alternative program and allowed the IMF/World Bank solution to emerge triumphant among the policy makers that seized power in August 1985, despite an emphatic and overwhelming rejection of the IMF solution by the Nigerian people in an unprecedented national debate¹⁴.

The public's rejection of an IMF-support program meant that the implementation of the adjustment policy will be done in stages, if only to give it a national flavour and legitimacy. A one year national economic emergency was first declared in October 1985, followed by a national economic recovery fund (a product of salary and incomes cuts) in November which was to prepare the way for 'national' belt tightening, and the January 1986 budget which provided a clear picture of the intentions of government in deregulating exchange rates and prices, cutting public expenditure and subsidies, reviewing the tariff regime, divesting the state of some of its business holdings and liberalising the economy. Most of the developments were to form part of the comprehensive package of structural adjustment which was to last from June 1986 to June 1988. The June 1986 package was unequivocal in its commitment to a market-determined exchange rate to be mediated through a two-tier exchange rate system launched on 29th September 1986.

The adjustment program has several important elements such as (a) exchange rate adjustment and restructuring of custom tariffs; (b) interest rate deregulation and credit policies; (c) an appropriate pricing policy in all sectors of the economy with greater reliance on market forces and the reduction of complex administrative controls; (d) privatisation; (e) trade liberalisation and (f) control of public expenditure. We shall be concerned only with those aspects of the program that have a direct bearing on industry.

First we take exchange rate adjustment. This is actually the pivot of the program. The IMF and World Bank hold the view that the Naira is grossly over valued and argue that over-valuation leads to a high import profile, capital flight and shifts in relative prices unfavourable to the manufacturing sector. The Naira, for instance, appreciated by 87% in effective terms in the period between 1973 and 1981 on the basis of purchasing power parities.

14 Y. Bangura, "Crisis and Adjustment: The Experience of Nigerian Workers", paper delivered to the *IFAA Conference*, 1987.

The appreciation was due mainly to the large foreign exchange surpluses accumulated in the 1970s. There was also a shift in relative prices unfavourable to the manufacturing sector during this period.

Table 2 : Movement of Relative Prices

	1973	1975	1977	1979	1981
Agriculture	100	175.9	228.8	282.2	332.8
(Food crops)	(100)	(130.8)	(215.7)	(283.0)	(373.3)
(Export crops (1))	(100)	(94.7)	(235.3)	(216.0)	(157.2)
Manufacturing	(100)	196.8	199.6	213.0	210.8
Trade and Commerce	(100)	152.1	214.1	270.2	323.3
Government services	(100)	114.4	133.7	256.0	291.6
Exchange Rate (2)	(100)	134.6	156.5	161.9	187.0

(1). Export prices. Domestic prices higher in individual years through support programs.

(2). Adjusted for purchasing power parity.

Source: World Bank: *Nigeria, Macro-Economics Policies for Structural Change*, Report No. 4506-UNJ, August 15, 1983.

The IMF and World Bank insisted that since the Naira was over valued by about 60% in 1983,

*there should be a 25 to 30% initial devaluation to be followed by a quarterly review until the element of over-valuation was eliminated*¹⁵.

The government's structural adjustment program deviated from this gradualist approach even though it embraced the fundamentals of the IMF's objectives. The Naira was instead to be determined by "market forces" at a second tier foreign exchange market. Funds for the market were to come from the oil revenues, foreign investment, the domiciliary account and a special World Bank Trade Policy and Export Development loan of \$450m, signed on October 16, 1986¹⁶.

The foreign exchange market became operational on 29 September 1986. All private and government transactions, except debt service obligations and international subscriptions were undertaken on the SFEM. The exceptions were funded in the first tier market which was allowed to depreciate until it

15 Statement issued by the Presidential Committee on the IMF Debate.

16 World Bank, *Nigeria: Trade Policy and Export Development Loan*, October 16, 1986.

converged with the second tier market on 2nd June 1987 and came to be known simply as foreign exchange market.

We have argued elsewhere that the SFEM is not a free market¹⁷. Apart from the fact that the Central Bank controls funds in the market, the former has had to intervene on several occasions to fix the exchange rate. The most celebrated of these interventions were: (a) the sixth session when the Central Bank of Nigeria (CBN) announced an additional US\$11m to the original US\$75m to reduce the marginal rate from US\$4.2062 to ₦3.8525; (b) and during the twelfth session when the CBN unilaterally fixed the marginal rate at ₦3.2 instead of the ₦2.9990 recorded by the banks.

Was a realistic exchange rate for the Naira established between 1986 and 1988? Even though the CBN and government officials were confident that an effective rate of exchange was achieved¹⁸, there was considerable unease among bankers and industrialists about what constituted an appropriate rate. Small and medium scale industrialists and traders complained about the undervalued Naira and big companies were worried about some of the wild fluctuations which made business planning difficult. As the assistant general manager (credit and marketing) of NAL Merchant Bank, Atedo Peterside, observed government policy was torn between acceptance of a market determined rate and the political considerations of having a "strong" currency¹⁹. In 1987 government was worried, for instance, when the Naira fell below ₦3 to \$1 (which it interprets as defeating the structural adjustment objectives) and when it rose above ₦4.5 to the dollar (which may have raised political questions about the program). This explains the frequent interventions and central bank intimidations to get a reasonable rate of exchange.

The IMF and World Bank have always argued that an appropriate exchange rate could only be established with a policy of tight money supply. There is no doubt that the government between 1986 and 1988 pursued a tight monetary policy. Coupled with the general consumer resistance, this actually helped to keep the exchange rate within official bounds. The rate of growth of the M₁ money supply declined from ₦13.105b in 1986 to ₦12.931b in January 1987, ₦12.960b in February 1987, ₦12.856b in March

17 Y. Bangura, "IMF/World Bank Conditionality and Nigeria's Structural Adjustment Program", in K. Havnerick (ed), *The IMF and the World Bank in Africa: Conditionality*, (Scandinavian Institute of African Studies) 1987.

18 Chu Okongwu, Finance Minister, "Review and Appraisal of the Structural Adjustment Program", September 1987.

19 A.N.A. Peterside, "The Central Bank of Nigeria, Commercial Banks and the Management of the Second Tier Foreign Exchange Market", paper presented to the one day seminar on Structural Adjustment in Nigeria: The Impact of AFEM on the Economy" held at the Nigerian Institute of International Affairs, Lagos, 30th June 1987.

1987, ₦12.930b in April 1987 and ₦12.752b in May 1987²⁰. We should, however, also recognise the central role of government intimidation and controls in pushing banks to accept an official value for the Naira. We are not sure, therefore, whether what emerged as stability was as a result of CBN political conditioning or a genuine reflection of what the market demanded.

As Table Three shows, the value of the Naira fluctuated between ₦5.05 to the dollar on 2nd October 1986 to ₦4.2 to the dollar on 24th September 1987. But since the 34th bid session the rate gravitated around ₦4.2 to the dollar. This is what prompted the government to believe that a stable rate of exchange was achieved. Attention ought to be drawn, however, to the discrepancy between the demand for foreign exchange and the amount supplied. For the total 37 bids, \$2,669.00m was supplied as opposed to \$3,108.03m demanded, representing a shortfall of 15%. The 1987 rate of ₦4.22 to the dollar represented a four fold devaluation of the Naira when set against the parity rates of January 1986.

The adjustment of the exchange rate is closely related with the review of the tariff structure. According to World Bank estimates, tariffs were generally low between 1973 and 1980, amounting to between 5 to 10% for intermediate and capital goods and about 50% for non-food consumer goods. Weighted tariffs were estimated at about 13 to 5% in 1981. As argued by the World Bank, "the exchange rate and tariff policies pursued placed serious pressures on the domestic production sectors"²¹. It encouraged industries to look outwards for their raw materials rather than sourcing them locally.

Although the stabilisation program of Shagari's government extended the tariff net to all imports and tightened customs procedures, the new levels of tariffs were not considered adequate to provide incentives to the productive sectors. There were substantial variations in tariffs between individual commodities, and the application of quotas and quantitative restrictions led to a distorted structure of industrial protection. The World Bank maintained that,

*effective protection for industrial commodities ranges from negative protection levels for export industries to positive protection in excess of 200% for assembly industries*²².

The IMF recommended, during the negotiations with the government, a review of the customs tariff structure in order to simplify and rationalise it.

20 For a different position see Peterside, *ibid.*

21 World Bank, *Nigeria: Macro-Economic Policies for Structural Change* op. cit. p. 2.

22 *Ibid.*, p. 10.

**Table 3 : Schedule of Exchange Rate Developments in SFEM
(26th September 1986 - 30th June 1987)**

Session	Date	Amount supplied \$	Demand \$	SFEM Rate ₦	First Tier ₦
1	26/1/86	50m	84.37m	4.6174	1.5691
2	2/10/86	50m	99.11m	5.0585	1.6171
3	9/10/86	73m	75.52m	3.4999	1.7004
4	16/10/86	80m	93.55m	3.9191	1.8064
5	23/10/86	75m	88.00m	4.1775	1.9384
6	30/10/86	86m	90.55m	3.8525	2.0387
7	6/11/86	75m	69.25m	3.6000	2.1441
8	13/11/86	75m	76.65m	3.4993	2.2548
9	20/11/86	75m	81.34m	3.4599	2.3469
10	27/11/86	75m	79.68m	3.4945	2.4679
11	4/12/86	75m	60.86m	3.0005	2.5954
12	11/12/86	75m	75.29m	3.2000	2.5954
13	18/12/86	50m	52.25m	3.3000	2.5954
14	8/1/87	50m	55.41m	3.4422	2.5954
15	15/1/87	50m	61.51m	3.5547	2.5954
16	22/1/87	50m	64.60m	3.7002	2.5954
17	29/1/87	55m	64.10m	3.0914	2.6752
18	5/2/87	75m	94.04m	3.9412	2.8129
19	12/2/87	75m	74.97m	3.000	2.9577
20	19/2/87	50m	66.96m	3.9246	2.9577
21	26/2/87	53m	63.40m	3.9242	3.0479
22	5/3/87	50m	38.39m	3.8241	3.1407
23	12/3/87	50m	46.40m	3.9195	3.2051
24	19/3/87	50m	65.80m	4.0203	3.3036
25	2/4/87	80m	102.18m	3.7001	
26	16/4/87	70m	95.96m	3.8990	
27	30/4/87	70m	100.70m	3.9999	
28	14/5/87	85m	120.70m	4.1617	3.5088
29	4/6/87	100m	150.00m	4.3637	3.5088
30	18/6/87	70m	64.39m	3.7375	3.6887
31	2/7/87	70m	78.74m	3.9899	
32	16/7/87	100m	97.20m	3.5354	
33	30/7/87	100m	110.00m	3.8991	
34	13/8/87	100m	109.63m	4.0405	
35	27/8/87	100m	117.35m	4.1211	
36	10/9/87	100m	116.39m	4.1916	
37	24/9/87	100m	118.84m	4.2227	
Total		2,669.00m	3,108.03m		

This was necessary, they argued, to protect local industries, discourage the importation of raw materials and unessential commodities and generate additional revenue for the government. The Buhari administration worked closely with the World Bank, as recommended by the IMF, in reviewing the tariff²³. The review was incorporated in the 1984 budget. Both the World Bank and IMF insisted that exchange rate adjustment and tariff rationalisation should be pursued simultaneously. Buhari's government insisted on their separation. The fundamental tariff review was made only after the current government had accepted the need for an exchange rate - centred structural adjustment program.

The revised tariff, announced in September 1986, put the duty on raw materials in the range of 10 to 18%; intermediate inputs at 5 to 30% and final capital goods, at 5 to 20%. The duty for final consumer goods ranged from 20 to 30% for durable goods and 100-120% for non-durable non-basic goods.

The other vital component of the adjustment program of relevance to industry is the deregulation of interest rates. Up to July 1987, the government had resisted the pressures from the World Bank and the IMF to allow the market to determine the rates of interest. Interest rates had remained fixed, under the tight control of the Central Bank. Indeed, the 1987 budget provided that the minimum interest rate payable on banks savings deposits should be 11%; and the maximum bank lending rate was raised from 13% to 15%. The IMF and the World Bank, supported by many big banks, stressed the need for a deregulation of the rates to fall in line with the floating exchange rates, general realignment of prices in the domestic economy and to mop up excess liquidity. The Union Bank (one of the three largest banks), for instance, in its Economic Newsletter of January 1987, called on the government to deregulate the rates because

fixing the highest interest rates on credit at 15% ... succeeded in continued encouragement of consumption and trading activities".

On July 31st 1987, the Central Bank issued a circular No. 21 by which it abolished all forms of control on interest rates, leaving the rates to be determined by market forces; but the CBN raised its minimum rediscount rate from 11% to 15%. In effect commercial banks were prevented from charging any profitable interest rate below 15%. The CBN also raised interest rates on treasury bills from 10% to 14% and raised the liquidity ratio of commercial banks from 25% to 30%, thus reducing the commercial banks ability to lend. The circular further reduced the rate of credit expansion to the private sector from 8% to 7.4% for the remaining part of 1987. The

23 Cabinet office, "Guidelines for the Debate: The Negotiation So Far", Lagos, 1985.

aggregate credit ceiling was also reduced from 4.4% to 3% for the rest of the year. As Aluko has noted, the new monetary policies were in line with the government's objectives to deflate the economy by restricting the amount of money in circulation²⁴. By 1987 interest rates were averaging 18%, computed to be about the highest in the world, and there are possibilities of these rates shooting beyond 20%!

**Table 4 : Interest Rates Monitor
(per cent per annum)**

Financial Institution	Prime lending Rate	Savings Deposit	7-day Deposit	3-month Deposit	6-month Deposit	12-month Deposit
Internat. Merchant Bank	18.0	12.75	13.5	14.5	15.25	15.5
Federal Savings Bank	18.5	15.5	17.0	15.0	16.25	16.5
Allied Bank	17.0	15.0	14.0	14.0	16.0	16.75
First Bank	17.5	15.0	N.A.	16.0	16.5	16.75
Union Bank	17.5	13.0	N.A.	14.5	N.A.	15.0
Finan. Merchant Bank	N.A.	N.A.	13.5	15.0	16.0	17.0

The other major components of SAP of interest to industry are export promotion, the establishment of a domiciliary account, the attraction of foreign investment, liberalisation and incomes policy. The SAP was anchored on the premise that the various cost rationalisation measures, particularly the devaluation of the Naira and wage rates, the raising of the interest rates and adjustment of the tariff regime would attract sufficient foreign capital to boost industrial production. The establishment of domiciliary accounts in foreign exchange was expected to assist in this process. The adjustment program also attempted to shift the manufacturing system away from import substitution towards export recovery. Incentives were offered, ranging from favourable tariffs for raw materials imported for export production, exemption from the 30% import levy, refund of excise duty paid on export items to the granting of generous import licences for raw materials needed for export products, the provision of support services to entrepreneurs looking for export markets, the retention by exporters of 25% of export proceeds and a declaration of intent to establish an export credit guarantee and insurance scheme²⁵. How did industries respond to the structural adjustment program?

24 S. Aluko, *Daily Times*, 4/9/87.

25 Central Bank of Nigeria, *Annual Report and Statement of Accounts*, 1986, p. 9.

Table 5: Domestic Production of Selected Items in Nigeria 1981-1987

Products	1981	1982	1983	1984	1985	1st Qt. 1986	2nd Qt. 1986	3rd Qt. 1986	4th Qt. 1986	Total 1986	1st Qt. 1987
Flour (M.tons)	1,197,189	1,335,351	812,965	526,412	843,530	76,948	84,737	110,338	79,637	351,658	n.a.
Beer (hectolitres)	8,185,170	8,375,970	7,515,676	7,554,740	8,052,252	3,571,839	2,568,422	2,034,391	2,421,021	10,595,673	3,766,140
Soft drinks (hect)	5,151,000	5,381,340	5,527,615	5,799,733	4,942,840	1,189,337	1,019,923	822,132	488,960	3,521,352	594,402
Refrigerators	272,660	173,282	186,898	141,908	93,145	22,036	18,962	21,769	15,921	78,688	17,546
Passenger Cars	90,823	74,884	61,521	n.a.	51,945	9,287	7,624	602	441	17,954	n.a.
Roofing sheets (m.tons)	118,838	194,295	92,148	90,512	228,037	68,408	90,652	67,965	193,667	420,692	n.a.
Soap & Deterg. (M.tons)	201,584	300,192	249,588	143,173	157,667	18,400	11,006	23,564	24,732	77,702	25,066
Safety matches '000 boxes)	896,285	974,295	866,344	434,696	597,157	108,816	131,287	147,019	139,966	527,088	120,022
Cotton textiles '000 Sq.m)	491,252	596,875	337,659	239,785	267,824	43,163	31,782	10,306	16,347	101,578	23,850
Exercise backs (Gross)	n.a.	120,023	58,805	31,268	563,876	95,183	90,826	106,786	169,829	462,624	101,677
Foot wear (elas '000 pairs)	16,733	18,185	21,105	14,109	24,573	6,648	6,713	7,093	6,376	26,830	5,704
Elastic products (metric Hons)	n.a.	n.a.	33,070	61,687	62,862	21,601	19,375	18,897	15,754	75,627	7,742

Source: Federal Office of Statistics. Survey of Industrial Production and Custom Form Sale 93.

The Impact of the Structural Adjustment Program on Industry

The structural adjustment program had considerable effects on industry. The major objective of the program, as we have seen, was to reduce dependence on the oil sector and on imports, lay the basis for a sustainable non-inflationary growth, force industrialists to look inwards for their raw materials and encourage the growth of export industries and foreign private investment. What was the nature of industrial adjustment? Which industries adjusted and at what rate and cost? What happened to small scale industries? Is there a process of deindustrialisation going on or are industries already responding positively? Can we instead talk about a temporary industrial decline leading to full adjustment and growth in the long run? Authoritative answers may be difficult to provide given the fact that we are assisting the program on the basis of its first two years of existence. Comprehensive data on many industries is just being compiled; and some of the current problems are directly related to policies pursued under the previous regimes, coupled with the actual pains of the industrial crisis itself.

Even with the first two years of existence of SAP certain facts had already emerged: (a) SFEM increased the industrial cost of production, even though the bureaucratic delays associated with the import licence regime were minimised; (b) the liquidity squeeze and the high cost of goods generated a consumer resistance and resulted in a major stockpile of goods in warehouses; (c) the interim tariff system encouraged dumping and exposed local industries to major competition with foreign transnational corporations; (d) the deregulation of interest rates and other restrictive monetary policies had adverse effects on industrial investments; (e) there was no noticeable development in the export sector of manufacturing industries and the anticipated large foreign investment did not materialise.

Industrial production has considerably declined since 1981. The most seriously affected industries are those that have a high import content such as automobiles, pharmaceuticals, electrical equipment and flour; the more stable are roofing sheets, safety matches, footwear, plastics and the food and drink products such as beer and soft drinks; then there are the industries which still depend upon foreign inputs to supplement local raw materials such as textiles, soap and detergent, sugar and exercise books; their performance tended to be average. We shall take the automobile and beer industries to illustrate our point.

The financial and technical memoranda which established the eight assembly plants in the 1970s (Peugeot Automobile of Nigeria, Volkswagen of Nigeria; Leyland; Steyr; National Truck Manufacturers; Anambra Automobile Manufacturing Company; Federated Motor Industry and SCO Assembly) called for progressive backward integration leading to the production of a full car and truck by the 1990s. The assembly plants failed

to stick to the foreign content delition program. When the crisis struck and the rationing of import licences was introduced, local content supply for the industry as a whole was a mere 15%. Most of what is considered as local content is in fact provided by companies that are dependent on foreign inputs. Even before the structural adjustment program was introduced, industrial production had dramatically declined leading to the retrenchment of thousands of workers²⁶.

The introduction of the second tier foreign exchange market directly affected the cost of production of the assembly plants by more than 200%. Vehicle prices rose rapidly and negatively affected consumer demand. Capacity utilisation dropped to about 10%. Volkswagen's production, for instance, dropped by over 92%, producing only 60 out of 768 cars a month. Leyland was put up for sale in March 1987 as the management found it difficult to remain afloat and pay off the huge debts it had accumulated.

Table 6 : Prices of Selected Vehicles, 1981-1987 (Naira)

Vehicle	1981	1981	1983	1984	Ma 1986	January 1987
Peugeot 504 GR	6,691	8,630	9,825	10,780	13,385	33,432
Peugeot 504 SR	11,250	11,250	2,800	14,300	19,500	40,162
VW Beetle		4,395	5,295	5,745	6,695	26,000
Mercedes Truck 911		24,100	25,256	35,080	35,469	

Some of the plants have relied upon their parent companies to bail them out of the crisis. PAN, for instance, received a structural adjustment loan of ₦1 billion from the French government in 1986 to enable the company to overhaul its production system, develop a press shop and embark upon the development of local content industries. (*Business Concord* 24/2/87). ANAMCO also received DM 150m from its technical partner in Germany while Steyr obtained \$100m from Steyr Daimler Puch of Austria. Volkswagen is indebted to its overseas technical partner by DM100m as at 1986.

The structural adjustment programs of these companies are at best long term. About 65% of the components of a car require flat steel which is not produced by the basic steel plants in the country. The assembly plants have, therefore, introduced short term adjustment measures such as trade-in schemes, hire purchase, production for export and specialisation in

26 Y. Bangura, "The recession and Workers Struggles in the Vehicle Assembly Plants of Nigeria", op. cit.

commercial vehicles. PAN introduced a trade-in scheme in March 1987. Sixty eight organisations which consist of fleet owners, semi-government enterprises and large private firms have benefited from the scheme. These organisations are allowed to trade-in their used cars for new ones after paying the difference between both prices. It has been estimated that the beneficiaries pay up to 60% of the cost of a new car after an evaluation by PAN.

Volkswagen has introduced the hire purchase scheme. The company persuades the commercial banks to provide its distributors with loans to buy large stocks of vehicles for reselling to individual buyers who are required to deposit some amount of money. (*Business Concord* 17/3/87). Peugeot and Volkswagen are also experimenting with export trade in a bid to open up new markets for their products in some neighbouring African states. A Congolese vehicle firm, Cornossierie Comptoir Antos Assesses Rounis, bought thirteen Santana GX cars at the cost of \$9,148 each, early in 1987. (*Business Concord* 24/4/87). Even with all these innovations it is doubtful whether the auto industry has a bright future in the absence of a major rationalisation of the plants and significant strides in the iron and steel, machine tool and petrochemical industries.

The beer industry contrasts sharply with the automobile plants. The former ranks among the most successful industries in the country. The capital reserve in the entire industry is fair. It can adequately support far reaching research and development programs; it also has a guaranteed home market. There are currently about 35 breweries in the country, the largest of them being the Nigerian Brewery Limited (NBL). The industry has witnessed rapid growth in the last five years. The total operating capacity of the breweries as at 1985 is put at 18.3m hectolitres yearly. This is about 18 million cartons of about 12 bottles each per month²⁷.

The industry has consistently recorded handsome profits since the crisis started. Even with the tight foreign exchange allocation, turnover and profit levels have not been seriously affected. In fact, production has risen steadily from 7,467,870 hectolitres in 1980 to 8,185,170 in 1981 and 8,375,970 in 1982, except in 1983 when production declined to 7,515,676; but it picked up again to 7,554,740 in 1984; 8,052,252 in 1985 and 10,595,673 in 1986. Even after SFEM was introduced, the first quarter of production in 1987 which was 3,766,140 hectolitres surpassed that of the first, second, third and fourth quarters individually for 1986. NBL recorded a growth rate of 14.5% in sales at the end of its 1986 financial year, has two distributors and 140

27 Supplement on Brewing Industry, *Sunday Times* 21/12/86.

sales outlets in Britain, and has realised £45,588 from the export of star beer²⁸.

Recent policy decisions are, however, creating problems for the industry. The industry is expected to produce a 100% 'made in Nigeria' beer from January 1988, using the SK 5912 specie of sorghum as a substitute to imported barley. This has precipitated a major rush to the land. Northern Breweries Ltd., for instance, has a 9,000 hectare farm in Keffi; the Cross River Breweries has a 3 year-old 4,000 hectare farmland in Bansara, near Ogoja; and the NBL has acquired 8,000 hectares of farmland in Niger State for its grain farming²⁹.

As the manufacturers' Association of Nigeria's report on raw materials shows, backward integration is easier in the agro-allied industries than in the electrical, engineering, chemicals and metal industries³⁰. But agriculture has not grown to the level where it can steadily support industry. Even when the local products are available, usually, these dry up very quickly³¹.

The breweries have complained about what they considered to be a rushed and impractical program for local sourcing. They argue that the full capacity requirement of the breweries at around 1,000,000 tons of raw sorghum per annum cannot be obtained by the brewing industry within the time schedule; that the one million tons of raw sorghum have to undergo a malting process and sorghum malting plants are currently not available in the country; that investors interested in importing the plants at a cost of ₦2.5b are yet to be found; that it will take between 18 and 24 months to commission these plants; that so far 100% malted sorghum beer has not been produced in Nigeria on a commercial basis; and that even if it is possible to produce this beer on a profitable basis, the capital investment involved should be taken into consideration in establishing an appropriate delivition program, especially at a time when the companies are faced with a liquidity squeeze³².

The industry prepared a list of several options and cost implications of each option which it presented to the tripartite committee set up by the government to work out a smooth transition program from barley to sorghum malting plants to produce 60,000 tons of malt a year, to the importation of the enzymes needed to produce 18 million hectolitres of beer

28 T. Olomu, *Business Concord* 11/8/87.

29 N. Essien, *Business Concord*, 8/5/87.

30 Manufacturers' Association of Nigeria, "Interim Report of the Raw Materials Committee of MAN" ref. No. EC/S/RMOC/O.16/Vol.11/31.

31 Manufacturer's Association of Nigeria, *The Raw Materials Question*, report of a conference on raw materials, 1983.

32 Address by C.E. Adebe, Chairman of Nigerian Brewery Limited to the shareholders of NBL, 1st July 1987.

(*Business Concord* 19/6/87). A consortium of five Nigerian breweries viz International Breweries Ltd., Cross River Breweries Ltd., Paboa Breweries Ltd., Kwara Breweries and Premier Breweries, have plans to establish a sorghum malting plant. Some of the breweries, such as Guinness, have made remarkable strides in the use of local maize to produce beer. But the problems of steady supplies of grains are likely to persist for some time.

The situation in the breweries, though better than what obtains in the automobiles, is still very fluid. There is a major process of adjustment going on. The industry seems to have the capacity for drastic restructuring and adjustment. But the liquidity squeeze and poor purchasing power of the consumers have recently started to affect sales and production. Sales were down by about 40% in the second quarter of 1987. This is likely to affect the major investments which the industry intends to undertake to beat the ban on the importation of barley.

Despite the fact that some companies are positively adjusting to the structural adjustment program, several difficulties stand in the way of most industries. Many industries are likely to fold up. In fact, the returns per share of most industries have declined considerably, even though absolute profits are still very high. The Manufacturing Association of Nigeria's (MAN) half yearly report for 1987 put the capacity utilisation at 25%, compared to 30% for 1986³³. Even though the industrial sector received about 84% and 80% respectively of the total foreign exchange allocations in SFEM for the months of October and November 1986, the Finance Minister's review of SAP in its first year showed that;

*the share of the industrial sector declined in subsequent months, reaching the lowest level of 47.59% in February 1987. On the other hand, the allocation of the finished goods sector increased progressively, rising to a peak of 39.9% in February 1987*³⁴.

Furthermore there has not been any dramatic increase in the flow of foreign investment. The net balances of the domiciliary accounts stood at a mere \$68.09m at the end of June 1987 and the modest success registered in the non-oil exports which stood at \$269.75m at the end of June 1987 was due mainly to cocoa. Manufacturing exports were poorly represented³⁵.

33 Manufacturers' Association of Nigeria, *MAN Half Yearly Economic Review*, January to June 1987, (37 Marina) 1987.

34 C. Okongwu, "Review and Appraisal of the Structural Adjustment Program", op. cit.

35 Ibid.

Table 7 : Earnings as Percentage of Shares 1986 and 1987: Industrial Group Averages for Publicly Quoted Companies

	Average for the Groups (%)	
	1986	1987
Automobile	17.1	12.5
Banking	77.6	53.5
Breweries	16.7	11.6
Building materials	17.7	10.1
Chemical and Allied	21.81	17.6
Commercial	10.2	24.4
Computer and office equipment	48.4	28.2
Conglomerates	22.2	19.4
Construction	6.4	5.7
Cosmetics and Toiletries	36.0	37.0
Food/Beverages/Tobacco	34.7	24.3
Foot wear	23.2	19.3
Industrial/Domestic Products	9.0	13.3
Investment companies	21.0	15.6
Machinery marketing	23.2	0.0
Packaging	15.65	12.1
Petroleum marketing	26.0	22.5
Pharmaceutical and Animal Feeds	24.1	23.2
Publishing	9.1	20.2
Textiles	33.2	31.5

Source: M.O. Kayode, "The Structural Adjustment Program and the Industrial Sector", in A.O. Phillips and E.C. Ndekwa (ed) *Structural Adjustment Program in a Developing Economy: The Case of Nigeria* (NISER, Ibadan 1987).

One thorny issue which affected industry was the interim tariff regime. Tariffs have been organised to protect domestic industries, encourage the sourcing of local raw materials and liberalise the economy. The government has not succeeded in balancing these seemingly irreconcilable objectives. Manufacturers complained that the tariff regime was skewed in favour of liberalisation and had harshly penalised local industries. It had become much more profitable to import the finished goods rather than producing them at home. No wonder even some of the industrialists such as the automobiles, detergents, and chemical industries resorted to massive importation of the finished goods. This practice has posed a very serious danger to the survival of industries.

An unprecedented campaign against the tariff regime was waged by the various industrial groups, the Manufacturers Association of Nigeria and the Nigerian Chamber of Commerce and Industry. The most prominent among the industrial groups in this campaign were the Battery Manufacturers Association, the Enamelware Manufacturers Association, the fishing net industries and the automobile plants. The fishing net industries tried to show that the local manufacturers lost about 30% of their market as a result of the interim tariff. They alleged that the four fishing net companies in the country, with an installed capacity of over 200 machines, are capable of producing over 1.2 million fishing nets annually, which is sufficient to satisfy the national demand. But the total landed cost per kilogramme of complete fishing net is ₦28.73 whereas that for locally manufactured nets is ₦33.06. This is because the duty on raw materials was 20% while duty on imported fishing nets was 5%, placing the local manufacturers at a serious disadvantage. A similar problem was observed in the automobile plants. Cars with unclassified cubic capacity had their tariff reduced from 70% to 30%, a difference of 40%. For cars between 1600 cc and 1800 cc the tariff was cut from 70% to 40% and cars between 1801 cc and 2000 cc attracted 50% tariff instead of the previous 200%. Tariffs for imported completely knocked down parts on the other hand show a marginal difference between the former and new structure. Importation of CKD components up to 1600 cc which attracted 15% tariff showed only 15% difference with the duty paid for the fully built-up cars of the same capacity. Similarly, the customs duty for CKD parts between 1801 cc and 2000 cc was reduced from 40% to only 33%. As Kayode and Mogaha have observed, the new tariff failed to protect the local automobile industry³⁶. MAN's half yearly report for 1987 maintained that the tariff and tight fiscal and monetary policy led to consumer resistance and low sales. There was an excess stock of finished goods valued at over ₦70 million, representing about 15% of the total production of 31 sampled companies.

The situation in the small scale industry sector was equally gloomy. Proponents have argued that small scale industries will benefit from the adjustment program because of their reliance on domestic raw materials. This thesis is premised on the fallacy that all small-scale industries (SSI) are local raw material-intensive. The empirical situation is much more complex. Capitalism has generated different levels and degrees of development among the SSIs. There are traditional industries that largely depend upon local raw materials which have not been adversely affected by SAP, except for the

36 P. Mogaha, *Business Times* 15/12/86; M. Kayode, *Structural Adjustment and the Industrial Sector* in A. Phillips and E. C. Ndekwe, *Structural Adjustment in a Developing Economy: The Case of Nigeria*, (NISER) 1987, pp. 152-3.

liquidity squeeze which may also restrict the expansion of these industries. Examples are local garments, basket weaving, leather works, rice husking, woodwork, local farming and construction implements, and traditional soap and cosmetics. There is a noticeable shift by the urban poor and some members of the middle classes towards the use of these products which used to be the preserve of the rural community. The case of soap is quite revealing. Various types of unrefined soap have sprung up to fill the vacuum created by the highly priced modern soap and detergent manufactured by the transnationals. Lever Brothers has had to work out special arrangements with its distributors to control the retail price of its commodities.

Table 8 : Comparative Cost Between Local and Imported Fishing Nets

Imported Fishing Nets		Locally Manufactured Fishing Nets	
Cost of Raw materials	\$5.00	Cost of Raw materials	\$5.00
Manufacturing cost at 20%	\$1.00	Manufacturing cost	-
Profit at 10%	\$0.60	Profit at 10%	\$0.50
Freight cost per kg.	\$0.24	Freight cost per kg.	\$0.24
Total C & F cost of Fishing Net	\$6.84	Total C & F Raw materials cost	\$5.74
At SFEM rate N4 equals	₦27.36	At SFEM rate N4 equals	N22.96
Import duty 5%	₦ 1.37	Local duty on twine 20%	N 4.59
Local manufacturing cost	-	Local manufacturing cost	N 5.51
Total landed cost net kg. of complete fishing net	₦28.73	Total landed cost per kg. of complete fishing net manufactured locally	₦33.06

Source: Nigerian Fishing Net Industries Ltd - Lagos; Wabtery (Nigeria) Ltd. Lagos; Stretch Fibres (Nigeria) Ltd. Port Harcourt; Gisango International (Nigeria) Ltd. Abba. *Business Corncord* (Nigeria) 1987.

Then there are commodities that are a direct product of modern capitalism but which are also local content-intensive. Examples are modern snacks like packaged cocoa nut cakes, chin chin, plantains, popcorn, petroleum vaseline, sand paper, starch, modern shoes, handkerchiefs, and polythene bags. Most of these commodities seem to be making great strides in capturing the local market. Like the first set of SSIs, these have not been adversely affected by SAP. There are, however, thousands of small scale industries that have been integrated into the system of import dependence either providing raw materials and spare parts to big companies or producing final goods that rely upon a steady supply of foreign exchange to acquire the necessary inputs for production. Examples are battery acid, glue, modern cosmetics, baby oil, crayons, socks, ink manufacturing, exercise books, crown corks, candles, shoe polish, nails, screws, wire galvanising,

aluminium utensils, PCV pipes, bolts and nuts. Their low capital base does not allow them to compete effectively with the big companies in the acquisition of foreign exchange at SFEM rates, and in obtaining credits at the current high interest rates. A good number of these industries have folded up; a point which has been underlined by the Manufacturers Association of Nigeria³⁷.

Labour and the Structural Adjustment Program

The adjustment process in the industries is having very serious effects on the standard of living of the Nigerian workers and the bargaining strength of their unions. Industries have introduced several rationalisation strategies which have tended to strain capital/labour relations. These strategies have varied among industries depending, as we have seen, on their foreign exchange content. Rationalisation has been more rigorous in industries with a high import content such as the automobile plants, pharmaceuticals, flour mills, poultry, milk, paper product and textiles. Previous sections have shown that retrenchment in these industries has tended to be high. Retrenchment has been linked with other methods of cost control such as compulsory leaves, cuts in facilities, bonuses, promotions and annual increments and the introduction of limited work schedules. These rationalisation measures have been compounded by the general liquidity squeeze, the wage freeze which has been in existence since 1982³⁸, the salary cuts ranging from 2% to 15% announced in November 1985, and the devaluation of wage rates that accompanied the SFEM. Indeed, studies by Ekuere have shown the lopsided nature of the factorial distribution of income in Nigeria, with labour incomes accounting for only 30.7% of the gross domestic factor income and declining to 22.3% in 1982³⁹. The Pay Research Unit of the Office of the Head of the Civil Service has confirmed that there has been a general downward trend in workers wages and salaries and that the minimum wage of ₦125 a month was obsolete.

Yet, acting on the belief that lower wage rates would attract foreign investment, a view which was shared by the ex-World Bank representative in the country, Hussain⁴⁰, the government proceeded to abrogate the minimum wage act in December 1986 by exempting persons or companies employing less than 500 workers and persons employed in agricultural

37 Manufacturers' Association of Nigeria, *Half Yearly Report* op. cit. p. 2.

38 "Nigeria Labour Congress, A Case for Wage Adjustment for Workers". A memo presented to the federal military government (1987).

39 B. Ekuere, "Recent Pattern of Accumulation in the Nigerian Economy", *Journal of Political Science* 1985.

40 I. Hussain, *Perspectives on the Nigerian Economy*, (NIIA) 1987.

projects from the operation of the Act⁴¹. How have workers and their unions responded to the structural adjustment programs of the state and industry?

We have shown elsewhere that although the recession has eroded the bargaining strength of the unions, courageous attempts have been made by many unions to defend threatened gains⁴². Unions have been more effective in defending salaries, allowances and bonuses than in stopping retrenchment. The capital/labour relationship which gives implicit recognition to the right of capitalists to own factories and make profit, the ununionised character of the reserve labour force and the existence of a very large non-wage sector which can cushion some of the workers against the adverse effects of rationalisation, have affected workers' militancy and encouraged individualist solutions.

Militant responses have been common, however, in sections of the automobile, textiles, pharmaceutical and banking industries. Militancy is low among the construction and poultry industrial workers even though they have been exposed to very harsh rationalisation measures. Construction workers are largely ununionised. Firms relied on daily-paid immigrant labour from the neighbouring countries during the boom period. The poultry industrial workers are not only generally ununionised, but are relatively few to make much impact on management's policies.

Union strategies range from persuasion to sit-ins, strikes and demonstrations. All the industrial crises studied usually start with limited protests. For instance, before the Steyr Workers Union embarked on a major confrontation with management on the 10th October 1985 over job security and provision of facilities, there was a limited work to rule in early October. It was the failure of management to discuss with union officials the future status of the company and other outstanding union demands that precipitated the show-down. Workers force-marched the managing director from his office to the factory gates and barred him from re-entering the factory until he had agreed to discuss with union representatives.

The Ministry of Labour usually intervenes to get both labour and management to settle their disputes without resorting to strikes or lockouts. The ministry of employment, for instance, played a crucial role in the industrial dispute at the Glaxo pharmaceutical company in Lagos. The union

41 G. Adamu, "The National Minimum Wage and the Plight of Nigerian Workers". Paper at Conference on Nigerian Government and Politics in the 21st century, Department of Political Science, Ahmadu Bello University, Zaria, 4th-8th May 1982.

42 See for instance, Y. Bangura; "Crisis and Adjustment: The Experience of Nigerian Workers", *op. cit.*; *Industrial Crisis and the Struggle for National Democracy: Lessons from Kaduna Textiles Limited and the Workers' Demonstration of January 1984* (mimeo Zaria) 1987; "Crisis Management and Union Struggles in Niger State" (mimeo, Zaria) 1987.

had called for the removal of the Managing Director and the Farm Manager, following the raw materials crisis of the company and the continuous retrenchment visited upon the workforce. The Federal Ministry of Employment had to freeze hostilities in February 1987 when negotiations between management and the unions collapsed in January⁴³.

The state and management have shown total opposition towards strikes and demonstrations and have descended quite heavily on the union leaders and other militants. In the case of Steyr, for instance, sixteen workers, including present and past executive members of the union, were sacked and some of the activists charged to court for disturbance of public peace and causing grievous hurt and assault. The union was also suspended for more than 12 months. A similar situation was experienced in Kaduna Textiles Ltd. where 3,600 workers staged a demonstration against the managing director of the company after the latter had reneged on an earlier promise to restore full salaries in January 1984. Workers had agreed to accept 50% wages in October and 75% wages in November and December 1983. Workers were beaten up and several activists charged to court on the grounds of assaulting the managing director who was seized by the workers and asked to lead the demonstration to Government House in Kaduna.

In some cases, the union responses are combined with individualist worker initiatives, in others the unions define their strategies independently. In the Kaduna Textiles crisis, for instance, the company was unable to pay retrenchment benefits, particularly as many workers declared their intention to retire voluntarily, disengage from the uncertainties of wage labour and use their gratuity to set up private businesses. Many of these workers had put in more than 20 years of service. The National Union of Textiles, Garment and Tailoring Workers of Nigeria used this individual workers strategy, which was a constraint on management, to stop the mass retrenchment that the company had mapped out in 1983 and 1984 by insisting that all benefits of retrenched workers should be paid immediately.

Some of the militant actions have yielded positive results whereas others have led to new problems for workers and union officials. But all militant cases have exposed the fragility of industrial relations and underscored the independence of unions. The Nation Union of Banks, Insurance and Financial Employees was able to use its strategic position in the adjustment program to prevent the retrenchment that was inflicted upon the public and private sectors in 1984 and 1985 from affecting its members. The Union insisted that banks had made substantial profit to justify job security for its employees. When the SFEM was introduced management also tried to terminate about 30 of the Union's employees and withdraw some of the

43 I. Aremu (NLC) "GLAXO Workers", a report.

social benefits in December 1986. The union mobilised its members for what looked at the time like a total attack on the structural adjustment program. Despite the Minister of Labour's invocation of the essential services decree which barred bank workers from going on strike the leadership and rank and file refused to be intimidated and threatened to disrupt the operations of SFEM if their demands were ignored. They eventually forced the government and management to an acceptable settlement. There is no doubt that the bank workers union has been one of the most effective in the struggle against the adjustment program. It is not surprising, therefore, that the state had been looking for ways to clip its wings. The state intervened in an internal leadership dispute between radicals and moderates of the union by throwing its weight behind the moderates and giving political protection to the latter's impeachment of their radical president.

Indeed, there are several cases of the state and management trying to coopt sections of the trade union movement to frustrate the militant objectives of radicals. In Steyr, for instance, after more than twelve months without a union, the management succeeded in working out arrangements with sections of the workforce to ignore the long standing disputes between the union and management and cooperate with the management in finding solutions to the problems of the company. There is also the case of the unions that belong to the so-called "democrat organisation" which has been trying to obstruct the plans of the Nigeria Labour Congress.

In some situations, union objectives converge with those of management, particularly over the granting of foreign exchange to import raw materials, the protest against the interim tariff which has undermined jobs and the demand for a relaxation of the liquidity squeeze and reflation of the economy. There was the celebrated case of Volkswagen workers marching to the House of Assembly during the Second Republic to protest the dumping of the Datsun Panel van in Nigeria. Despite these situations, the state and capital have not co-opted the workers/trade union movement. The latter may, of course, have been weak in effecting positive changes in many areas of labour relations but the general movement stands opposed to the basic elements of the adjustment program. Every May Day since 1984, where state functionaries and at times union officials are heckled, has shown the disdain of the working class for the adjustment program.

Individual union reactions have been combined with the coordinated responses of the Nigeria Labour Congress. Even though the congress itself has been unable to stop retrenchment, it has been at the forefront of the popular opposition to the adjustment program. Several alternative solutions

have also been advanced by the congress⁴⁴. It has called for a general wage adjustment for workers and the restoration of the principles of free collective bargaining. As it argued, market forces should also be allowed to operate in wage determination:

Why has the "wage" not found its "realistic level" given the fact that prices and profits are prohibitively on the increase? Could it be the understanding of the so-called market forces does not apply to the working class and their dependants? We need to find answers to these crucial questions if we are to fully appreciate the double standard that characterises the structural adjustment program⁴⁵.

A very effective campaign was waged against the abrogation of the minimum wage act of 1981. As the Congress argued, "under SFEM the real purchasing power of the ₦125 minimum wage is no more than ₦35". A state of emergency was declared within the labour movement. Workers in big cities such as Enugu, Ibadan, Lagos, Benin and Kaduna were effectively mobilised for an industrial action with the government. Even sections of the manufacturing associations were opposed to the revision of the minimum wage act as it would further affect their depressed sales. The amendment order was revoked on April 24th 1987.

The Congress has also tried to link its traditional unionist struggles with the question of political power. The leadership has realised that the structural adjustment program itself is buttressed by strong political structures. Indeed, the current administration has tried to map out a political program that will consolidate the "gains" of the structural adjustment program⁴⁶. It appointed a political bureau in 1986 to conduct a nation-wide debate on an appropriate political order. Following the submission of the report of the bureau it issued a white paper which gave strict guidelines on the kinds of politics that would be tolerated in the transition program. The timetable itself is quite unequivocal in linking the stages for the acquisition of political power in 1992 with the consolidation of the structural adjustment program.

It is against this background that one understands the efforts being made by the Congress to forge democratic links with professional groups and other popular organisations. Debates among labour circles have shifted towards the need for workers to fight for political power and govern the country along socialist lines. The Congress not only canvassed for these

44 Nigeria Labour Congress, *Towards National Recovery: Nigeria Labour Congress Alternatives* (Lagos).

45 Nigeria Labour Congress, "A Case for Wage Adjustment for Workers", op. cit.

46 Y. Bangura, "Structural Adjustment and the Political Question", *Review of African Political Economy*, No. 37, 1986.

views during the "political debate", but included them in a memo presented to the government and widely circulated among the rank and file workers⁴⁷. The Central Working Committee of the Congress resolved to form a labour party and fight for political power in the transition to civil rule.

Conclusion

Even though the structural adjustment program has dealt a blow to the living standards of workers and the general performance of industries, unions and industrial associations are both responding to the challenges of adjustment. Our discussion has shown that not all industries are likely to adjust even in the long run; many will collapse. The agro-allied industries stand a better chance of absorbing the shocks of drastic adjustment. Government continues to insist that the less efficient ones, i.e. those that cannot break even with the current rate of exchange and tariff structure, will die and others that are more self-reliant will survive. But as Pat Utomi, deputy general manager of Volkswagen, has argued there is no guarantee that a sufficient number of new industries will spring up to take the place of the dead ones. Recovery may well turn out to be very long term and disjointed. Even the World Bank talks of growth in terms of a seven to ten year-period of adjustment⁴⁸.

Workers and union responses have also been uneven, even though their opposition to the adjustment program is unmistakable. Some trade union leaders may well have been bought over by the state and capital but the general trade movement still cherishes its traditional independence. The decision of the NLC to link union struggles with the question of political power is likely to give a qualitative character to the politics of labour relations. The structural adjustment program will have to reckon with a labour movement that is becoming more politically sophisticated and conscious.

47 Nigeria Labour Congress, *The Position of the NLC on the Government White Paper on the Political Bureau Report (presented to the federal military government) Wednesday, 29th July 1987.*

48 World Bank, "Nigeria: Trade Policy and Export Development Loan", October 16th 1986.

Prospects for Small-scale Industries Development Under a Structural Adjustment Program: The Case of Nigeria

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Résumé: Cette étude met en exergue la nécessité de mettre en place, dans les Pays les Moins Développés, de Petites Industries (PI), dans le cadre du processus de développement industriel. Cependant, avec les Programmes d'Ajustement Structurel soutenus par le FMI/la Banque Mondiale, la viabilité des petites industries est mise en doute, et ce, en grande partie parce que les propriétaires de ces entreprises ont peu de compétences en matière technique, financière et de gestion. Un des éléments qui limite également leur capacité est le fait qu'ils n'aient pas accès aux facilités de crédit. Il est proposé que les petites entreprises soient élargies aux secteurs ruraux.

Introduction

The promotion of small-scale industries (SSI) is a well recognized and much heralded strategy of industrial development in many currently less developed countries. There is wide consensus among development economists that small-scale labour-intensive industries can enhance employment generation as well as advance a wide variety of other development goals like improved income distribution, the generation and diffusion of local technology and industrial skills, increased utilization of local resources, improve spatial distribution of industrial activity and hence the mitigation of rural-urban population movements, etc. The issues of employment generation and rural-urban migration have become particularly important with the worsening urban crisis in many LDCs.

In Nigeria and other African countries, SSIs have been promoted by a variety of interventionist measures designed to counter-act perceived distortions in the policy environment as well as capital market imperfections that lead to sub-optimal levels of investment in SSIs¹. A question thus arises as to how SSIs are likely to fare in the type of anti-interventionist environment which the International Monetary Fund and the World Bank have sought to promote through structural adjustment programs prescribed for an increasing number of African and other Third World countries which

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1 See, e.g. Page & Steel (1984).

have found themselves in the throes of acute economic crisis. On *a priori* grounds, it can of course be argued that the general liberalization thrust of the market - and outward-oriented policies of the typical Structural Adjustment Program (SAP) will in the long-run favour the SSIs whose products are expected to have a comparative advantage in African economies, endowed as they are with relative abundance of unskilled and semi-skilled labour, and operating with simple technologies.

On the other hand, however, it can also be wondered whether SSIs will not in the meantime be buried in the face of the generalized demand restraint and other harsh economic feature that characterize IMF and World Bank conditionality programs. It is clear therefore that the question raised about the prospects of SSIs in a structural adjustment program is ultimately an empirical one, which can only be resolved for each individual country in the light of the particular conditions prevailing there.

In December 1985 Nigeria expressly rejected an IMF stand-by facility. However, following the collapse of the international oil market in January 1986 which accelerated the rapid decline of her external payments position, protracted negotiations with the Paris and London Clubs of creditors, and close consultations with the World Bank, the country in June 1986 adopted a SAP to run from July 1986 to June 1988. Since the promotion of SSIs has been a recurrent theme in Nigeria's development planning effort right from the colonial Development and Welfare Plan of 1946, it is hardly surprising that one of the main industrial objectives stipulated for the manufacturing sector under the SAP is "generating employment through the encouragement of private sector small and medium-scale industries".

In World Bank assisted SAPs, the usual procedure is for all the adjustment policies to be put in place within a period of about eighteen to twenty-four months, although actual adjustment is expected to be realized over a period of up to five years (C. F. Killick et al (1984), p. 278). Following this procedure it would mean that although all the adjustment policies agreed by Nigeria with the World Bank would have to be installed within the twenty-four month period ending in June 1988, it would be another three years or so thereafter before the economy is expected to fully adjust to those policies. This means that for Nigeria, it will still be quite a few more years into the future before historical data become available of the type required to test in a systematic and rigorous manner the effect of structural adjustment policies on SSIs. Consequently, what will be attempted in this paper are (a) to examine Nigeria's SAP with a view to determining the extent to which the relevant industrial policies embodied therein conform to what may be considered "typical" World Bank/IMF adjustment programs; and (b) to analyze the likely impact of these policies on the country's SSIs, given the known characteristics of the latter.

We shall begin by looking at the available information on the structure and characteristics of Nigeria's small-scale industries.

Small Scale Industries in Nigeria

Small-scale industries were officially defined in Nigeria in the early 1970s as manufacturing or service establishments employing less than fifty persons and with fixed investment in plant and equipment less than ₦60,000 (See Iwuji and Okorafor (1975, 1976) and Aluko et al (1972). (However, the ceiling in terms of the level of capitalization has been adjusted over the years to a value of ₦2000,000 currently). In the Nigerian context, the term "small-scale industries", as a sub-category of the larger population of small-scale enterprises (SSE), usually refers to activities involving manufacturing and repairs, including traditional or "cottage" crafts, but excluding construction, transportation, retail trading, distribution and other commercial activities.

Structure, Growth and Characteristics

Surveys of SSIs in the early 1970s covering mainly the Eastern (Iwuji and Okorafor 1975, 1976) and the Western (Aluko et al, 1972) states of Nigeria show that a greater number of these establishments tend to be service-oriented rather than prime manufacturing units. Tailoring alone accounted for a ratio of total number of establishments ranging from 27% in the former Benue-Plateau state to 52% in the former Western State. Other important activities in terms of proportion of total establishments include carpentry and Wood-work, Motor and Bicycle repairing, and Show-making. However, as Aluko et al, (1972, p. xi) have noted, the large number of electrical works, blacksmithing and other metal-working outfits identified is a promising sign since these, "it consistently encouraged can become the basis of local industrialization".

The surveys also noted the relatively small level of capitalization of the SSIs, with up to 80% having an initial investment of not more than ₦500. Although the responding units were generally reluctant to provide information on their current financial worth, there appeared to be a tendency for the level of capitalization to grow significantly over time. In virtually all the states surveyed, the over-whelming number of SSIs were sole proprietorships, though a few partnerships and co-operatives were occasionally observed. Over 90% of SSIs obtained their start-up capital from personal savings. The next most important source of capital was close relatives. Generally, less than 5% of initial investment capital came from either the government, commercial banks, or co-operatives. Personal funds had usually been saved up from agricultural activities, petty-trading or paid employment.

A more recent survey in 1983/84 by the National Institute for Social and Economic Research (NISER) covering all the nineteen states of the federation suggests that the structure of SSIs in the country has not changed much over the year¹.

As in most other African countries and some other Third World countries, SSIs in Nigeria have been found to account for the bulk of employment in the manufacturing sector, but have performed poorly in terms of contribution to total manufacturing output (See e.g. Page and Steel (1984) and Pernia & Pernia (1986). Estimate for the early 1970s in respect of employment ratio range from over 70% of industrial labour² to 85% of manufacturing employment (Page (1979). No estimates are available for more recent years. However, the fact that SSIs as a whole are estimated to have grown at an annual rate of 32% between 1974 and 1978 (FRN 1981, p. 146), and the fact that the average number of persons employed per manufacturing SSE is estimated to have grown from three in the early 1970s to five in 1984 (Osoba, 1985, p. 15) are suggestive of the continued high employment potential of SSIs.

With regard to output, the Fourth National Development Plan (1980-85) gave the average annual share of SSIs in total manufacturing value-added as 8.6% between 1974 and 1978, while a Federal Office of Statistics estimate put their annual contribution to GDP at less than 1% prior to 1981³. The figure in respect of contribution to total manufacturing value-added may be an underestimate arising from the well-known difficulty of obtaining accurate data from small, informal sector enterprises which usually tend to greatly understate their incomes for fear of taxation. Still the low value-added figure may reflect the relative preponderance of service-type activities and is indicative of the backwardness of SSIs in production relative to medium and large scale industries (Cf. Pernia & Pernia (1986, p. 638).

A further indication of the production backwardness of SSIs vis-a-vis large-scale industries (LSI) are the figures below of the value of output per capita in food-processing and textiles (Osoba, 1985, p. 14).

1 Osoba, A.M. (1985), "Development of small-scale industries strategy in the fifth Nigerian National Development Plan". Paper presented at the 1985 Conference of the Nigerian Economic Society, Lagos.

2 Estimate by the Industrial Research Unit, University of Ife, based on the former Western and Mid-West States, Kwara State and Lagos State; cited in Osoba (1985).

3 Federal Office of Statistics' estimate cited in Osoba (1985).

Value of Output per Capital

	Food Processing	Textiles
SSIs (1983/84)	N2,142	N 6,902
LSIs (1978)	N5,566	N28,909

Data are not available for any meaningful comparison of SSIs and LSIs in terms of total factor productivity.

Despite the comparatively poor performance of SSIs in terms of contribution to total manufacturing value-added, there is evidence that the ratio of value-added to gross output is higher in small enterprises than in larger ones.. For 1978, the ratio was estimated at 53% for manufacturing SSEs as compared to 45% for medium and large-scale enterprises (Osoba 1985, p. 14). This is hardly surprising since many SSIs are largely local resource based, e.g. furniture-making, food processing, garment making, and leather goods manufacture. There is evidence that the advantage of SSIs in this regard has been increasing over time. For example, the NISER survey shows that many enterprises in food and beverage had attained a zero level of import dependence for raw materials by 1983. For the industry group as a whole, imports were no more than 30% of total input requirements, and consisted mainly of equipment and chemicals⁵.

Measures for promotion

According to the Third National Development Plan (1975-80), the main objectives of the Government program for the development of small-scale industries are the creation of employment opportunities, mobilization of local resources, mitigation of rural-urban migration, and more even distribution of industrial enterprises to different parts of the country. These objectives were to be achieved through suitable incentives designed to give complementary assistance in financial, management and technical aspects of business and the "main vehicles" for administering the incentives were to be the Industrial Development Centers (IDC) and the small-scale Industries Credit Schemes in the various states of the federation (FRN 1975, p. 153).

In the Second National Development Plan (1970-74), the Federal government had taken over the two pre-existing Industrial Development Centers, added a third, and specifically charged all three to:

- a) Appraise loan applications
- b) Provide industrial extension services
- c) Train entrepreneurs and staff; and

5 Ibid..

d) Undertake applied research into industrial products, involving the design of products for small-scale industries and management training (FRN 1970, p. 146).

The Small-Scale Credit Scheme had also been created in the Second Plan primarily as a means of providing Federal matching grants to funds made available by state governments for on-ward lending to small businesses on soft terms. Actually, the use of concessional loans as a major tool for promoting SSIs goes back to the First (1962-68) Plan when a federal loans board was created for the purpose.

Concern with the problems small businesses could have with the marketing of their products had been shown by government as far back as the pre-independence era. The Ten-Year Plan of Development and Welfare for Nigeria approved by the colonial Legislative Council in 1946 had created the Nigeria Local Development Board for the promotion and development of village crafts and industries, and the industrial development of the products of Nigeria. To assist these small industries with the disposal of their products, the plan established the Department of Commerce and Industries, which was to be the forerunner of the Federal Ministry of Commerce and Industries. It was within this same ministry that a Small-Scale Industries Division was established in the Second Plan to over-see the activities of the IDCs and the operation of the Credit Schemes.

To what extent can the above promotional measures enunciated by various plan documents be said to have actually aided the growth and development of SSIs? Not much evidence is available on this for the pre-independence era. As to the period commencing with the First Plan, most observers would agree that the implementation of the scheme to aid small businesses with subsidized loans has been a resounding failure. Here, for instance is what the Second Plan document says about the Federal Loans Board set up in the First Plan to provide modest loans to small businessmen:

The scheme flopped because loans were granted in most cases on political rather than commercial considerations. What was supposed to be a revolving fund designed to benefit as many small-scale businessmen as possible ended up as a bonanza for a few; and it became virtually impossible to recover most of the loans (FRN 1970, p. 141).

But unfortunately, the bold and potentially far-reaching schemes enunciated in the Second Plan itself did not fare much better. The Small-Scale Industries Division of the Federal Ministry of Industries was able to push ahead with the over-haul and expansion of the IDCs which by the Third Plan period had reached a total of thirteen; and to put in place in the states the Small-Scale Industries Credit Schemes. However, it would appear that the only concrete achievement recorded by way of executing the earlier mentioned functions decreed for the IDCs was the commissioning of

the two sets of surveys of SSIs in the early 1970s for the Eastern and Western States; which surveys were actually carried out by the Universities of Nigeria and Ife respectively, with some funding assistance from UNDP/UNIDO. Not much else could be done because,

... the development Centers were not endowed with adequate manpower to carry out technical appraisal of applications for loans from surging applicants, nor were they able to provide industrial extension services to the numerous small-scale enterprises. They were also ill-equipped (with regard to the) training of entrepreneurs and staff as well as applied research into products for SSEs. (Osoba 1985, p. 7).

As regard the Credit Schemes, the familiar problems of administering such programs also dogged the new institution. Given the technical limitations of the IDCs in effectively and promptly appraising loan applications, many such applications were delayed to the point where the intended projects became unviable. And much of the loans actually given out either went to the wrong applicants or were applied to the wrong purposes. The program came to an end in 1976/77 when, following what was considered an unacceptably high rate of loan default, the Federal government ceased to give any further matching grants to the states. This notwithstanding, the Fourth Development Plan (1981-85) was still to state that:

During the plan period, small-scale industries will receive special encouragement by way of loans, provision of infrastructure and extension services as well as other incentives for the growth of this important sub-sector. (FRN 1981, p. 146, emphasis added).

It was further stated that the Nigerian Bank for Commerce and Industries, a parastatal organization which for all practical purposes is not unlike the defunct IDCs and credit Schemes of the Second Plan, "will be more involved in the administration of the small-scale industries program".

The Urban Crisis in Nigeria

By the mid-1970s, rural-urban population drift and the resulting increase in urban unemployment had started to become issues of public concern in Nigeria. Thus it was not surprising that the Third Development Plan (1975-80), launched in the midst of the seeming prosperity of the oil boom, explicitly mentioned employment generation and the mitigation of rural-urban migration as objectives to be pursued through SSI promotion.

It is generally accepted that the problem of rural-urban migration in LDCs tends to be aggravated by public policies, especially investment policies, that widen the rural-urban differential in terms of incomes, social amenities, and economic opportunities generally. It is also recognized that this situation tends to be self-perpetuating as social investment tends to be

further concentrated in the urban areas in an attempt to cope with the social consequences of past increases in urbanization.

In 1950, rural dwellers accounted for an estimated 87% of Nigeria's total population. By 1985, this figure had dropped only to 68%. In spite of this, however, all available data point to the fact that the country's investment resources have continued to be concentrated disproportionately in the urban areas. In the Third Plan, for example, out of a total of about ₦38 million planned for community development, 83% was for the urban areas, as against 17% for the rural sector. The corresponding urban shares for electricity, water supply, education, and industry were 69%, 70%, 71% and 89% respectively (See FRN 1975, Vol. II, Project Summary). By 1972 six cities alone - Lagos, Ibadan, Kano, Port-Harcourt, and Enugu - accounted for about 77% of the country's total employment in manufacturing. By the 1980s, Lagos alone, with one-tenth of Nigeria's urban population and 1% of the total population, was consuming 56% of the telephone services, 46% of generated electricity, and accounted for 38% of the registered automobiles in the country. Also, about 46% of Nigeria's industrial workers were based in Lagos which accounted for about 57% of the country's industrial output (Akor 1986, p. 2).

Table A in the appendix shows some recent estimates of total unemployment (i.e. underemployment plus open unemployment) of the labour force in Nigeria since 1972. It is evident that the total unemployment rate has been in the double digits right from the early 1970s and has grown tremendously since then. From about 11% in the preceding years, there was a noticeable jump to 16% in 1974, the first full year of the 1973/74 oil boom. Following some decline between 1976 and 1978, there was a sharp upturn in 1979 and a rapid acceleration from 1981, the beginning of the world oil recession. By 1983 total unemployment had reached 41% of a labour force of nearly 35 million people. On the assumption that underemployment accounted for about 2/3 of the estimated figures, this meant that open unemployment in 1983 was about 14%, representing nearly 5 million persons.

A remarkable feature of the unemployment of the 1980s in Nigeria has been the emergence of the phenomenon of the "educated unemployed". Whereas in previous decades the unemployed were mostly unskilled persons and youths with primary school education or less, by the mid-1980s the unemployment of university and polytechnic graduates and of other highly skilled persons had become quite common. Although estimates for more recent years are not available, it goes without saying that open unemployment has been growing much worse with the massive labour retrenchments in both the public and private sectors consequent on the severe contractionary policies that came into force with the administration of General Buhari in January 1984. An educated guess is that over 30% of the

country's wage employees may have been rendered jobless as a result of these policies. The Nigerian Labour Congress (1984) considered the problem of open unemployment, a largely urban phenomenon, to have exceeded crisis proportions by 1984 when it warned that the situation was leading the country to "civil strife, rebellion, and anarchy".

Most observers would agree that SSIs would have a significant role to play in coping with the burgeoning problem of unemployment and the urban crisis in Nigeria. Already, the so-called informal sector, within which most SSIs would be classified, accounts for an estimated 50% of the urban labour force of a major center like Lagos. Even in the best of times, the rate of growth of industrial employment in the formal sector would have been unable to keep pace with the demand for jobs, let alone in the current period of mass retrenchments⁶. A planned spread of SSIs to the rural areas could be a useful part of a program of integrated rural development aimed at redressing the imbalance in economic opportunities between the rural and urban sectors and redirecting the flow of rural-urban migration. SSIs in the rural sector would be useful in the processing of agricultural commodities and in the fabrication of farm implements as well as inputs like livestock feeds, mixing plants, fertilizers, etc.

Nigeria's Structural Adjustment Program

It will generally be agreed by most observers that Latin America has proved to be the largest laboratory in which IMF stabilization and World Bank structural adjustment programs have been most extensively tested. According to a recent major symposium on the subject (Edwards and Teitel 1986, p. 426), the main stated objective of these reforms was to transform the countries involved into open, export-oriented economies able to attain higher rates of growth. It was stated that:

At least on paper, the policies implemented largely corresponded to what many economists had been advocating for a long time: quantitative restriction to trade were eliminated, tariff levels and dispersion were reduced, interest rate controls in domestic capital markets were abolished, and existing restrictions on international capital movements were lifted⁷.

Of course it goes without saying that large devaluations invariably accompanied the liberalization of trade and exchange regimes.

6 Recent data from Employment Exchanges show that in Nigeria in 1984, the number of vacancies in registered establishments as a percent of registered applicants stood at 18%, representing a steady decline from the figure of 73% in 1978, (See Fashoyin 1986, p. 4).

7 Ibid.

With specific reference to industrial policy, a recent World Bank country study of Korea has stated that:

The general structure of incentives is often the most important element of industrial policy.

The study goes on to add that:

The consensus among development theorists favors an outward-oriented incentive regime with relatively uniform incentives for different production activities. The case for such a regime rests, in the first place, on the proposition that a country can maximize its income and growth (at world prices) by shifting resources into areas of comparative advantage and later by adjusting this allocation to track changes in comparative advantage. An outward oriented regime also reduces uncertainty about the government's priorities and policy directions. (World Bank 1987, Vol. II, p. 85).

The study recognized that while recent analyses agree that an outward orientation is conducive to development, there is some controversy regarding the precise implementation of such a policy:

According to some, it implies low, uniform levels of effective protection, with perhaps some escalation to permit infant industry development in higher stages of assembly and production. Others see a somewhat greater role for selective support for outward oriented infant industries.

The study concludes, though, that:

Despite these differences... there is wide consensus that protection ought to be lower and more uniform than is currently the case in Korea as well as in most other developing countries (Ibid, p. 86).

In the light of the foregoing ideas which underpin the adjustment programs of the Bretton Woods institutions, one is now in a better position to examine the relevant features of Nigeria's own economic reform policies.

Following the formal rejection of an IMF stand-by facility in December 1985, Nigeria announced its own economic recovery program in the 1986 budget that commenced in January 1986.

It was this self-imposed program of economic reforms that was developed into a formal World Bank - and IMF - supported SAP, adopted in June to run from July 1986⁸. However, even before the 1986 budget, the

8 The involvement of these two bodies in the monitoring of the SAP was a precondition for the Paris and London Clubs of creditors accepting to reschedule and refinance the debts and trade arrears owed them by Nigeria. The country, however, still did not take an IMF stand-by facility.

military regimes of General Buhari and General Babangida respectively had taken policy initiatives commencing in 1984 whose stated aims were to improve the efficiency of public administration, restructure expenditure policies, foster financial discipline, reduce the overall fiscal deficit of the Federal and State Governments, cut imports sharply, and eliminate the accumulation of further external arrears" (FRN 1986, p. 4).

The major objectives of the SAP are:

- To restructure and diversify the productive base of the economy in order to reduce dependence on the oil sector and on imports;
- To achieve fiscal and balance of payments viability over the period (i.e. SAP period);
- To lay the basis for a sustainable non-inflationary or minimal inflationary growth;
- To lessen the dominance of unproductive investment in the public sector, improve the sector's efficiency and intensify the growth potential of the private sector.

The main strategies officially enunciated for realizing these objectives include:

- The adoption of a realistic exchange rate policy coupled with the liberalization of the external trade and payments system;
- Adoption of appropriate pricing policies in all sectors *with greater reliance on market forces* and reduction in complex administrative controls; (emphasis added);
- Further rationalization and restructuring of public expenditure and custom tariffs.

With specific reference to the manufacturing sector, the following objectives were stipulated;

- Encouraging the accelerated development and use of local raw materials and intermediate inputs rather than depend on imported ones;
- Development and utilization of local technology;
- Maximizing the growth in value-added of manufacturing production;
- *Promoting export-oriented industries* (emphasis added);
- Generating employment through the encouragement of private sector *small and medium-scale industries* (emphasis added);
- Removing bottlenecks and constraints that hamper industrial development including infrastructural, manpower and administrative deficiencies; and
- Liberalizing controls to facilitate greater indigenous and foreign investment.

Among the policies already being implemented towards these objectives is the rationalization of the tariff structure "designed to *reduce variation in*

effective protection to local industries" and "in order to ensure that the domestic manufacturing industry does not become excessively protected" (FRN 1986, p. 8: emphasis added).

With the possible exception of the stated desire to increase the degree of back-ward integration of manufacturing activity and encourage the development and use of local technology, all of the above policy measures, both those enunciated in the SAP and those already being implemented before the formal commencement of the SAP, are completely in line with the usual IMF and World Bank stabilization and adjustment prescriptions as evidenced from the Latin American experience cited earlier. The key idea of Liberalizing commodity and factor markets is being systematically implemented with vigour in the country.

The 1986 budget that came into effect on New Year's Day took the critical step of drastically reducing, in fact virtually abolishing, the implicit subsidy on the domestic consumption of petroleum. This resulted in increases of 100% and 177% respectively in the authorized pump prices of premium petrol and diesel oil respectively. These two items alone account for an estimated 70% of all the petroleum products consumed in the country. In September 1986 exchange controls were dismantled and import licensing abolished with the introduction of the Second-tier Foreign Exchange Market (SFEM). Under the new system payments for the country's external debts and for membership in international organizations as well as for transactions in respect of which firm foreign exchange contracts had been signed before the commencement date of SFEM were permitted at the relatively appreciated official (first-tier) exchange rate. Everything else was to go on the market determined (second-tier) rate. The immediate effect of the introduction of SFEM was the devaluation of the naira by over 400%.

Almost simultaneous with the introduction of SFEM was the commencement of the rationalization of the tariff structure. In February 1987 the Minimum Wage Act of 1981 was amended to exclude firms employing less than 500 persons, as against 50 previously, from paying the national minimum wage of ₦125 per months. In July 1987 the first and second-tier exchange rates were merged at the highly depreciated second-tier rate. The single rate is still being determined through bi-weekly market auctions held for authorized commercial and merchant banks. With effect from August 1, 1987 interest rates were deregulated, with banks free to set their own rates on the basis of supply and demand. However, the Central Bank of Nigeria fixed the minimum lending rate for banks at 15%; the rate which had hitherto been the *maximum* lending rate. The authorized rate of credit expansion for the banks was reduced from 8% to 7.4% to the private sector for the remaining two quarters of the year.

Under the decree setting up the SFEM, all capital transactions in foreign exchange must be approved by the Minister of Finance. As at the time of

this writing at the end of the third quarter of 1987, this provision has not been abrogated. By thus leaving the liberalization of the capital accounts of the balance of payments for the last, Nigeria would also appear to be conforming strictly to the accepted orthodoxy with regard to the optimal sequencing of policy reforms⁹.

Prospects for Small-scale Industries

As noted earlier, it will be quite some years yet before it is possible to carry out a before-and-after type of empirical test of the effect of the foregoing policies on the growth and development of SSIs. What will be attempted here is an assessment of the likely effects of the environment created by these policies on SSIs given what is known about the characteristics of the latter in Nigeria.

We have seen that most of the measures adopted over successive plan periods to promote SSIs have not been very effective, whether in terms of making credit more available on easy terms to these firms, or providing them with extension services, managerial and technical training, or undertaking applied research of special interest to them. This means that whatever has been achieved by way of the growth and development of SSIs cannot be attributed to any significant extent to government interventionist measures. However, this is not an argument against providing special assistance to SSIs since it could very well be that much more could have been achieved with better designed or more effectively implemented policies.

It has already been noted that small-scale industries remain a major hope for coping with the problems of rural-urban migration and escalating unemployment. Indeed, the expansion of the SSE sector in response to the worsening urban crisis may well be inevitable since, as Page and Steel (1984), p. 15) have pointed out:

There is some suggestion that SSEs may tend to flourish at least relatively, when economic stagnation drives people to seek supplementary income sources and causes production to fall in large-scale firms due to inability to import materials, spares and equipment.

However, it is necessary that increased employment by SSIs should also be accompanied by increased productivity. Otherwise the increased numbers employed could merely become a form of disguised unemployment, leading to income redistribution rather than economic development. To ensure the

9 Cf. Lal (1987).

increased generation of productive employment among SSIs may well require special assistance.

A much stressed economic development objective in Nigeria is the attainment of economic self-reliance. Essentially this must mean the reduction of technological dependence through an increase in the local capacity for capital goods production¹⁰. SSIs have an important role to play in this regard, for as Roemer (1981, p. 434) has rightly noted;

Manufacture of any product in many small plants, with a gradual expansion of facilities in small units, presents a great opportunity for a local machinery and equipment industry.

Indeed, it could well be thought that a large and expanding sector of SSIs would virtually make a domestic capital goods industry mandatory on the grounds that it might be difficult to find in world markets the type of machinery and equipment suited to local conditions. But this is not necessarily so.

Nigeria's recent history has witnessed the ease with which local businessmen have been able to get producers in South-East Asia - Taiwan, South Korea and Hong Kong especially, to manufacture for the Nigerian market motor spare parts and similar products of varying quality to meet different levels of purchasing power. Thus in the absence of appropriate promotional measures, a widening local capital goods industry might not necessarily follow from an expanding SSI sector.

What have been the real constraints to the growth and development of SSIs in Nigeria? Much of the information on this appears to be based on responses to questionnaires administered during SSE surveys. These responses are quite familiar. According to the NISER survey they include:

lack of capital for expansion, occasional shortage of raw materials, some government regulations, demand deficiency and lack of government patronage, inadequate or inefficient functioning of infrastructural facilities and shortage of space for expansion (Osoba, 1985, p. 17).

We are not aware of any studies aimed at establishing the relative importance of these various constraints, although the capital shortage problem is usually the highest ranked by the respondents. Except for demand deficiency and the issue of government regulations, all the other problems are clearly supply-side constraints. Before going on to discuss the effects of general policies on SSIs, it will be useful to briefly outline some of the key issues connected with these constraints.

10 Cf. Obi (1986).

Supply-Side Constraints

As already mentioned, the capital shortage problem is by far the most frequently mentioned constraint by SSI respondents. However, there is reason to believe that there is more to this problem than meets the eye. Aside from the issue already mentioned of the political abuse of government sponsored credit schemes, more fundamental problems include those factors that determine which SSIs find it easier to receive the available loans, and the type of credit assistance that may be most crucial in enabling SSIs meet developmental objectives.

SSIs in Nigeria can be roughly grouped into three categories on the basis of the type of technology employed and the use of local raw materials.

- Those using mainly indigenous technology and local raw materials;
- Those using mainly foreign technology, but local raw materials; and
- Those using mainly foreign technology and imported raw materials.

Type I SSIs which encompass most cottage crafts include indigenous food processing, indigenous furniture making, bricks, leather goods, meat processing etc. Among Type II SSIs could be listed Weaving, Made-up Textiles, modern furniture and cabinet construction, and some paper products. The largest SSIs like modern bakeries and confectioneries, printing and paper production, and modern tiles and bricks would fall into Type III.

Table B in the appendix, which shows the distribution of small-scale industrial loans in Anambra State between 1976 and 1981, suggests that Types II and III SSIs have been favoured by the available credit schemes. This is not surprising since these more readily lend themselves to the type of feasibility studies required to obtain institutional credit. With relatively better developed markets and pre-sold products which appeal to a limited but high-income segment of the population, they have better defined profitability prospects.

By sharp contrast, Type I SSIs, operated mainly by craftsmen rather than entrepreneurs, can hardly show immediate and attractive profitability prospects. But the irony is that these are the activities that have by far the greatest potential impact on the country in terms of meeting the goals of employment generation and increased technological self-reliance. For example, whereas an innovation in the technology of biscuit-making will redound mainly to the benefit of the foreign growers of wheat and other raw materials for bakeries and confectioneries, an equivalent improvement in the technology of cassava processing will have a much more diffuse local impact, given that cassava food products account for an estimated 70% of the daily calorie intake of over 75% of the Nigerian population. It is also to be noted that it is indigenous food processing that has inspired the most promising technical innovations thus far achieved by local research institutes and universities, e.g. the cassava peeling, grating, and frying machines; the

palm-wine bottling, pap producing, and yam flour processing plants, etc. These types of innovation are the surest means of significantly increasing the country's social capacity for technological problem-solving (Cf. Obi 1978).

It is thus clear that special assistance to Type I SSIs would be more than socially justified, despite their relatively poor profitability prospects in the short-run. Such assistance would entail technical, managerial, and financial training to raise the general efficiency of these enterprises, and increase the productivity of their work-force. All this will make these firms a much better risk for obtaining institutional credit, say, for expansion.

There is also some evidence from Anambra state that,

the provision of working capital is more urgent in solving the financial problems of small-scale industries than long-term loan and is a major determinant of operational success (Nnolim 1985, p. 8).

The need for working capital arises firstly from the characteristically poor cash flow position of SSIs resulting from their limited bargaining power vis-a-vis the middle-men purchasers of their products, and the relatively high retail margins and long period of credit demanded by reputable retail outlets who are the only alternatives to the middlemen. A second factor relates to the need to invest in raw materials inventory over and above immediate needs arising either from the seasonal nature of certain local agricultural inputs or, in the case of imports, from the delay in securing import licenses and the uncertainties arising from frequent changes in government policy.

In principle, the needs of SSIs for working capital can most conveniently and cheaply be met by commercial bank over-drafts, given the flexibility of the latter. The problem, however, is that many of these enterprises, especially the smaller, artisanal ones, do not maintain current accounts. Clearly, some sort of special assistance would be called for here.

Regarding the issue of poor infrastructural facilities, it would seem that the only realistic solution would be in terms of the general improvement of infrastructures like roads, water, and power supply. Given the objective of industrial dispersal of SSIs, special infrastructures like industrial estates concentrated in a few places would not be desirable. On the other hand, attempts to build many and widely dispersed industrial estates for SSIs would raise the capital cost of small-scale production, thereby defeating the labour-intensity argument for SSI promotion.

Demand-Side Constraints

The key issues here would seem to relate to the growth of the incomes of the lower-income segments of the population who constitute the main consumers of SSI products; adequate marketing outlets for their products; and laws and regulations that inhibit the operation of SSEs generally.

It is clear that policies that enhance the growth of the lower income groups, especially of the rural population would promote the growth of SSIs, especially as the latter's products are generally believed to have fairly high income elasticities of demand among these groups. As regards the question of marketing outlets, the major impediments identified by some observers in Nigeria include the limited financial resources and expertise to organize an effective distribution network; and the shortage of entrepreneurial type of middlemen, as distinct from mere hustlers interested only in handling pre-sold products like beer, soft drinks, milks, biscuits, etc. (Nnolim 1985, p. 14). As earlier noted, it was precisely to help solve this kind of problem that the Department of Commerce and Industry was established in the pre-independence era.

In Nigeria, it is a common feature to find state and local government laws like zoning regulations and business permits applied in such an inconsistent and arbitrary manner that those effected can hardly get by without paying bribes and other extra-legal inducements to the enforcement agents. The smaller and usually more labour-intensive SSIs often can least afford such additional costs.

The Effect of the Policy Environment

We have seen that the policies enunciated under Nigeria's SAP as well as those already being implemented before the formal commencement of the SAP are fully consistent with the typical IMF and World Bank advocated policies aimed at evolving "open, export-oriented economies able to attain higher rates of economic growth".

In terms of the likely effects of the new environment it has to be stated quite categorically that to the extent that this entails a substantial de-control and de-regulation of the system, it is desirable from the stand-point of the over-all well being of the economy. The past decade and half in Nigeria witnessed the intensive bureaucratization of economic life with the expansion of a system of indiscriminate controls and direct government participation in virtually all spheres of economic activity, however remote or esoteric¹¹.

This model of state capitalism merely provided a convenient framework within which those who controlled the state apparatus recklessly exploited the system for their own benefit. But even more than this, there is increasing evidence that the paradoxical result of indiscriminate expansion of government controls is the progressive loss of effective control of the economy by government as various forms of resistance to official measures

11 For a recent catalogue of this, see the "Chinweizu Observatory" in the *Vanguard Newspaper* (2/8/87; p. 7).

develop and more and more transactions are driven underground into various parallel markets (May 1985).

Against this background, therefore, a substantial deregulation of the economy would seem to be the sensible thing to do not only to restore some measure of sanity and rationality in the observed behaviour of various economic actors but also to re-establish the conditions in which subsequent, *selective* interventions by government would be more effective. Careful deregulation and de-control, in my view, does not amount to the same thing as surrendering the economy entirely to the dictates of the free market.

With specific reference to SSIs, we have seen that government intervention would be necessary to over-come supply-side constraints like low technical, financial, and general entrepreneurial skills. These constraints not only directly limit the capacity of SSIs to generate increased productive employment, they also, particularly for the smaller firms, reduce their ability to benefit from available institutional credit to finance working or expansion capital. We do not see that special assistance by government to reduce these constraints would be incompatible with the new policy orientation. The problem may well be, as the experience of the IDCs and the Credit Schemes suggest, that there are inherent difficulties in trying to assist small enterprises through large institutions. All the same it ought to be possible to devise sufficiently imaginative program using, say, the National Youth Service Corps scheme to disseminate relatively simple skills like elementary book-keeping, inventory control, etc. to SSIs.

With regard to demand-side factors, official sources claim that there are indications that the policies already in force are producing a decisive income shift in favour of rural populations:

The countryside agricultural survey conducted by the (Central Bank of Nigeria) showed that the depreciation of the value of the naira led to very substantial increases in the farm gate prices of export produce, especially cocoa, coffee, and ginger. It also showed that there were increases in the prices of other agricultural products used largely by the domestic industries such as groundnuts and cotton. (CBN 1986, p. 15).

Clearly, a trend toward increasing farm incomes will stimulate the demand for the type of products best satisfied by SSIs. These firms will also in general be favoured by a liberalized atmosphere that deemphasises the types of laws and regulations that lay them open to official harassment.

An important question, however, is whether a devalued currency alone will be sufficient to protect SSIs from harmful foreign competition. The same source just quoted gives cause for some doubt in this regard. With specific reference to industrial inputs, it was stated that though the cost of those goods rose as a result of the SFEM, "the free market system in foreign exchange sales facilitated the procurement of such inputs" (CBN 1986, p.

15). Thus, even though present pricing policies may have the effect of increasing the demand for SSI products, some additional forms of "infant-sector" protection may well be necessary to enable these firms fully exploit the new demand opportunities.

All this raises a more basic question about the new policy thrust. On balance, the new orientation clearly seems to be to the advantage of SSIs. But these firms do not exist in a vacuum, and can hardly flourish for long if the rest of the economy collapses. The question then is whether the authorities will be sufficiently flexible to respond pragmatically and honestly to changing circumstances? The recent experience of the Latin American countries mentioned earlier shows that a good number of these countries recorded initial successes with their reform programs. However, in less than a decade, as Edwards and Teitel (1986, p. 426) point out, "the evidence indicates that to a large extent, (these reforms) have failed and have been substantially reversed". The debate now is whether the policies were poorly implemented or were inherently inconsistent.

But it could very well be that not enough is known about the political economies of the countries involved to be able to pronounce authoritatively on either the formulation or the implementation of these programs. As Bacha and Feinberg (1986, p. 343) ask in regard to World Bank adjustment program in Latin America,

Does the Bank have the knowledge and information to design and monitor such broad reforms? How can the Bank judge the overall success of a program when so many variables, including many not easily quantified, are involved.

It is this large amount of basic ignorance about the nature of the political economies involved that justifies caution and pragmatism.

A final caveat that needs to be entered is with regard to the spread of SSIs, on a massive scale, to the rural sector. It has already been accepted that the expansion of SSIs in the rural areas would be useful in curbing the problems of unemployment and rural migration. It is, however, necessary to bear in mind that rural industrialization could bring along unintended socio-economic consequences.

Some recent case studies suggest that when indigenous groups in a rural area are brought into sudden and massive physical contact with new, occupationally specialized social groups, with the precipitate injection of modern industries into the country-side, undesirable forms of enculturation could follow. On the purely physical level, the open village squares and relatively calm environment of the country-side could rapidly give way to make-shift houses and the near slum situation of urban shanty-towns. On the deeper, cultural level, important forms of behaviour modification might occur. In one locality, it was observed that:

The traditional contentment of the rural dweller has shifted to insatiable acquisitiveness caused by the total dependency on money as the only medium of exchange, a tendency that has led to more deviant behaviour (Dike 1987, p. 8).

More generally, work orientation and interpersonal relationships could be transformed in a way which leaves the normative system grounded neither on industrialism nor on the native value system; and the indigenous mechanisms of social control are suddenly eroded without any immediate replacement.

Dike (1987) suggests that one way to ameliorate the above adverse consequences is to arrange for an initial physical separation of the residential quarters of the new industrial workers in a rural vicinity. This is to allow for a more gradual assimilation by the indigenous of the newly introduced norms. This suggested approach would of course be applicable mainly in the case of relatively large-scale industrial establishments. And it has already been said that the construction of many industrial estates for SSIs might raise the capital cost of small-scale production to the point of defeating the labour-intensity argument for SSI promotion. However, it should be possible, in a carefully planned program of integrated rural development, to establish clearly designated areas on the fringes of rural villages where activities like auto repairs and small-scale casting and forging, etc. can be carried on away from the main rural population centers.

Conclusion

High and rising levels of urban unemployment have assumed crisis proportions in Nigeria since the oil market recession of 1981. Small-scale industries engaged in manufacturing and repairs remain a major hope for contending with this problem. They also possess a great potentiality to advance the national goal of economic self-reliance through increased usage of local resources and indigenous technology.

Constraints on the capacity of SSIs to meet the above objectives include low levels of technical, financial, and management skills; credit to finance working and expansion capital; and demand deficiency. Government intervention to ease these constraints is desirable and warranted. However, the experience over successive development plans suggests that special government assistance to provide things like technical and management training, and low-cost finance, are not easy to deliver. Still it should be possible to design imaginative programs using, say, the NYSC scheme to disseminate relatively simple skills like elementary book-keeping and inventory control to SSIs.

All the same, however, it would appear that a more promising approach would be to adopt more generalized policies that affect the demand and supply conditions facing SSIs. For example, educational programs

emphasizing technical skills at the primary and secondary school levels (as is being attempted in the new two-tier secondary school system) should over time raise the level of skills available to SSIs as well as other sectors of the economy.

A priori reasoning and tentative data from official sources suggest that the new policy orientation in the country is on balance favourable to the growth and development of SSIs, although some form of "infant sector" protection for these enterprises could become necessary in due course. However, since SSIs do not exist in a vacuum, their long-term prospects are tied to the over-all success of the reform package of policies. Available knowledge and information on the political economies of currently less developed countries do not warrant any dogmatic stance regarding the design and implementation of these reforms, judging from recent Latin American experience. A good amount of caution and pragmatism is accordingly to be advised. Finally, in promoting the spread of SSIs on a massive scale to the rural sector, this should be done as part of a carefully planned program of integrated rural development with built-in mechanisms to ameliorate the unintended socio-cultural consequences of rural industrialization.

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Appendix

Table A - Estimates of labour force, underemployment, and total unemployment, Nigeria: 1972-1985.

Year	Labour Force (millions)	Underemployment (%)	Total Unemployment (%)
1972	-	7.1	10.6
1973	-	7.4	11.1
1974	-	10.8	16.2
1975	29.2	10.7	16.1
1976	30.0	7.9	11.8
1977	30.5	7.2	10.8
1978	31.0	8.6	12.9
1979	31.9	13.9	20.9
1980	32.2	14.5	21.7
1981	33.2	20.6	30.9
1982	34.0	21.7	32.6
1983	34.9	27.4	41.1
1984	35.5	-	-
1985	36.1	-	-

Source: Underemployment and Total Unemployment derived from Ojebile (1986); Labour force from Federal Office of Statistics *Economic and Social Statistics Bulletin*, Lagos, January 1985.

Appendix

Table B - Distribution of small-scale industrial loans in Anambra State by Industries 1976-1981

Industry	No.	Total Loan Amount (₦)	% of Total
Food Processing Rice & Garri	4	102,000	5.2
Bakeries & Confectionary	6	207,000	10.6
Others	3	137,500	7.0
Furniture & Cabinet Const.	4	104,000	5.3
Building Materials	7	273,000	13.9
Bricks			
Tiles			
Textile & Tailoring	3	450,000	22.9
Raw Material Processing & Saw Milling	2	82,000	4.2
Misc. Manufacturing	1	2,000	.1
Engineering Works (Mechanical)	6	53,300	2.7
Engineering Works (Electrical)	3	57,000	2.9
Leather Goods Industry	1	15,000	.8
Printing & Paper Production Industry	31	229,000	15.3
Laundry Services	1	40,000	2.0
Photographic Colour Processing	1	40,000	2.0
Wire & Cable Manufacturing	1	60,000	3.1
Meat Processing	1	40,000	2.0
Total	75	1,961,800	100.0

Sources: Small-Scale Industries Promotion Unit, Ministry of Industries, Anambra State.

Désindustrialisation et crise de société en Algérie

Said Chikhi*

Abstract: Algeria is going through a severe crisis in the late 1980s. Yet, analyses undertaken tend to see it merely as a socio-economic result of the crisis of the world economic and financial market. Now, the predominance of external economic factors should not veil internal state economic policy-related factors, the incapacity of the political system to change social actors into agents involved in the economic and social recovery processus. Nor should it hide the different forms of intervention of such social and political actors in the crisis. These factors have had a negative impact on the state-controlled industrial sector on which the country's development policy is hinged. As a result, a de-industrialization process has started, ending up in more unemployment, a dismembering of society and a marginalization of social actors. Given this environment, it is no wonder that the religious machinery gathered speed and tried to replace the state apparatus with a view to managing the social arena as rigidly as would a religious state.

L'Algérie est confrontée à une grave crise. L'économie est en panne: le poids de la dette est écrasant, le pays manque de ressources pour l'importation des équipements, les entreprises ralentissent leurs activités, les investissements productifs sont à la baisse et la production diminue fortement. En outre, le chômage est en progression constante, les conditions d'existence de la grande majorité des algériens se détériorent rapidement, les inégalités se creusent et l'insécurité augmente dans les villes.

Mais si ce constat est plus ou moins généralement accepté, en revanche les analyses avancées tendent à la réduire aux conséquences socio-économiques de la crise du marché économique et financier mondial. Or pour essentielle que soit la prédominance de ces facteurs économiques externes, elle ne doit, en aucun cas, occulter ni les facteurs inscrits à l'intérieur de la politique économique de l'Etat, ni la capacité-ou l'incapacité - du système politique de transformer les acteurs sociaux en sujets du processus de redressement économique et social, ni encore les formes d'intervention de ces acteurs sociaux et politiques face à la crise.

C'est pourquoi, après le paragraphe consacré à la crise économique et sociale, cette étude mettra un accent particulier sur la désindustrialisation et l'ajustement décidés par les classes dirigeantes et sur les mutations du champ social pour savoir si elles parviennent à reconstituer des ensembles sociaux cohérents et des conditions nouvelles d'intégration nationale.

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La crise économique et sociale

Prise dans l'état de la crise financière provoquée en partie par la situation du marché mondial et la crise structurelle d'un mode d'industrialisation, l'Algérie de la fin des années 80 donne l'image d'un pays qui ne parvient plus à produire. Ne disposant plus ni de ressources, ni de capacités d'investissements, d'organisation et d'innovation, son économie est atteinte d'anémie. Certes la brutalité de cette situation ne peut être expliquée par les seuls détérioration des termes de l'échange et le niveau d'endettement élevé qui paralysent durablement tout effort de redressement économique. La grande fragilité du modèle d'industrialisation lui-même est également en cause. Cette fragilité peut se résumer en une formule: la transformation brusque du marché mondial a mis à bas un édifice industriel plus brillant que solide. La place de l'économie algérienne dans la division internationale du travail, les diverses formes de dépendance du système productif, la rentisation progressive du processus d'industrialisation et de salarisation, la faiblesse d'initiative et d'innovation techniques, la dévalorisation du travail productif dans les activités économiques... ont mis le système productif dans l'incapacité structurelle à prendre le relais de la rente énergétique comme source de financement de l'accumulation. Autrement dit, la crise économique était déjà présente bien avant la crise financière, qui éclate à la fin des années 80.

Mais si la rente pétrolière a permis, dans la décennie 70, de pallier aux déséquilibres internes de l'économie, de rembourser la dette internationale et même d'atténuer les tensions sociales liées à la consommation, les événements vont, à partir de 1984, se précipiter au gré de la baisse du prix du baril du pétrole et de la monnaie d'échange. La situation est désastreuse en 1985 et en 1986 mais l'Algérie continue à contracter de nouveaux crédits extérieurs, entraînant du coup une augmentation brutale de l'endettement. De 16 milliards de dollars en 1980, la dette passe, en 1989, à 23,8 milliards de dollars. A la même date, le service de la dette rapportée aux recettes extérieures dépasse les 70%. Autant dire que toutes les prévisions économiques se sont volatilisées dans la dépression de la nouvelle conjoncture et que les slogans politiques les ont suivi dans leur chute...

Depuis 1986, la dette est devenue un rocher de Sysyphe et ses conséquences sont dramatiques pour le pays. Les achats d'équipements connaissent des restrictions brutales; de nombreux projets sont arrêtés et, dès que la manne pétrolière s'est réduite, le potentiel industriel algérien subit un coup d'arrêt fatal. Le taux de croissance a connu des variations brutales, au cours des quatre dernières années: de 4,6% en 1985, ce taux chute à -1,4%

en 1987 et à -2,9% en 1988. La production intérieure brute hors hydrocarbures a, quant à elle, connu une chute plus brutale jusqu'à atteindre des taux négatifs de -2,5% en 1987 et -4,1% en 1988¹. Au total, l'investissement baisse de manière générale, la croissance est en panne et l'industrie, plus particulièrement, recule.

Cette diminution forcée des importations et cette réduction des investissements et de la production entraînent une forte augmentation du chômage. Le nombre de chômeurs qui avait diminué pendant la décennie soixante dix est confronté, depuis 1985, à la baisse considérable de la croissance annuelle de l'emploi. De 635.000 en 1983 représentant un taux de chômage de 16%, le nombre des chômeurs passe à 1.200.000 en 1987, soit un taux de chômage de 19,2%. Ce taux continue à grimper en 1988 pour atteindre 23% soit un nombre de 112.000 chômeurs, et en 1989 puisqu'il n'a été créé que 76.000 postes de travail pour une demande estimée à 240.000 emplois.

Mais si la décroissance annuelle de l'emploi est forte pour l'économie en général, c'est dans l'industrie que ce recul est beaucoup plus grave. Ici, c'est la désindustrialisation qui fait sentir ses effets: entre 1977 et 1984, l'emploi industriel n'a augmenté que de 32% alors que l'emploi total progresse de 104% et que l'emploi dans l'administration augmente de 112%². Le résultat est que l'industrie occupe la dernière place dans la création d'emplois (non-agricoles). Cette régression de l'emploi industriel s'est maintenue et s'est même doublée avec la tendance à la baisse générale des créations d'emplois³. Il va sans dire que cette augmentation spectaculaire du chômage provoque de véritables commotions sociales et politiques en mettant, selon les régions, 20, 30 voire 40% de la population active en "quarantaine sociale".

Aux effets dévastateurs de cette hausse rapide du chômage vient s'ajouter la détérioration brutale des conditions d'existence d'une grande partie de la population dans la société. Le niveau de vie des salariés a baissé et, suite aux diverses mesures de restrictions des importations de biens alimentaires, les supermarchés se vident rapidement de leurs produits. Au même moment le commerce des produits agricoles est "libéré" entraînant la flambée des prix et les subventions de l'Etat sur les prix des produits de première nécessité sont en constante diminution. Le résultat est que la

1 Cf. *Algérie-Economie* No. 47, Mars 1990.

2 Données contenues dans la contribution de R. Abdoun, in "Les déséquilibres de l'économie algérienne". *L'Algérie et la modernité*, ouvrage collectif. CODESRIA 1989, p.145, Dakar.

3 Entre 1985 et 1987 il n'a été créé que 258.000 emplois dont 52,7% dans l'administration, 16,7% dans les services et 10,7% uniquement dans l'industrie. Cf. *Eléments d'une politique à court terme de promotion de l'emploi*. MTAS, Sept 1988, Alger.

consommation de l'Algérien baisse en termes réels et ce recul est estimé, entre 1984 et 1988, à environ 20%.

La conséquence sociale majeure de la crise sur le système social global qui fonctionne en faveur des groupes de revenus les plus élevés est que le niveau de vie des salariés à faible rémunération a baissé beaucoup plus que les revenus non salariaux et des salariés à haute rémunération. En d'autres termes, la diminution de la consommation a frappé surtout les classes populaires car l'inégalité sociale, au lieu d'être réduite dans une situation d'urgence nationale, a été considérablement augmentée. Si l'on ajoute à cette situation toute la redistribution informelle au sein même de l'Etat et qui s'exprime à travers les nombreux cas de dilapidation des deniers publics, d'affairisme et de corruption, force est d'admettre que de telles conséquences ne peuvent être considérées comme étant déterminées directement par la crise économique et financière⁴. Elles posent, en revanche, le problème des rapports entre l'Etat et la société et, à travers ces derniers, celui de la logique de la politique économique et sociale suivie.

Désindustrialisation et ajustement

Si en 1986 l'Algérie s'était pleinement enfoncée dans la crise, celle-ci avait déjà, dès 1980 servi d'alibi pour l'instauration d'une politique économique prenant le contre-pied du "modèle de développement" antérieur. Ce modèle de développement était fondé sur la prééminence du secteur public industriel d'une part et d'autre part sur l'émergence d'une nouvelle action de l'Etat consistant à rompre avec le populisme et dont le mouvement nationaliste radical est le soubassement politique et idéologique.

En effet, le paysage économique et social était, à la mort de Boumedienne en décembre 1978, complètement transformé. Il avait pour assise un vaste secteur industriel dont l'élément moteur était le secteur public. L'industrialisation à marche forcée qu'alimentait une rente pétrolière en augmentation constante était alors considérée comme le "destin inévitable d'une nation" en voie de libération économique et le secteur public comme le lieu de cristallisation de l'imaginaire populiste. C'est que la décennie soixante-dix fonctionnait encore avec les mêmes symboles et les mêmes catégories que ceux du mouvement de libération nationale. L'intégration nationale, la lutte contre la domination étrangère et la redistribution égalitaire étaient au centre de la politique de Boumedienne. Dans cette optique, c'était l'époque où les représentations collectives balisées par les

4 A propos de détournement de ces fonds publics, la société est actuellement sous le choc après la déclaration récente d'un ex-premier ministre faisant état de 26 milliards de dollars (soit une somme supérieure au montant de la dette extérieure) "perdus pour la nation sous forme de pots-de-vin, de corruption...".

notions de "peuple" et de "révolution" allaient de pair avec la fonction politique d'intégration dévolue aux grands complexes industriels et avec une certaine reconnaissance sociale attribuée aux "masses laborieuses". Dans tous les cas, c'était les grandes sociétés nationales qui constituaient les symboles-clés du paysage emblématique du pays.

C'est à proprement parler tout cet édifice matériel et symbolique qui va, dès le début des années 80, sauter en éclats. Il est question d'emblée de faire changer les "mentalités anciennes" et de procéder à des réformes⁵.

Tout un nouveau dispositif symbolique est alors mis en place. Les médias procèdent à un incessant matraquage des thèmes du genre: "économie rentière et improductive" "modèle bureaucratique de gestion", "déséquilibres économiques internes et externes"... Le secteur public devient la cible privilégiée de cette attaque en règle; il est assimilé à un "gouffre à devises", il est présenté comme étant en faillite, il est accusé d'être dispenseur de l'effort et de l'innovation... Au même moment on fait de multiples discours sur la crise mondiale et on introduit progressivement de nouveaux vocables dans le langage officiel ("lois universelles de l'économie", l'offre et la demande, la vérité des prix, etc...) en opposition avec ceux qui auraient induit des effets pervers tels que "socialisme de la mamelle", "idéologie populiste", "Etat-providence".

On aura compris les significations et les enjeux que ces paradigmes, ces slogans et ces vocables impliquent: tout en indiquant un recentrage des forces au niveau du bloc social au pouvoir, ils procèdent d'un ajustement symbolique dont la fonction est de "désidéologiser" tous les critères de comportement et de représentation en vigueur dans la décennie soixante dix. En clair, il s'agit de démonétiser dans l'esprit des algériens les valeurs qui ont trait au nationalisme, à l'égalitarisme voire au socialisme et de les convertir aux conceptions et aux paradigmes favorables au libéralisme économique. Il est vrai, cependant, que les classes dirigeantes ont su savamment utiliser les déséquilibres et les contradictions qui ont fini par défigurer le modèle de développement et auxquels la conscience collective étaient devenue sensible mais les ajustements proposés tendaient, en réalité, à préparer cette même conscience collective à admettre un certain nombre de renoncements.

Cet ajustement symbolique et ces renoncements sont variés et multiples mais ils convergent tous vers la légitimation d'un nouveau rapport social articulé à une gestion plus orthodoxe de l'économie et de la force de travail. Pour mieux briser le noyau matériel du populisme, l'équipe au pouvoir décide de changer les bases, les formes et les rythmes de l'industrie et du

5 Sur ces points, voir les contributions de El-Kenz, A.; Liabes, D., Chikhi, S, in *L'Algérie et la modernité*, op.cit.

secteur public. Celui-ci subit une restructuration massive et les grandes sociétés nationales sont démantelées en une multitude d'entreprises. Du coup la vie quotidienne est moins centrée, comme du temps du populisme de Boumedienne, autour de la symbolique de la grande usine mais elle devient plus hétérogène et plus éloignée des concentrations ouvrières et des groupes puissants des technocrates.

Les nouveaux discours de légitimation vont aussi définir le nouveau statut de la force de travail. "Gestion rationnelle des ressources humaines", productivité du travail, rendement, discipline, respect de la hiérarchie... sont alors les nouveaux credos. On met l'accent aussi sur le caractère peu incitatif des grilles de rémunérations et sur les sureffectifs et les surcharges du personnel liées à l'action sociale des sociétés nationales. Les décisions ne se font point attendre: on enterre la "Gestion socialiste des entreprises, on introduit un plus grand écart entre les revenus salariaux - en pénalisant fortement ceux qui sont directement liés à la production! -, on met en place une nouvelle discipline d'usine..., et enfin, on met en oeuvre des plans de dégraissage des effectifs jugés pléthoriques. Le résultat est que plus de 130.000 emplois sont, entre 1985 et 1987, supprimés⁶. Et pour rendre le cours des choses irréversible, la nouvelle réglementation de travail, qui est sur le point d'entrer en vigueur, prévoit des procédures de licenciement à caractère économique et sans autorisation préalable des services administratifs. Il est prévu également une plus grande "flexibilité" de l'emploi, les entreprises pouvant désormais proposer des emplois "à durée déterminée" - vocable bien connu et pouvant se traduire par "emplois subalternes et précaires"⁷. Bref, l'ère de l'emploi garanti et du salaire assuré est révolu et il n'est pas surprenant alors, que dans ces conditions, les prolétaires anxieux de perdre leur travail ou de ne pas trouver un emploi finissent par accepter n'importe quoi et abandonner toute aspiration à l'élévation collective!

Tout comme pour l'entreprise publique qui est devenue, selon l'application du principe d'orthodoxie économique et financière, identique aux autres entreprises privées quant à son fonctionnement, l'industrie est aussi appelée à se soumettre aux lois du marché. En attendant, les investissements sont limités à la réalisation des projets programmés avant 1980 ce qui entraîne un net fléchissement du mouvement d'industrialisation. On assiste de fait à une véritable désindustrialisation et comme le souligne

6 *Révolution Africaine* No. 1323, juillet 19789.

7 Loi sur les relations du travail, contestée actuellement par la centrale syndicale. Indiquons que cette précarisation de l'emploi est déjà entamée: alors que l'emploi permanent n'a augmenté que de 2,8% entre 1987 et 1988, l'emploi temporaire a connu une croissance de 33,2% au cours de la même période.

A. El Kenz "le slogan" gérer l'après pétrole "fut trouvé pour présenter cette politique comme une gestion prévisionnelle d'un sombre avenir qui était déjà le présent de beaucoup de pays du Tiers Monde"⁸.

On connaît les effets sociaux de cette désindustrialisation (le chômage notamment) mais il reste à préciser les effets symboliques et politiques qu'une telle inversion des taux d'investissements productifs indique. Or tout comme le démantèlement des grandes sociétés nationales-rebaptisées pour la cause en entreprises publiques économiques - a grandement effiloché l'image de la grande usine et de ses concentrations ouvrières, la désindustrialisation signifie que les rapports sociaux industriels n'irriguent plus principalement l'ensemble de la société algérienne. Cela signifie que celle-ci qui avait vu, jusqu'au début de la décennie 80, les ingénieurs, les technocrates, les contremaîtres et les ouvriers disposer d'un poids social plus important que les autres catégories ou classes improductives, se restructure pour mettre sur le devant de la scène les nouveaux riches, les couches parasitaires, les affairistes sans oublier évidemment les chômeurs, les exclus et les marginaux.

En d'autres termes, la désindustrialisation signifie que la société algérienne s'est séparée morceau par morceau de l'industrie et elle est allée de pair avec l'épuisement des représentations liées à la croissance industrielle, à ses modalités de régulation sociale et à ses modes de conflit. On devine alors la conséquence majeure du fléchissement de l'industrialisation: c'est la rupture lente et irréversible d'un mouvement social productif qui est progressivement mis dans l'incapacité d'orienter, sur la base de ses actions et de la définition de ses adversaires, les rapports sociaux vers des enjeux susceptibles de se transformer en un projet positif. Comme quoi la désindustrialisation comporte des enjeux de société et des enjeux politiques que ni les déterminants économiques et ni les effets sociaux - si importants soient-ils, ne sauraient faire oublier.

La désindustrialisation et ses effets sur l'emploi productif⁹

1 - La restructuration des investissements

% montant des investissements,	1967-1973	1980-1984	1980-1988
L'investissement dans l'industrie	56,5%	35%	30,8%
L'invest. dans les secteurs productifs	78,2%	53%	49,4%

8 El-Kenz, *Au fil de la crise*. Ed. Bouchène, 1989, Alger.

9 Tableaux construits par nous à partir des indications avancées par A. Benbi-Tour, "Gérer la crise économique", *El Moudjahid* du 15 avril 1990.

2 - La création moyenne annuelle d'emplois hors-agriculture

Moyenne annuelle hors agriculture	1967/69 35.920	1970/73 82.430	1974/77 130.330	1979/84 117.000	1985 92.000	1986/88 60.000
Moyenne annuelle secteur secondaire (ind. + BTP)	19.630	48.150	78.800	52.000	15.000	12.500

Aussi après la dissipation des mirages du populisme-nationaliste, l'effilochage de l'image égalitariste du secteur public et l'érosion progressive de la position de l'industrie comme secteur moteur du rythme économique, la société algérienne a subi une profonde restructuration et a abouti, sous le prétexte de la crise à l'émergence de nouvelles forces sociales libérées du joug de l'étatisme.

Ayant décidé de ne plus entraver le fonctionnement des mécanismes de marché, l'Etat se désengage des activités économiques et prend ses distances vis-à-vis des demandes sociales. Le secteur public est, dans ce cadre, placé sous le signe des réformes et, dégagé des modes administratifs de gestion, il réorganise ses espaces de travail. Ne devant plus être un lieu de répartition sociale ou un moyen de légitimation politique pour un Etat-Providence, il est chargé uniquement de produire, d'acheter et de vendre. Réduction du "social" d'entreprise, gestion autoritaire de la force de travail et nouvelle politique de l'emploi (en régression), des salaires (en baisse et à la productivité) et des prix (en hausse) sont les solutions toutes trouvées au plan social.

Tout comme pour les espaces de travail, l'Etat se désengage aussi de la sphère des échanges. Le logement, les transports, la santé et l'école gagnent en vérité et perdent en "justice sociale". Les prix des uns sont revus en hausse, l'acquisition des autres relèvent désormais d'une redistribution de classes, quant à la dernière (l'école), des critères de sélection sont instaurés de telle sorte que sur 100 enfants inscrits en première année fondamentale, seuls 4 jeunes arrivent à l'université!

Dans cette nouvelle configuration sociale, le secteur privé est investi d'une mission importante pour prendre en charge les problèmes de développement et relancer la croissance. Ce réajustement d'envergure signifiant de nouveaux rapports de force au sein du bloc social au pouvoir indique clairement que l'Etat fonctionne désormais comme relais à la privatisation des espaces économiques.

En attendant, les nouveaux riches et les gros possédants, après s'être abrités pendant longtemps derrière l'Etat et n'ayant jamais fait preuve d'un quelconque dynamisme productif, entrent bruyamment dans la nouvelle scène. Enhardis par les discours officiels sur l'orthodoxie économique et financière, sur la loi de la concurrence entre toutes les unités économiques,

sur les lois incitatives à investir, sur la vérité des prix, sur la régulation du marché... proclament désormais haut et fort leurs prétentions à l'hégémonie.

Aussi après que l'Algérie ait connu le "nationalisme économique" le plus fort du continent, est-elle, aujourd'hui, en pleine dérive libérale qui voit le monopole du commerce extérieur partir en éclats et le secteur public menacé de disparition... En somme, la politique économique et sociale suivie, la "mise en crise" du système productif et les bavardages sur la crise mondiale ont bien servi pour établir un nouveau consensus institutionnel sur le principe que le salut est désormais dans le recours au secteur privé et dans l'ouverture aux capitaux étrangers¹⁰. On conviendra donc avec Thandika Mkandawire que le processus de désindustrialisation et la dérive libérale qui s'en est suivie impliquent forcément une perte de souveraineté du pays...¹¹.

En revanche, le champ social qu'ont fini par faire dessiner la désindustrialisation et les réformes d'ajustement est en train de mettre en déroute le monde d'en bas. Voués aux affres du chômage ou aux menaces de licenciement, angoissés par la précarité de leur revenu et la montée vertigineuse de l'inflation, harcelés par les pénuries chroniques, hébétés par le caractère ostentatoire des fortunes exhibées par les riches et se sentant totalement lâchés par l'Etat, les prolétaires sont complètement désorientés. Ils ont par ailleurs, de la peine à intérioriser les nouvelles conditions de mise au travail requises par la dérive libérale et les nouvelles normes de comportement imposées par les nouveaux mécanismes de domination et d'oppression. D'où le désarroi profond que d'autres pans de la société contribuent à aggraver, en particulier celui qui constitue l'un des effets majeurs de l'état de crise et le noeud central de l'Algérie d'aujourd'hui: non par le monde d'en bas mais celui qui est situé en dehors.

Le champ de la marginalité urbaine

Ce qui caractérise les groupes sociaux qui relèvent de ce champ de la marginalité c'est, comme l'indique Sami Nair "la tendance à accéder de façon partielle et marginale aux ressources du système de production, leur exclusion radicale par rapport aux avantages et bénéfices liés à l'institutionnalisation politico-sociale, enfin un ethos de vie fondé sur ce qu'on pourrait définir comme une culture de la survivance"¹². Autrement dit, les marginaux ne sont pas tant ceux qui sont à l'intérieur du système productif même s'ils sont en bas mais surtout ceux qui se situent en dehors du système social global.

10 Une loi visant à encourager les investissements privés, notamment étrangers, vient d'être adoptée. Loi sur la monnaie et le crédit de Mars 1990.

11 T. Mkandawire, "The Road to crisis, Adjustment and Desindustrialisation: the Africa case"; *Afrique et Développement*. Vol. XIII, I, 1988 - CODESRIA.

12 Sami Nair, *Tiers Monde et système dyadique*. Doc ronéo, Paris VIII.

Le premier élément qui doit être pris en considération est sans aucun doute le chômage induit par le processus de désindustrialisation. Ce chômage a un premier effet dévastateur: ceux qui en sont les victimes sont dans la ville mais ils sont tenus aux portes de la société. Ils sont aussi de la ville car la marginalité qu'ils subissent est principalement d'essence urbaine. Trois facteurs expliquent ce processus. En premier lieu, ce champ de la marginalité est lié à l'extension considérable des agglomérations urbaines: il convient de noter, en effet, que si la population a doublé en 20 ans (1967-1987), la population urbaine a, dans le même temps, triplé. Autre aspect important, la circulation de la force de travail a connu un changement radical; elle procède d'un mouvement migratoire inter-urbain et non plus du mouvement d'exode rural qui se trouve lui-même inversé au sens où les prolétaires de la campagne ne veulent plus aller à la ville mais exigent que celle-ci vienne à eux¹³. Enfin ce chômage qui constitue l'antichambre de la marginalité concerne massivement les jeunes. En 1985, près de 72% de ceux qui sont tenus en marge de l'emploi sont âgés de moins de 25 ans (et plus de 65% d'entre eux sont des célibataires). Ces jeunes sont essentiellement les exclus de l'école, celle-ci étant vécue comme agent de sélection sociale et produisant tout simplement plus d'échecs que de succès.

Or si ce chômage est essentiellement urbain, ce qui le rend d'ailleurs plus visible socialement, la ville est, quant à elle, de plus en plus dénuée d'activités économiques. Prise entre les effets ravageurs de la désindustrialisation qui expulse la croissance et ceux, difformes, de ses propres excroissances, elle va connaître des mouvements tourmentés et imprévisibles. Autrement dit, si du temps de l'industrialisation accélérée des années 70, l'usine est le lieu où tendent à se former les conflits les plus centraux, c'est plutôt la ville qui crée aujourd'hui, avec ses cortèges de marginaux, des foyers d'instabilité et de turbulence sociales.

Ce qui explique ces phénomènes de turbulence c'est le fait que les marginaux se situent en dehors des cadres de socialisation ordonnée autour de la sphère productive et de l'école. Ces marginaux vivent un présent urbain fragmenté et parcellaire, sans espaces d'échange et sans lieu de sociabilité. Ne pouvant s'appuyer professionnellement et économiquement sur un milieu solide, ils sont en état de ruptures d'ancrages et de perte de certitudes. Situés dans une économie de rareté et dans le consumérisme effréné de la société, ils sont hébétés de ne pas pouvoir réaliser la satisfaction de leurs besoins exacerbés par l'universalité du modèle occidentale de consommation et d'être réduits à ne disposer que du strict

13 Cf. *Armature urbaine*, Office national des statistiques, 1987, Alger; M. Cote, *L'Algérie ou l'espace retourné*. Ed. Flammarion 1989 et S. Chikhi, "Ouvriers et Etat" (1967-1987) in *Sou'al* No. 9-10, Paris, 1989.

nécessaire. Ils sont désorientés parce que d'une part le symbolique traditionnel est en pleine débâcle et que les anciennes solidarités et régulations du passé se sont complètement défaites et que d'autre part le symbolique moderne est hors d'atteinte: l'emploi est introuvable, le logement et la santé sont abandonnés aux lois du marché, les produits importés se vendent au "noir"...

Cette situation est particulièrement mal vécue par les jeunes dont la marginalité est en passe de se transformer en situation majoritaire. Ce sont eux qui subissent le plus brutalement les effets dévastateurs de l'imbrication étroite entre le désengagement de l'Etat, le processus de désindustrialisation et les contradictions de la croissance urbaine.

Pour eux, la marginalité est avant tout synonyme de vie en ghettos ou en cité-dortoirs dont l'allure est bien connue—équipements collectifs inexistant, rues miséreuses, conditions de logements déplorables. Ils (sur)vivent dans des banlieues dominées par le béton armé et le chaos et dans des micro-espaces urbains qui, sans normes liées à l'urbanité et sans dessein culturel, signifient tout simplement la mort de la ville et de la société. C'est à leur niveau que l'urbanisation se déploie avec sa structure de classe et ses mécanismes d'exclusion, ses ratages et ses déséquilibres pour produire des "périphéries sociales" où le mal de vivre, l'injustice et l'oppression se mêlent au dénuement, à la monotonie et au despotisme au quotidien.

Certes ces jeunes souffrent grandement du chômage mais leur conscience n'est pas centrée principalement sur le travail salarié. Tous s'accordent, en effet, pour trouver que leur société n'est pas fondée sur le travail mais sur le gain facile, les affaires, le marché parallèle. Il faut dire aussi que l'exemple de leurs parents est là pour que la réussite et le travail salarié en usine ou dans les services se présentent à leur conscience comme deux entités opposées. Ils se détournent alors des emplois salariés sous-payés et choisissent des emplois considérés comme précaires mais qui leur apportent des revenus très supérieurs. Ce ne sont donc pas tellement les valeurs liées au travail productif qui semblent servir d'appui à une conscience de soi ou le levier de la formation d'une action collective. Dans ces conditions, ces jeunes marginaux rejetés dans les espaces sociaux périphériques ne peuvent appeler ni à un univers de classes productives, ni à un mouvement social organisé pouvant servir de cadre d'action, ni à un projet de société.

Ceci ne signifie pas du tout que ces marginaux ne répondent pas à l'exclusion et à la mise hors histoire imposées par le système dominant. Bien au contraire, le coeur des quartiers pauvres et le long des rues miséreuses qui sont leurs seuls points d'accueil et espaces de vie grouillent de la multitude de leurs "tactiques" par lesquelles ils rusent avec les mécanismes de domination. Ils s'engagent dans le secteur informel de l'économie où la débrouillardise, les "combines" et la délinquance professionnelle sont les règles. Ils s'affirment par des expressions et des

actes de courages composant une sorte d'indiscipline sociale. Celle-ci se nourrit aussi de pratiques de fuite et d'esquives aux appareils d'ordre, de normes, de "classes dangereuses", d'actions souterraines, de dissidence... Plus important encore: l'expérience des fréquents passages à tabac dans les locaux de police, le sentiment de vivre dans un système pourri et celui d'exister comme une foule et non comme un collectif les poussent vers le refus, la protestation et la révolte.

C'est alors que des périphéries sociales entières vont se mettre à "l'heure de pointe pour les dieux". La négation de l'antagonisme social par le populisme hier, la séparation entre la satisfaction de la demande sociale et l'expression politique introduite par le "lumpen-libéralisme" aujourd'hui ont fini par surpolitiser la mosquée, seul lieu de dénonciation publique de l'arbitraire, de la corruption et du mensonge. Là, des leaders intégristes utilisant l'islam comme ressource politique dans la compétition pour le pouvoir ont peu de peine à donner un sens à l'oppression subie et organiser la révolte des jeunes et des marginaux pour lesquels cette oppression est illégitime. Parce que le populisme est enterré et que se sont essouffés avec lui l'économie nationale et les meetings des masses travailleuses, parce que le libéralisme s'adresse aux classes moyennes pour libérer la société de son corset égalitariste et pour faire entrer les riches, l'islam demeure seul pour alimenter la dissidence sociale en offrant une forme religieuse aux protestations égalitaristes des masses urbaines pauvres.

Cette dernière détermination exprime la traversée actuelle du champ social, traversée définie par la marginalité dont la figure n'est plus celle de petits groupes mais celle d'une marginalité massive. Or, celle-ci ne voit jusqu'ici aucune stratégie lui offrir un projet d'émancipation parce que l'Etat demeure impuissant à reconstituer un ensemble national et cohérent et parce que la société comme nation se décompose lentement.

Décomposition et "populisation" de la société

Depuis que la croissance et l'industrie ont été mises en plein délestage, le système social global se désagrège sans cesse dans le déchirement de la politique et du réel. La gestion institutionnelle est encore loin de la rationalité que l'Etat projette d'instaurer dans le champ économique. Celui-ci n'est toujours pas porteur de productivité, la notion de travail productif est défavorisée et la distribution des revenus n'est pas liée aux fonctions de production, de création, d'organisation et d'innovation. Inversement, l'espace économique est désarticulé et submergé par des comportements et des valeurs fondés sur la spéculation, le gain facile, l'affairisme.

Quant à l'Etat, il ne joue plus le rôle d'un Etat moderne dans la mesure où il ne garantit pas au corps social la maîtrise de ses mutations et le dépassement de ses tensions. En effet, il est dans l'incapacité d'empêcher le

détournement systématique des lois et de la réglementation; il ne dispose même pas du monopole organisationnel pour arrêter la dilapidation du patrimoine public et le délabrement avancé de ses institutions; il ne peut créer non plus, à travers crise et chômage, urbanisation galopante et marginalité, de système d'identification stable ni assurer l'intégration sociale. Bien au contraire, il a désarticulé le pays en abandonnant l'industrie; il a segmenté la nation parce qu'il a remplacé l'intégration sociale par des ségrégations et des inégalités croissantes; il a entraîné enfin la décomposition de la société en produisant sans cesse des zones de plus en plus marginalisées, appauvries et en crise.

De fait, la société se décompose parce qu'elle n'est plus unifiée par l'Etat. Elle paraît sans avenir et en décadence à partir du moment où ce dernier a abandonné l'industrie et toute logique nationale de développement. Il s'est formé alors un "système social dyadique"¹⁴ dominé par l'opposition entre le système étatique et le champ de la marginalité. Entre les deux, la plupart des acteurs sociaux ont été affaiblis en subissant les frais de l'ajustement et de la crise.

Ces acteurs sociaux vivent, en effet, sous la menace potentielle de marginalisation. Après ceux qui ne disposent d'aucun niveau d'instruction, c'est au tour des lycéens et des diplômés de l'enseignement supérieur de devenir des chômeurs et de rejoindre l'ensemble populaire. Les producteurs se rapprochent, eux aussi, du peuple. Ils subissent le couperet des lois du marché et vivant à la limite du minimum vital, de nombreux segments de la population ouvrière participent désormais à une dimension sociale populaire. Il en est de même des couches moyennes. Après avoir connu une ascension rapide du temps du populisme, ces couches se sont accrochées désespérément à leur statut mais elles ont fini par se paupériser et rejoindre les "petits". Bref, des pans entiers de la société dégringolent sous les effets conjugués de l'inflation, des conditions d'habitat et du chômage, dans le marais de la pauvreté.

Cette situation nouvelle dans laquelle l'appareil économique n'est plus la force matérielle motrice du changement, suscite évidemment des réactions des plus diverses. Pour ceux qui ne peuvent s'affirmer ni comme travailleurs ni comme citoyens - les marginaux - la conscience sociale est déterminée

14 Expression de S. Nair qui signifie que les systèmes sociaux dans le Tiers Monde se subdivisent, selon l'auteur, en deux axes structurels: le premier qualifié de sous-système intégré, le second appelé le champ de la marginalité. Op. cit.

plus par le dénuement et l'exclusion que par des stratégies politiques. Rejetés dans la misère matérielle et morale, ils sont plus attentifs aux paroles exaltantes qu'aux paroles investigatrices et, dépourvus de tout cadre d'expression et de lieux propres d'action, ils finiront par prendre d'assaut, entre 1986 et 1989, les villes¹⁵. Là, les masses urbaines pauvres et marginalisées adoptent ce que B. Dabie appelle la "culture de l'émeute"¹⁶. La révolte remplace le conflit, la rage la critique, la violence la contestation.... Privées de communication et d'identité, de culture et de libertés essentielles, se souciant fort peu de politique et de "l'esprit des lois", ces couches marginales côtoient et font naître la violence quotidienne, que celle-ci soit populaire ou institutionnelle.

Concernant les autres acteurs sociaux, les ouvriers et les couches moyennes paupérisées notamment, les tensions qui naissent de la pauvreté et de l'inégalité provoquent, à leur niveau, une sorte de "populisation" de leurs résistances. Cela signifie que leurs pratiques sociales prennent une certaine distanciation par rapport au salariat et qu'elles sont désormais centrées sur les conditions d'existence liées à la pauvreté. Les travailleurs affirment, dans ce cadre, la priorité des problèmes sociaux sur la crise économique, celle de leur pouvoir d'achat sur le remboursement de la dette... Certes ces contestations définissent les intérêts des travailleurs au sens où ces derniers ne veulent pas être les seuls à faire les frais de l'ajustement et à payer la facture de la dette. Mais ces contestations prennent la forme de défense populaire: elles résistent à la rupture de l'égalitarisme plutôt qu'elle ne forment un nouveau processus de développement; elles sont plus orientées vers la défense du pauvre que vers la démocratisation des rapports sociaux; elles sont plus soucieuses de sauvegarder le niveau de consommation que de participer à des stratégies négociées de mobilisation productive. Dans tous les cas, les revendications procèdent d'une conscience populaire défensive mais elles expriment fort peu une volonté collective d'émancipation nationale ou de redressement économique.

Tout cela constitue probablement la forme présente d'une société dont les éléments de décomposition semblent l'emporter sur la scène sociale aux facteurs de la maturité. Pourtant la transition à la démocratie est le processus qui semble dominer la scène politique depuis février 1989. Mais ce processus demeure bien fragile. Non seulement la liaison entre la démocratie et la satisfaction des demandes sociales les plus pressantes ne s'est pas toujours opérée mais cette transition à la démocratie semble encore n'être

15 Voir nos contributions: L'ouvrier, la vie et le prince in: *L'Algérie et la modernité*, op. cit. et *Soulèvement d'Octobre et contestations sociales des travailleurs*, doc - AKUT - Uppsala - à paraître.

16 B. Dabie: *Les deux Etats. Pouvoir et société en Occident et en terre d'Islam*. Ed. Fayard, 1986.

qu'un moyen de réaliser le projet de libéralisation économique radicale et d'opposer les élites politiciennes à la révolte des foules citadines. Cette transition est encore fragile parce que l'Algérie ne cesse de reculer quant à ses capacités de production et parce que la répartition du revenu national demeure encore très inégalitaire. Tout porte à croire alors que la société fonctionne sur deux registres: un registre constitutionnel s'adressant aux élites et appelant aux libertés démocratiques et un second registre qui sacrifie les couches populaires sur l'autel de l'ajustement structurel au nom de la crise! Sans doute est-ce là la spécificité engendrée par la constitution du capitalisme périphérique dominé par l'économie du monde...¹⁷.

Mais un tel processus de "transition à la démocratie" risque bien d'être débordé par des réactions opposées, des actions imprévisibles et des agressions violentes parmi les pauvres de la ville qui réclament avec force leur citoyenneté sociale. Plus centrées sur leur expérience vécue que sur une vision de l'histoire et plus préoccupées par la misère et la crise sociale que par l'implantation des moeurs démocratiques, ces catégories sociales peuvent fort bien articuler leurs aspirations égalitaristes et leur millénarisme au processus de "populisation" de la société.

C'est à l'intérieur de cette évolution générale faite de désindustrialisation, de crise et de "populisation" de la société que la machinerie religieuse peut s'emballer et vouloir se substituer aux appareils étatiques en plein délabrement pour gérer le champ social selon les "rigueurs" d'un Etat fondé sur la foi... Les forces populaires et démocratiques pourront-elles s'attaquer frontalement à la misère et à la domination pour faire éviter à la société algérienne la voie de la barbarie? telle est la question centrale des années à venir.

17 Nous avons avancé quelques éléments de réflexion autour de la question démocratique en Algérie dans: "Question ouvrière, rapports sociaux et question démocratique", contribution dans le cadre de travail sur *Les mouvements sociaux en Algérie*. CODESRIA, Fév.'90.

Trente ans de critique du système soviétique (1960-1990)

Samir Amin*

Abstract: With the exception of those individuals with a natural disposition to make predictions, nobody can boast not being somewhat taken aback by the rapid and total collapse of the political and economic systems in Eastern Europe and in the Soviet Union. Yet, after the surprise effect has passed, it is good to return to the analyses of such systems one and all have produced over the past thirty years. Even if I may sound pretentious. I dare say that I have situated myself since 1960 in a leftwing mainstream - a very minority one - which had foreseen roughly what ultimatelybrutally took place between 1989 and 1991. Of course, such a collapse we considered as highly likely, was not the only possible outcome to the crisis in the Soviet system. I do not believe in any unfailing linear determinism in history. The possibility of the Soviet regime falling toward the right (what has actually happened) or toward the left, has always been present. The latter possibility, which is now ruled out for the immediate future, is still on the agenda of history, not only because there is never an end to history, but also and mainly because I seriously doubt that the leftwing solution at work will stabilize the Eastern societies, even in the mid-term. Hence, the struggle for an alternative solution to their problems continues.

Introduction

A l'exception des individus au tempérament de prophètes, nul ne peut se vanter de n'avoir pas été quelque peu surpris par l'effondrement rapide et total des systèmes politiques et économiques en Europe de l'Est et en URSS. Néanmoins l'effet de surprise passé, il est bon de revenir sur les analyses de ces systèmes que les uns et les autres avaient produit depuis une trentaine d'années. Quitte à paraître manquer de modestie, j'oserai dire que je me suis situé depuis 1960 dans un courant de la gauche - fort minoritaire - qui avait prévu, dans ses lignes générales, ce qui est finalement arrivé brutalement entre 1989 et 1991. Bien entendu cet effondrement, que nous considérons comme fort probable, n'était pas la seule issue possible à la crise du système soviétique. Je ne crois pas à un quelconque déterminisme linéaire sans faille en histoire; les contradictions qui traversent toute société trouvent toujours leur solution dans les réponses diverses par leur contenu social, c'est-à-dire qu'il y avait toujours la possibilité que le régime soviétique tombe à droite (ce qui est arrivé) ou qu'il évolue (ou tombe) à gauche). Cette dernière possibilité, qui est maintenant exclue de l'avenir immédiat, reste cependant à l'ordre du jour de l'histoire, non seulement parce que celle-ci n'a jamais de fin, mais encore et surtout parce que je doute fort que la solution de droite à

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l'oeuvre stabilise les sociétés de l'Est, même dans le moyen terme. La lutte pour une autre solution à ses problèmes continue donc.

Cela étant, en relisant ce que j'ai écrit sur ces sujets au cours des 30 dernières années, (1960-1990) je ne manquerai pas d'en signaler les faiblesses et erreurs, que l'évolution postérieure permet maintenant de repérer.

Il faudra aussi situer ces analyses, jugements et même prévisions, bien que toujours affectés d'une probabilité plus ou moins grande en fonction des conditions qui commandent les évolutions considérées. Car, au cours de ces 30 années, le système soviétique lui-même a évolué et cherché à donner ses réponses à sa crise et est passé par différentes phases:

- de la mort de Staline (1953) et surtout du XXe congrès (1956) à la chute de l'expérience krouchtévienne (1964) la période est marquée par une première tentative de dépasser le stalinisme et par le conflit idéologique et politique ouvert sur ce terrain entre Moscou et Pékin;
- la période qui suit - dite de la "glaciation brezhnévienne" - se prolonge jusqu'à l'avènement de Gorbatchev (1985);
- la tentative de "perestroïka" de Gorbatchev, amorcée à partir de 1985 s'épuise pour s'achever en quelques années dans l'effondrement (1989-1991).

Parallèlement la Chine a tenté elle également de donner d'autres réponses au problème de la "construction du socialisme" - selon les termes mêmes de son propre langage - qui se sont succédées et ne se ressemblent pas, à savoir la tentative maoïste (1961-1976) qui culmine dans la Révolution culturelle (à partir de 1966), puis le glissement progressif conduisant à la stratégie économique et politique de Deng Xiaoping, caractéristique des années 80.

Ces évolutions et phases successives doivent elles-mêmes être articulées sur celles qui ont opéré au niveau mondial, tant au plan de l'expansion capitaliste (et notamment en ce qui concerne l'évolution de la construction de l'Europe de la CEE, la compétition Etats-Unis - Japon - Europe; les formes nouvelles de la mondialisation économique etc.), qu'à celui des équilibres militaires entre les deux superpuissances et des réponses politiques associées à la course aux armements (et notamment à l'époque de Brezhnev les initiatives soviétiques en direction du tiers monde ou dans le conflit avec la Chine, comme les stratégies américaines de guerres froides jusqu'à la course à la "guerre des étoiles" mise en oeuvre à partir de 1980 par Reagan). De ce fait les options internes et les politiques internationales s'enchevêtrent tout au long de ces 30 années.

Bien entendu le système soviétique ne date pas de 1960 et nos réflexions se fondent sur nos analyses de la révolution de 1917 (et de celle de la Chine), du léninisme et du maoïsme, du stalinisme. Mais notre intention ici

n'est pas de proposer une nouvelle lecture de l'histoire des 75 années d'existence de l'URSS. Nous ne nous étendons donc pas sur les quarante années de la période 1917-1957, au cours desquelles les phases successives de l'évolution du système soviétique s'articulent également sur des moments différents de l'histoire mondiale, pas même sur l'après guerre stalinien et les premières guerres froides.

Je dois ajouter également une note personnelle à ce qui précède. J'ai vécu, en tant qu'Égyptien, l'expérience nassérienne et, sans aucune vantardise de ma part, je veux rappeler que dès 1960 j'envisageais que la logique du système nassérien devait conduire à ce qui s'est développé ouvertement à partir de 1971 avec "l'infithah" sadatien ("l'ouverture"); le retour au bercail de la compradorisation. (Je renouvelais ces inquiétudes concernant la première génération des autres expériences "socialistes" en Afrique - Algérie, Mali-Guinée-Ghana, - dans la première moitié des années 60). Ce jugement, à l'époque rejeté comme absurde par la grande majorité de la gauche égyptienne et internationale m'avait amené à rejoindre dans ses grandes lignes la critique que le Parti Communiste (PC) chinois adressait en langage encore codé à la direction soviétique depuis 1957-58, ouvertement dans la "lettre en 25 points" (1963), puis à voir dans la Révolution culturelle - dès 1966, donc avant que 1968 n'en popularise les thèmes en Occident - l'amorce d'une réponse correcte à la "crise du socialisme".

1 - Pouvoir et société en URSS

Sur la nature de la société Soviétique

Depuis 1960 certainement, à partir même de 1957, j'ai cessé de considérer que la société soviétique pouvait être qualifiée de socialiste, et le pouvoir d'ouvrier, fut-il "déformé par la bureaucratie" selon l'expression trotskyste célèbre. J'ai d'emblée qualifié la *classe* (et je dis bien la classe) dirigeante et *exploiteuse* de bourgeoisie. J'entends par là que cette classe (la "nomenklatura") dans toutes ses aspirations se regardait dans le miroir de l'"Occident" dont elle enviait de reproduire le modèle. C'est ce que Mao avait parfaitement formulé en une phrase prononcée en 1963, s'adressant aux cadres du PC Chinois;

Vous (c'est-à-dire vous cadres du PC chinois), comme en URSS, avez construit une bourgeoisie. N'oubliez pas, la bourgeoisie ne veut pas le socialisme, elle veut le capitalisme.

J'ai tiré les conclusions logiques de cette analyse, concernant le parti et l'attitude des classes populaires à l'égard de ce pouvoir. Pour moi il était clair que les classes populaires ne se reconnaissaient pas dans ce pouvoir (bien qu'il continuait à se proclamer socialiste) qu'elles considéraient au contraire comme leur adversaire social réel, à juste titre. Dans ces conditions, le parti était un "cadavre en décomposition depuis fort longtemps", devenu en fait instrument du contrôle social des classes

populaires par la classe dirigeante exploiteuse. Complétant le travail des institutions répressives (le KGB), le PC organisait des réseaux de clientèles populaires (par le contrôle et la distribution de tous les avantages sociaux, mêmes les plus minces) paralysant de la sorte leur révolte éventuelle. En cela, ce type de parti n'est pas d'une nature différente de celle de nombreux partis uniques du tiers monde, qui remplissent les mêmes fonctions (sous le label du nationalisme radical comme le nassérisme, le FLN algérien, le Baath, et la longue liste des partis de pouvoir au Mali, en Guinée, au Ghana, en Tanzanie etc. ou même sans ce label dans des pays ayant opté ouvertement pour le capitalisme, comme en Côte d'Ivoire et ailleurs). Il s'agit donc d'une forme générale propre aux situations où la bourgeoisie en voie de constitution, n'a pas encore établi son hégémonie idéologique ("l'idéologie de la classe dominante est l'idéologie dominante de la société" dit Marx à propos du capitalisme mûr) et, de ce fait, n'apparaît pas comme exerçant un pouvoir légitime (lequel implique un consensus créé par l'adhésion de la société à l'idéologie de sa classe dominante).

Ce type d'exercice du pouvoir, qui émiette les classes populaires par le clientélisme, a un effet dépolitisant dont il ne faut pas sous estimer les ravages. Les faits démontrent aujourd'hui que cette dépolitisation en URSS est d'une ampleur telle que les classes populaires croient que le régime dont elles se débarrassent était socialiste, et de ce fait acceptent naïvement que le "capitalisme vaut mieux...".

Tous les partis de ce modèle s'effondrent comme une construction de papier dès lors que leurs dirigeants perdent le pouvoir d'Etat: personne n'est disposé à risquer sa vie pour la défense d'un appareil de ce genre. C'est pourquoi les luttes au sommet dans ce type de parti prennent toujours la forme de révolutions de palais, sans intervention de la base qui, immanquablement, accepte le verdict de ceux qui l'ont emporté. Je n'avais pas été surpris par la reconversion immédiate de l'"Union Socialiste" du nassérisme au sadatisme, ni de la disparition spontanée d'autres partis du même acabit dans de nombreux pays du tiers monde. Je n'ai pas davantage été surpris par la passivité dont les millions de communistes soviétiques ont fait preuve depuis 1989.

2 - Origine, formation, évolution et avenir du système soviétique

Mais si, pour moi, il était évident que la société soviétique n'était pas socialiste, il me paraissait toujours beaucoup plus difficile de la qualifier positivement.

Je ne reviens pas sur les raisons qui me faisaient refuser d'y reconnaître la mise en œuvre des principes fondamentaux du socialisme, sur lesquelles je me suis expliqué à de nombreuses reprises. Pour moi le socialisme implique plus que l'abolition de la propriété privée (une définition négative), il implique positivement d'autres rapports au travail que ceux définissant le statut du salariat, d'autres rapports sociaux permettant à la société dans son

ensemble (et non à un appareil opérant en son nom) de maîtriser son devenir social, ce qui à son tour implique une démocratie avancée, plus avancée que la meilleure démocratie bourgeoise. Sur aucun de ces plans la société soviétique ne différait de la société bourgeoise industrialisée, et quand elle s'en écartait c'était en pire, sa pratique autocratique la rapprochant sur ce plan du modèle dominant dans les régions du capitalisme périphérique.

Je refusais néanmoins de qualifier l'URSS de capitaliste en dépit du fait que sa classe dirigeante est - selon moi - bourgeoise. Mon argument est que le capitalisme implique la parcellisation de la propriété du capital, fondement de la concurrence, et que la centralisation étatique de cette propriété commande une logique de l'accumulation différente. En complément, au plan politique mon argument est que la révolution de 1917 n'était pas une révolution bourgeoise tant par le caractère des forces sociales qui en ont été les acteurs que par celui de l'idéologie et du projet social de leurs forces dirigeantes et que cette réalité ne peut être tenue pour négligeable.

Je n'attribue pas une grande importance à la qualification positive du système. J'ai utilisé à ce propos les expressions successives de capitalisme d'Etat, de capitalisme monopoliste d'Etat, dont j'ai critiqué les ambiguïtés, pour finalement adopter le terme neutre de "mode de production soviétique". Ce qui me paraissait plus important c'était la question des origines, de la formation et de l'évolution de ce système et, dans ce cadre, celle de son avenir.

Je n'étais pas de ceux qui ont jamais regretté la révolution de 1917 ("il ne fallait pas le faire, parce que les conditions objectives d'une construction socialiste n'existaient pas; il fallait s'arrêter à la révolution bourgeoise"). Car pour moi l'expansion mondiale du capitalisme est polarisante et de ce fait, il est inévitable que les peuples qui en sont les victimes - à la périphérie du système - se révoltent contre ses conséquences. On ne peut être qu'avec ces peuples dans leur révolte. Or s'arrêter à la révolution bourgeoise, c'est trahir ces peuples puisque le capitalisme nécessairement périphérique qui en résulterait ne permet pas de donner des réponses acceptables aux problèmes qui ont motivé leur révolte.

Les révolutions russe et chinoise ont donc ouvert une longue transition dont l'issue est fatalement incertaine: la dynamique de leur évolution peut conduire au capitalisme (central ou périphérique), comme elle peut faire avancer, dans leur propre société et à l'échelle mondiale, la progression vers le socialisme. Ce qui est important, dans le cadre de cette manière de voir les choses, c'est d'analyser la direction objective dans laquelle on avance. Les deux thèses qui me paraissaient importantes dans l'analyse de l'évolution soviétique, et que je partage toujours (avec, il est vrai, une minorité de la gauche communiste) sont ici les suivantes:

- que la collectivisation telle qu'elle a été mise en oeuvre par Staline à partir de 1930 a brisé l'alliance ouvrière et paysanne issue de 1917 et ouvert la voie, à travers le renforcement de l'appareil autocratique d'Etat, à la formation de la "nouvelle classe" - la bourgeoisie d'Etat soviétique;
- que le léninisme lui-même avait, par certaines de ses propres limites historiques, préparé (involontairement) le terrain pour que ce choix fatal fut fait. J'entends par là que le léninisme n'a pas rompu radicalement avec l'économisme de la IIe internationale (dont du mouvement ouvrier occidental, il faut le dire): entre autre, par exemple ses conceptions concernant la neutralité sociale des technologies en témoignent.

La société de la longue transition est bel et bien confrontée à des exigences contradictoires: d'une part il lui faut dans une certaine mesure "rattraper", au sens plat et banal qu'il lui faut développer les forces productives, d'autre part elle se propose - dans sa tendance au socialisme - de "faire autre chose", c'est-à-dire de construire une société libérée de l'aliénation économiste qui, par nature même, sacrifie "les deux sources de la richesse": l'être humain (réduit à une force de travail) et la nature (considérée comme un objet inépuisable de l'exploitation humaine). Le peut-elle? J'ai toujours pensé que la réponse était positive, mais difficile: en fait un compromis pragmatique à développer progressivement dans le bon sens ("faire autre chose"). L'économisme du léninisme contenait en germe un choix qui allait progressivement faire prévaloir l'objectif de "rattrapage" sur celui de "faire autre chose".

Mon ralliement précoce - dès 1958 - au maoïsme, puis - dès 1966 - à la révolution culturelle - que je ne renie pas, procède de cette analyse que le léninisme n'avait pas suffisamment rompu avec l'économisme occidental (je l'ai exprimé en m'étonnant que Lénine ait été lui-même surpris par la trahison du Kautsky en 1914). J'ai donc adhéré aux thèses que Mao rétablissait un véritable retour à Marx, déformé par le mouvement ouvrier occidental (et l'impérialisme n'a pas été un facteur secondaire dans cette dérive) avant de l'être (de continuer à l'être, partiellement) par le léninisme.

Le maoïsme proposait donc une critique du stalinisme par la gauche, alors que Kroutchev l'avait faite par la droite. Kroutchev disait: "on n'a pas fait suffisamment de concessions aux contraintes économiques (la révolution technologique et scientifique, la mondialisation) et à leurs implications politiques (donner plus de pouvoir aux directeurs d'entreprises, c'est-à-dire à la bourgeoisie soviétique)". Kroutchev disait: "à ces conditions nous rattraperons plus vite". Mao disait: "il faut à chaque étape ne pas perdre de vue l'objectif final". C'était le sens de "mettre la politique aux postes de commande" (un sens qui n'a rien à voir avec l'accusation - facile - de volontarisme). Et pour ne pas perdre de vue cet objectif final, le maoïsme insistait sur l'égalité, entre autre entre les ouvriers et les paysans (une

question essentielle en Chine, mais qui l'était également dans la Russie de 1930), de manière à renforcer (et non briser) leur alliance. J'ai explicité cet objectif dans les termes de "quelle loi de la valeur mettre en oeuvre"; se soumettre à celle qui régit le capitalisme mondialisé (et accepter de ce fait un développement capitaliste périphérique), imaginer la construction d'une économie nationale autocentrée, déconnectée du système mondial mais analogue par ailleurs à celle du capitalisme avancée (la "loi de la valeur régissant le mode de production étatisé soviétique") engendrant par là même une bourgeoisie nationale (soviétique), ou construire des rapports entre les classes populaires fondées sur une "loi de la valeur de la transition socialiste"? Mao était persuadé - à juste titre, l'évolution ultérieure le prouve en URSS comme en Chine, que la question devait être tranchée au niveau du pouvoir; remettre en cause le monopole du PC, creuset de la formation de la nouvelle bourgeoisie. D'où son mot d'ordre, déclenchant la révolution culturelle: "*Feu sur le Quartier Général*" (le PC). Il pensait - avait-il tort? - que c'était là le seul moyen capable de faire progresser le contrôle des travailleurs sur la vie sociale et de faire reculer celui de la bureaucratie. Il ne pensait pas que des concessions aux lois du marché - plus de pouvoir aux directeurs d'entreprise, plus de concurrence entre elles - feraient progresser ce pouvoir social du peuple. Avait-il tort? Je ne dis pas qu'il ne fallait pas faire de concessions au marché. La NEP l'avait fait, avec succès en son temps. Il fallait en faire, et de plus courageuses que celles qui ont été entreprises; Mais il fallait surtout:

- les accompagner par une démocratisation politique;
- renforcer les pouvoirs réels des travailleurs dans cette démocratie au détriment de ceux de la bourgeoisie des "technocrates";
- encadrer le marché par une politique d'Etat ferme fondée sur la loi de la valeur de la transition socialiste.

Les yougoslaves ont tenté de le faire, beaucoup trop timidement et mal: trop grande ouverture extérieure, trop grandes concessions laissant s'accroître les tendances internes à l'inégalité entre les Républiques au nom de la compétitivité, décentralisation excessive plaçant les collectifs de l'autogestion en position de concurrence mutuelle. En URSS rien n'a été fait dans ces directions, en Chine non plus, sauf en termes d'intention à l'époque maoïste, abandonnées par la suite.

Je pense toujours que le maoïsme avait raison, même si l'évolution postérieure de la Chine elle-même semble l'avoir contredit. En fait, cette évolution ne le contredit pas, mais au contraire le confirme: les concessions au capitalisme renforcent la bourgeoisie, et affaiblissent les chances des classes populaires. Sans doute est-il non seulement admissible, mais nécessaire même, aujourd'hui, avec le recul du temps, d'ouvrir la discussion sur les limites historiques du maoïsme, comme on l'a fait pour Lénine (rupture insuffisante avec l'économisme) et même pour Marx (sous

estimation de la polarisation inhérente à l'expansion capitaliste mondiale). Mais cela n'est pas l'objet de cet article.

3 - Le mode de production soviétique

La question centrale, à mon avis, concernant "le mode de production soviétique", était de savoir s'il s'agissait d'une solution instable, caractéristique de la transition (il doit évoluer, soit vers le capitalisme, soit vers le socialisme), ou d'un mode "stable", nouveau et même - malgré ses défauts - préfigurant l'avenir des autres sociétés (capitalistes normales).

Je fais sur ce point mon autocritique. J'ai pensé un moment - entre 1975 et 1985 - que le mode soviétique était une forme stable, d'avant garde même, de ce que la tendance normale du capitalisme devrait engendrer ailleurs, par le jeu même de la centralisation du capital, conduisant des monopoles privés à celui de l'Etat. Il y avait, à l'époque, des indices allant dans ce sens. Je ne parle pas de la stabilité apparente de l'URSS brezhnévienne. Je me réfère plutôt soit à des anciens (la théorie de Boukharine sur le capitalisme monopoliste d'Etat), soit à des propositions de l'époque: de la "convergence des systèmes" que Jean Tinbergen croyait déceler, rapprochant non pas seulement l'URSS de l'Ouest avancé", mais aussi l'Ouest avancé de l'URSS, de positions allant dans ce sens prises par les ailes gauches des social-démocraties fortes (en Suède par exemple avec le projet de rachat de l'industrie par les syndicats) et l'eurocommunisme etc... Or il semblait que la centralisation étatique du capital, en supprimant la concurrence - et donc l'opacité du marché (amorcé par la proximité entre les prix administrés par les monopoles et ceux administrés par le Gosplan) - inaugurerait un retour à la dominance de l'idéologie. Cette idéologie n'était pas un retour aux religions métaphysiques de l'époque tributaire, mais l'idéologie de la marchandise triomphante. Il y avait l'image forte du 1984 d'Orwell (à la réhabilitation de la connaissance duquel j'ai contribué à l'époque), l'analyse des bases du consensus monolithique des sociétés prétendues libérales et démocratiques de l'Occident proposée par *l'Homme Unidimensionnel* de Marcuse, qui ravivait à mon souvenir ma lecture de Polanyi. Le "*mode étatique - forme suprême du capitalisme*" - pourquoi pas? Dans ce cas le mode soviétique, en dépit de ses aspects primitifs (Ah! que Staline aurait rêvé d'avoir, pour façonner une opinion monolithique, la chaîne de télévision CNN, illustre depuis la guerre du Golfe, au lieu de la Pravda!), préfigurait l'avenir (triste). Je greffais sur ces considérations l'observation que dans la révolution bourgeoise, la lutte des paysans contre les féodaux ne s'était pas soldée par la victoire des opprimés, mais par l'ascension du "troisième larron": la bourgeoisie. Alors pourquoi le combat des ouvriers (ou des salariés) contre les capitalistes ne devrait-il pas faire l'affaire de la "nouvelle classe"?

Les faits m'ont donné tort. Non seulement le régime soviétique s'est révélé instable, mais encore l'offensive de la droite mondiale, à partir de

1980, va dans le sens inverse: dérégulation, privatisation sont ses thèmes, qui ont le vent en poupe.

Je reviens quand même sur cette autocritique, peut être pour la nuancer. Que le modèle soviétique ait été incapable de s'ériger en alternative définitive, imitée progressivement par les autres, soit. Les faits sont là pour prouver qu'il n'en est pas ainsi. Mais cela tient peut être seulement à ses propres faiblesses. Cela n'exclut pas qu'ailleurs - dans le monde développé - on évolue - plus tard, une fois la vague de l'utopie libérale de nos années passée, et elle n'en a pas pour longtemps - dans un sens préfiguré par le modèle préhistorique que l'URSS aura illustré.

Pour ma part, je suis revenu, en tout cas, à des considérations moins éloignées du présent, axées sur l'instabilité de la transition, dont le modèle soviétique fournit l'exemple d'un cycle historique qui se clôt sous nos yeux. Avec le recul du temps - puisque ce cycle se clôt - il m'est apparu que la qualification de "*phase socialiste*" pour désigner la transition amorcée "*au-delà du capitalisme*" était plus trompeuse qu'utile. On peut certes qualifier ce socialisme lui même - et je l'ai accepté - de primitif etc. Il m'est apparu ces dernières années - mais déjà avant que ne se désagrège définitivement le système soviétique à partir de 1989 - que la caractérisation de cette transition en termes de "nationale populaire" était plus féconde. Elle met l'accent sur la contradiction entre les objectifs de cette phase et la logique de l'expansion capitaliste mondialisée (contradiction symbolisée par le qualificatif de national, qui fait référence à mon concept de déconnexion), comme elle met l'accent sur le contenu contradictoire du bloc populaire (qui n'est ni bourgeois, ni prolétarien c'est-à-dire à vocation socialiste). Ainsi analysée, la longue transition est par nature instable. Elle peut conduire au capitalisme, comme c'est le cas en URSS. Mais elle pourrait conduire ailleurs, et j'y reviendrai en conclusion de cet article.

4 - L'effondrement du système soviétique

Au terme du cycle soviétique désormais clos, un bilan s'impose. Celui-ci n'est certainement ni "globalement positif", ni à l'inverse "globalement négatif". L'URSS, et après elle la Chine et même les petits pays d'Europe orientale, ont construit des économies autocentrées modernes comme aucun pays du capitalisme périphérique n'est parvenu à le faire. La raison en est, selon mes analyses, que la bourgeoisie soviétique a été produite par une révolution nationale populaire (dite socialiste), tandis que les bourgeois du tiers monde, constituées dans le sillage de l'expansion mondiale du capitalisme sont, dans leur nature dominante, de type comprador. Simultanément le caractère ambigu de la révolution - sa dimension socialiste - a façonné une société dans laquelle les travailleurs ont acquis des droits sociaux (droit au travail, services sociaux) qui n'ont pas tous leur équivalent même dans le capitalisme central développé (où certains de ces droits ont été conquis tardivement de haute lutte, généralement après 1918 et

même 1945, en partie précisément par crainte du communisme), a fortiori dans le capitalisme périphérique sauvage.

Mais aujourd'hui l'option capitaliste ouverte de l'URSS et de l'Europe de l'Est met à nouveau à l'ordre du jour la périphérisation de leur économie et société, à laquelle les classes populaires (et même les bourgeoisies locales) ne sont pas préparées et la dépolitisation produite par le despotisme étatique aveugle. Ayant sous estimé cette dépolitisation et ses effets désastreux, aujourd'hui évidents, j'avais pensé que, pour cette raison, les peuples et les classes dirigeantes de l'Est devaient être capables de maîtriser l'évolution vers le capitalisme à laquelle ces dernières aspiraient à travers des réformes associées au passage graduel à la démocratisation politique. J'avais pensé que, dans ces conditions, les classes populaires pourraient infléchir l'évolution dans un sens favorable au progrès général du socialisme: un meilleur équilibre entre les aspirations socialistes des travailleurs (non seulement des droits sociaux, mais une intervention plus active dans la gestion économique de leur entreprise et du pays) et les exigences du marché (dans lesquelles se traduisent entre autres les aspirations de la bourgeoisie, mais qui ne se réduisent pas à cette dimension), susceptible (à travers la rénovation de l'alliance nationale populaire) de réouvrir le débat sur le socialisme à l'échelle mondiale (en Occident et dans les périphéries). Je dois faire sur ce point mon autocritique, puisque aujourd'hui cette perspective est exclue et que l'évolution à droite vers un capitalisme sauvage est irrésistible. Mais ai-je tort pour le plus long terme, lorsque les résultats de cette périphérisation imposeront leur évidence; lorsque les travailleurs auront constaté que les réductions drastiques de leur niveau de vie ne sont pas des sacrifices momentanés imposés par la transition (comme ils le croient) mais définitifs?

Cela étant dit il y a déjà longtemps que le système soviétique était entré dans sa phase de crise aiguë, devenue sa crise finale. J'avais analysé cette crise - qui se manifeste par les échecs répétés du système, incapable de passer de l'accumulation extensive qui avait été son succès au cours de la première moitié de son existence au stade d'une accumulation intensive (et cet échec démontrait, à mon avis, qu'il ne s'agissait pas d'un mode de production capitaliste puisque celui-ci par définition est fondé sur une accumulation intensive) - en termes de luttes sociales par la résistance des travailleurs (grâce au droit du travail, au fait que les directeurs d'entreprise n'ont pas la légitimité que le patron a en Occident etc.). Autrement dit je disais que le compromis social qui avait caractérisé la première phase du système et permis l'accumulation extensive (et derrière elle une certaine "*modernisation populaire*": éducation de masse, grande mobilité sociale etc.) était épuisé. Togliatti puis Berlinguer l'ont dit aussi, à leur manière. Il fallait donc ou bien aller de l'avant par une critique de gauche du stalinisme, ou bien accélérer l'évolution à droite vers un capitalisme normal et une

"modernisation élitiste", à la tiers monde. La bourgeoisie optait pour cette dernière solution: le marché (de manière à "faire travailler" les classes populaires par la menace du chômage - la chose a été dite dans ces termes depuis longtemps déjà), et la privatisation (de manière à stabiliser la bourgeoisie en fermant l'accès trop ouvert que la mobilité sociale implique - cette revendication n'est apparue clairement que dans les dernières années du système).

J'ai toujours refusé (et refuse toujours) d'assimiler cette crise spécifique du "mode soviétique" aux crises du capitalisme, dont la dynamique est totalement différente.

J'ai toujours également refusé (et refuse toujours) les analyses du système proposées par les appareils de propagande du capitalisme, popularisées par les médias:

- l'opposition proposée entre "l'économie de pénurie" (du socialisme) et "l'économie d'abondance" (du capitalisme) constitue un discours idéologique creux. Il est bien évident que la pénurie (les queues etc.) était produite par la fixation (volontaire) de prix permettant un large accès à la consommation, une concession aux pressions égalitaristes exercées tant par les classes populaires que par les couches moyennes. Il est évident qu'en relevant massivement les prix, il n'y a plus de queues... mais la pénurie, apparemment disparue, est toujours là, pour ceux qui n'ont plus accès à la consommation. Les magasins au Mexique et en Egypte regorgent de produits, et il n'y a pas de queues devant les boucheries bien que la consommation de viande per capita y soit très inférieure à ce qu'elle était en Europe de l'Est. Cette thèse infantile a néanmoins fait la fortune du hongrois Kornai, propulsé par la Banque Mondiale;
- "l'économie de commandement" opposée au "marché autorégulateur" mise à la mode par les universitaires américains est également d'un simplisme idéologique outrageant. L'économie soviétique réelle a toujours été fondée sur un mélange d'ajustements par le marché (opérant ex post et/ou prévus par le Plan, correctement ou non) et d'injonctions administratives (notamment en matière d'investissement). Le marché, idéalisé par l'idéologie dominante du libéralisme, n'a jamais été autorégulateur au-delà des contraintes du système social dans lequel il opère et des politiques d'Etat qui en définissent le cadre. Le vrai problème est ailleurs: la dynamique de l'accumulation opérant dans le cadre de la centralisation étatique du capital (correspondant à une classe-Etat intégrée) est différente de celle de l'accumulation capitaliste qui, à l'époque moderne, ne résulte pas des lois du marché définies *in abstracto* et idéalement, mais de la concurrence des monopoles;
- la soumission de l'ensemble de l'appareil économique aux exigences de la priorité donnée aux secteurs militaires était, jusqu'à

un certain point, un fait, au moins depuis 1935. Est-ce à dire que le système soviétique est "militaire" et - on le suggère - qu'il porte en lui de ce fait l'expansionnisme extérieur (par la conquête) "comme la nuée l'orage"? J'ai critiqué ces billevesées idéologiques, faisant pendant à la simplification selon laquelle le capitalisme est lui-même nécessairement et toujours "fauteur de guerre". L'analyse de l'importance relative - et du poids social - des dépenses militaires ne peut être conduite sur le terrain de la logique pure des modes de production; son terrain véritable est l'analyse de la structure et de la conjoncture des systèmes globaux, nationaux (locaux) et international (régional). Dans cette optique il est bien évident que la course aux armements a été imposée à l'URSS par ses véritables ennemis (et faux amis) que sont les puissances capitalistes, Etats Unis en tête, qui ont initié la guerre froide.

- le discours sur le "totalitarisme", dans ses versions universitaires prétentieuses (à la Arendt) ou dans celles infantilisées par les médias (pour faire passer l'adversaire comme "*l'Empire du mal*" - le terme est celui qu'un Président américain a utilisé, et dont on s'est abstenu de faire le rapprochement avec l'Ayatollah Khomeyni qui, finalement, ne s'exprimait que dans des termes analogues), n'a pas davantage de consistance. A-t-on oublié qu'il prétendait que la société, devenue amorphe, ne saurait jamais se libérer de ce type de despotisme?

5 - Critique des réformateurs soviétiques

J'ai critiqué dès l'origine - c'est-à-dire le milieu des années 60 - les propositions faites par les réformateurs soviétiques. J'y voyais une tentative de dépasser les impasses du stalinisme par la droite et non par la gauche.

Ces propositions illustraient ce que j'appelais "l'utopie de la construction d'un capitalisme sans capitalistes". L'école de Novossibirsk, dont sont sortis la plupart des inspirateurs de Gorbatchev, poussait la logique Walrasienne jusqu'à son terme: elle imaginait un marché autorégulateur pur et parfait, qui exige - Walras l'avait déjà compris et Barone exprimé dès 1908 - non la propriété privée parcellisée, mais la centralisation étatique totale de la propriété et la mise aux enchères permanentes de l'accès aux moyens de production à tous les individus, qui seraient libres de se proposer en vendeurs de leur force de travail ou en organisateurs de la production (entrepreneurs). Ce vieux rêve Saint Simonien de la gestion scientifique de la société, repris par la social démocratie allemande (Engels est le premier à y avoir vu le rêve d'un capitalisme sans capitalistes), exprime, poussé à ses limites extrêmes, l'aliénation économiste de toute l'idéologie bourgeoise, dont le matérialisme historique tentait de montrer le caractère irréel et utopique.

Or cette philosophie est la clé de l'ensemble des conceptions réformistes de Kroutchev à Gorbatchev, en passant même par ses versions édulcorées à

l'époque de Breznev. L'histoire a démontré que ces conceptions étaient intenables et que la dérive à droite devait aboutir à son terme: la transformation de la bourgeoisie soviétique en une bourgeoisie normale, propriétaire privée.

Ces tentatives expliquent que la "*révolution des années 1989-1991*" ait été faite par le haut, par la classe dirigeante elle-même, et non par le bas, par le peuple. J'avais fait une observation analogue, en son temps, concernant la "contre révolution sadatienne" de 1971 dont j'avais dit qu'elle n'était pas une contre révolution mais l'accélération d'une évolution latente déjà à l'époque nassérienne. Les médias occidentaux veulent présenter les révolutions de l'Est comme celles de la liberté, se gardant d'analyser la vulnérabilité de la démocratisation, qui risque fort d'être seulement le moyen d'assurer la transition au capitalisme sauvage, toujours nécessairement despotique comme on peut le voir par l'expérience historique des périphéries capitalistes. J'ai dit par contre que ces révolutions n'auraient mérité cette qualification que si le dépassement du système s'était fait par la gauche et que - telles quelles sont, elles ne constituent que des accélérations (mais prodigieuses et de ce fait inattendues) de l'évolution naturelle du système (en dépit de la thèse du blocage totalitaire).

Il reste que Gorbatchev pensait maîtriser ce processus de réformes, mais n'imaginait pas qu'il serait débordé par la majorité de la classe qu'il représentait (la nomenklatura) - comme le succès de Eltsine l'a montré, pas plus qu'il n'imaginait l'insignifiance du PC qui allait se révéler incapable d'opérer comme courroie de transmission du projet au niveau populaire. La bourgeoisie soviétique (la nomenklatura) sera la bourgeoisie de demain, s'appropriant directement les moyens de production, désormais à titre privé et non plus collectivement par le canal de son Etat. Mais s'il ne s'agit donc pas d'une révolution sociale, il s'agit d'un bouleversement politique d'une ampleur telle qu'il exige des changements radicaux au niveau du personnel dirigeant (comme cela avait été le cas dans la "contre révolution sadatienne", ce que j'avais signalé en son temps). De ce fait la montée parallèle d'une couche de nouveaux riches aventuriers (les "mafia" en URSS semblable à la bourgeoisie dite "parasitaire" en Egypte), l'éclatement politique dramatique de l'ancienne nomenklatura, la manipulation des aspirations nationales des peuples de l'Union défunte, étaient difficiles à éviter. Cela fait bien entendu l'affaire des puissances occidentales qui exploitent habilement cette situation (dans le chantage qu'elles exercent sur le terrain de l'aide financière) pour peut être repousser les frontières de la Russie à celles de la Moscovie du XVIIe siècle, ruinant ainsi tout espoir futur de ce pays d'être un concurrent important sur la scène mondiale.

Je fais ici également mon autocritique. J'ai pensé - comme Gorbatchev - que le système était capable de se réformer et qu'à cette occasion, même si le projet de réforme était plutôt de droite (dans sa conception de la gestion

économique), sa dimension démocratique positive permettait aux forces populaires d'en infléchir l'évolution à gauche. J'avais sous estimé le désastre que la dépolitisation allait entraîner. Au niveau populaire cette dépolitisation a vulnérabilisé les classes travailleuses, incapables d'utiliser positivement à leur profit la démocratisation, d'élaborer un contre projet positif. Leur désarroi les rejette de ce fait dans la passivité et/ou l'illusion, notamment des nationalismes. Au niveau de la classe dirigeante elle-même, domestiquée par le pouvoir suprême, la dépolitisation n'est pas moins dramatique. L'éclatement de la classe dirigeante ("conservateurs", "gorbatchéviens", populistes de droite" etc.) qui en résulte rend la réforme ordonnée par en haut impossible. Je pensais que le nationalisme de grande puissance de cette classe opérerait comme un garde fou. Il semble que j'ai sous-estimé l'appétit féroce des candidats au *consumismo*, prêts à sacrifier tout à la satisfaction rapide de leur ambition d'enrichissement. Comme j'ai surestimé le patriotisme (soviétique) des classes populaires. En fait celles-ci se moquent totalement des satisfactions que le rang que tenait leur pays pouvait procurer. Ce rejet du patriotisme est probablement sain par certains de ses aspects, puisqu'il permettra à plus long terme de remettre le projet social au devant de la scène. Mais il est aussi éminemment dangereux puisque, à plus court terme, les adversaires extérieurs ne manquent pas de l'exploiter pour tenter de périphériser la Russie et les autres nations de l'Union défunte, en faire - pour l'Europe occidentale et notamment l'Allemagne - "leur Amérique latine".

Politique extérieure et exigences sociales internes

1 - Sur la politique extérieure

Pour l'Union soviétique comme pour n'importe quelle société historique, les choix de politique extérieure s'articulent étroitement sur les exigences de la dynamique sociale interne. J'ai déjà dit que les thèses idéologiques - que l'URSS aurait été intrinsèquement agressive par exemple ou au contraire cherchait toujours la paix - n'avaient jamais emporté ma conviction. J'ai toujours proposé, en contrepoint, des analyses concrètes réalistes de la manière dont l'articulation intérieur/extérieur pouvait opérer en URSS d'une part, en Chine et dans les différentes régions du capitalisme développé (Etats Unis, Japon, Europe de la CEE) d'autres part, et par la même, orienter le système mondial vers différents scénarios possibles, avec des degrés de probabilité variables. Bien entendu, dans ce cadre, les représentations que les classes dirigeantes se font de la réalité (représentations correctes ou déformées) ne peuvent être ignorées; cela est valable pour tous les pouvoirs en place, qu'ils soient soviétique ou autres.

Il n'y a évidemment aucune garantie que de telles analyses réalistes soient nécessairement correctes. Influencées par les événements du moment, elles souffrent souvent des dangers d'une extrapolation abusive démentie par

la suite. J'en donnerai quelques exemples, qui constituent autant d'occasions d'autocritique.

2 - Bellicisme ou recherche de la sécurité?

L'analyse des politiques extérieures de l'URSS - et leur appréciation du point de vue des perspectives humanistes, démocratiques et socialistes à l'échelle mondiale - doit faire explicitement référence à la phase du système mondial dans laquelle se situent les politiques en question, objet de la critique.

Jusqu'aux années 60, le système soviétique a été relativement isolé et sur des positions défensives. Ce jugement que je faisais à l'époque me paraît toujours correct - même avec le recul du temps. Dans ce cadre, j'ai avancé quelques thèses sur lesquelles je ne m'étendrai pas ici, mais que je rappelle brièvement:

- les puissances occidentales - fascistes et démocratiques - n'ont jamais renoncé, depuis 1917, à abattre l'URSS et celle-ci, en dépit de son rôle déterminant dans la victoire de 1945, sortait épuisée de la confrontation, de surcroît menacée par le monopole nucléaire des Etats-Unis. Dans ces conditions les accords de Yalta ne constituaient pas un partage du monde entre impérialismes victorieux mais un minimum de garantie concernant sa propre sécurité que l'Union soviétique avait obtenu;
- l'Union soviétique, comme la Chine, le Viet Nam ou Cuba n'ont jamais cherché à exporter leur révolution, mais au contraire ont toujours pratiqué une diplomatie prudente sur le fond, s'assignant l'objectif prioritaire de protéger leur propre Etat. C'est pourquoi toutes les révolutions se sont faites presque contre la volonté du "grand frère": celle de la Chine contre les conseils de Moscou, comme celle du Viet Nam et de Cuba se sont imposées par elles-mêmes. Ce fait ne m'est jamais paru choquant et j'ai essayé d'en comprendre les raisons, sans toutefois accepter que les révolutionnaires doivent s'y soumettre. Au contraire ils doivent passer outre, mais, en contrepartie, ne compter que sur leurs propres forces. Ce que les révolutionnaires qui ont réussi ont d'ailleurs fait (Chine, Viet Nam, Cuba, Kampuchea, Nicaragua...);
- l'initiative de la guerre froide a été prise par Washington dès 1947. L'URSS s'en tenait rigoureusement au partage de Yalta (témoin son attitude vis-à-vis de la révolution grecque) et n'a caressé le projet d'envahir l'occident européen à aucun moment de son histoire. Le discours sur le bellicisme soviétique est de pure propagande atlantiste. Le jdanovisme (le monde partagé en deux camps) est typiquement défensif (il s'agit de justifier la non intervention de l'URSS hors des frontières de yalta) et ouvre une période d'isolement de l'URSS et, à partir de 1949, de la Chine, imposé par le bloc atlantiste qui lui, ne s'est jamais privé

d'intervenir dans le tiers monde (guerres coloniales, guerres d'agression israéliennes, etc.).

L'URSS et la Chine amorcent la sortie de leur isolement à partir de la Conférence de Bandoung (1955), en comprenant le profit qu'elles peuvent tirer d'un soutien - même limité - aux mouvements de libération du tiers monde. Je ne leur ai jamais reproché ce soutien, historiquement positif, mais je n'en ai jamais attendu plus qu'il ne pouvait donner, limité par la recherche active d'une coexistence pacifique refusée par le bloc atlantiste.

Simultanément l'effort militaire soviétique conduit, mais seulement tardivement (vers 1970) à un équilibre de dissuasion réel. A partir de ce moment, mais de ce moment seulement, l'URSS devient une Super puissance et on entre, de ce fait, dans une période nouvelle.

3 - Sur le social-impérialisme

La bipolarité qui caractérise les 20 années qui précèdent l'effondrement soviétique de 1989-91 reste asymétrique, du fait que l'URSS n'était superpuissance que par sa dimension militaire, sans que, au plan de la capacité d'intervention économique, elle n'ait été capable de concurrencer les impérialistes occidentaux.

Par ailleurs il n'y a jamais eu de symétrie entre les actions des deux super puissances et leur portée. Les Etats Unis et derrière eux l'Europe et le Japon, ont déployé une diplomatie dont l'objectif étant clair et les méthodes connues: s'assurer la domination des périphéries (l'accès aux matières premières, aux marchés, aux bases militaires, etc.). A travers cette stratégie commune, les Etats Unis ont établi leur hégémonie puis, lorsqu'au plan économique leur avantage sur leurs alliés a commencé à être érodé, ils l'ont utilisé pour maintenir cette hégémonie en déclin (la guerre du Golfe est le chapitre le plus récent de cette stratégie).

Les objectifs de l'intervention soviétique au-delà des frontières de Yalta restent plus difficiles à définir.

J'ai soutenu que l'objectif principal de ces interventions était de desserrer l'étau occidental, voire, à terme, de briser l'alliance atlantiste en séparant les Européens des Etats Unis. Le moyen par excellence choisi à cette fin était le soutien aux mouvements de libération du tiers monde et aux gouvernements du nationalisme radical (Palestine et monde arabe, Corne de l'Afrique, Angola et Mozambique, Etats "socialistes" d'Afrique). En rappelant à l'Europe sa vulnérabilité (menace potentielle sur son ravitaillement pétrolier par exemple), l'URSS l'invitait par là à se séparer des Etats Unis et à négocier. Néanmoins l'objectif stratégique n'était pas d'affaiblir l'Europe pour ensuite l'envahir, mais de l'amener à une coexistence pacifique active, susceptible de soutenir le développement économique de l'URSS (un développement lui-même mis sur des rails de droite). De Gaulle a été le seul homme politique européen à comprendre - et accepter - cette perspective. Le projet stratégique soviétique a donc échoué et ni les sourires de Kroutchev

ni le bâton agité par Brezhnev n'ont donné le résultat escompté, pas plus que les sourires renouvelés de Gorbatchev et Eltsine n'ont fait renoncer les Européens à leur objectif, qui est d'affaiblir au maximum l'URSS, et d'en favoriser l'éclatement.

Bien entendu le soutien apporté par l'URSS aux peuples et gouvernements du tiers monde était, dans ce cadre, limité. J'en ai toujours pris mon parti, l'acceptant comme tel (et le qualifiant de positif), sans jamais en accepter les légitimations théoriques (comme la théorie de la "voie non capitaliste" que j'ai critiquée en son temps), négatives pour le succès même des forces progressistes du tiers monde. J'ai été sur ce plan, bien entendu, vilipendé par les thuriféraires de l'Académie de Moscou (dont certains noms sont aujourd'hui en tête de liste des personnalités qui se proclament "anticommunistes"!) et les inconditionnels de l'URSS en Afrique, au Moyen Orient, à Cuba et au Viet Nam!

Pour moi les interventions de l'URSS n'exprimaient pas une volonté agressive "d'exporter la révolution" et d'imposer en fait sa domination, mais plutôt une stratégie défensive en position de faiblesse relative, malgré la parité acquise en matière de dissuasion nucléaire.

Il reste que ces interventions ont parfois été vues comme l'expression d'une force montante. Un examen du débat concernant le "*social impérialisme*" - un vocable forgé par les Chinois en 1963 - s'impose ici. Il s'agissait d'un projet de compromis social entre la bourgeoisie soviétique et son peuple (le "compromis révisionniste") analogue après tout au compromis social démocrate en Occident - qui aurait permis un expansionnisme extérieur (analogue à l'expansion coloniale soutenue par le consensus impérialiste en Occident). Il n'y avait dans ce concept rien qui fut surprenant, et impossible à imaginer. La question véritable n'était donc pas de savoir si la bourgeoisie soviétique aurait ou n'aurait pas souhaité sa mise en oeuvre, mais si elle en était capable. La réponse à cette question reste, à mon avis, ouverte.

Il y a bien eu des signes évidents qu'une partie au moins du pouvoir soviétique avait songé un moment à s'engager dans cette voie. Au cours des années 60, un véritable plan d'agression contre la Chine avait commencé à être mis en oeuvre, s'assignant ouvertement l'objectif d'un dépeçage de la Chine, à partager entre l'URSS, le Japon et les puissances occidentales (un ouvrage du sinistre Victor Louis est sur ce sujet explicite).

Dans ces conditions, je ne ferai pas d'autocritique concernant ce que j'avais écrit à l'époque, en consonance avec l'hypothèse du social-impérialisme. Mais il reste que Moscou a reculé quelques années plus tard.

Le régime de Brezhnev continuait néanmoins à apparaître - de l'extérieur - fort, et la plupart des analystes antisocialistes semblent l'avoir jugé tel à l'époque. J'avais, pour ma part, quelques doutes sur cette force apparente, et

m'expliquais précisément par cette raison qu'il avait renoncé à son agressivité à l'égard de la Chine. J'exprimais alors plutôt la crainte d'un dérapage possible de ce régime (l'inutile invasion de l'Afghanistan témoignait de ce genre de risque) dont la force reposait de plus en plus exclusivement sur la puissance militaire, tandis qu'il ne cherchait plus à convaincre le monde de ses convictions socialistes. Il faisait au contraire sur ce plan des concessions qui, à mon avis, témoignaient de ses difficultés économiques et du succès très relatif seulement de la ligne de droite qu'il mettait en oeuvre pour les surmonter.

4 - Sur les scénarios d'évolution du système mondial

Les analyses proposées par les uns et les autres au cours des années 1970-1990 concernant les différents scénarios possibles d'évolution du système mondial valent ce que vaut ce type d'exercice dont j'ai signalé les limites et les dangers. Il reste cependant un exercice utile parce qu'il contraint à expliciter ce qui reste trop souvent implicite dans les analyses qui ne se soumettent pas à la rigueur de ses raisonnements (téméraires) qui poussent jusqu'au bout la logique de leur développement.

Je ne passerai pas en revue, même rapide, les principaux débats auxquels j'ai été amené à participer au cours de cette période. Certains de ces débats sont aujourd'hui définitivement dépassés. Par exemple l'idée d'un scénario global renforçant à l'échelle mondiale les positions du "social impérialisme" soviétique, tirant profit du déclin américain et opérant un rapprochement entre son propre "compromis révisionniste" interne et un compromis plus ou moins analogue fondant une Europe de gauche, n'a guère de sens aujourd'hui, s'il en a jamais eu autre qu'en qualité de jeu de l'esprit. Il m'était pourtant paru un moment intéressant et je fais sur ce point mon autocritique, l'erreur étant fondée sur une sous-estimation des faiblesses internes du système soviétique et une surestimation de la gauche européenne.

Par contre les débats concernant les grands regroupements d'alliances internationales possibles (axe Paris-Bonn-Moscou, axe Washington-Tokyo-Pékin, etc.) restent d'actualité, comme la discussion des scénarios contrastés sur lesquels ces regroupements pourraient s'articuler (ralliement atlantiste de l'Europe, approfondissement de la divergence Etats Unis-Europe, évolution à gauche de l'Europe). Les arguments gardent leur validité même si l'évolution des conjonctures du moment dans un sens ou un autre valorise ou dévalorise les probabilités des différents scénarios considérés. Quatre ensembles de questions que j'avais posées demeurent à mon avis centrales, même aujourd'hui après l'effondrement du système soviétique:

- L'intégration de l'Est au système mondial peut-elle constituer un élément important dans l'issue à la crise du capitalisme mondial (car il s'agit bien de cette crise puisque le "socialisme" n'existe plus!)? Question posée il y a plus de cinq ans, aujourd'hui plus que

jamais à l'ordre du jour, même si la réponse que je lui avais donnée (l'URSS bourgeoise maîtrisera son intégration au capitalisme mondial) me paraît, à court terme tout au moins, démentie par les faits;

- Le projet d'une reconstitution d'un marché mondial intégré est-il viable? Question également posée (indépendamment de savoir si l'URSS - intégrée dans ce marché - y occuperait une place de centre capitaliste nouveau ou celle de nouvelle périphérie industrialisée) il y a plus de cinq ans et qui reste d'actualité. Je maintiens sur ce plan ma position de principe à savoir qu'il s'agit d'une utopie (voir à ce propos mes développements dans *l'Empire du chaos*);
- L'affaiblissement des luttes sociales conséquentes dans les différentes composantes du monde actuel au profit immédiat de la rivalité et du conflit des Etats (existants et potentiels, ces derniers issus de la décomposition des Etats multinationaux) fait-elle de l'Etat et de la Nation des sujets actifs de l'histoire, au même titre que les classes? On retrouve ici le vieux débat des années 60 à partir de la thèse chinoise des "trois mondes" "les Etats veulent l'indépendance, les Nations la libération, les Peuples la révolution". Je n'y reviens pas mais ne trouve pas que ce que j'ai pu exprimer sur ce sujet à l'époque soit aujourd'hui démenti, bien au contraire. Ma thèse sur le chaos reprend en fait ce discours pour le poursuivre plus loin dans les conditions de notre époque.
- Les évolutions qui se dessinent vont-elles dans le sens de la constitution d'un bloc eurasiatique (Europe-URSS), au sens Gaullien et à celui du projet Gorbatchevien de la "*maison commune*"? Ou bien le caractère velléitaire des politiques de l'Europe, ses contradictions internes, son ralliement atlantiste, et le rapprochement direct Moscou-Washington ont écarté ce "cauchemar pour les Etats Unis"? Je crois que dans l'immédiat c'est ce second souffle donné à l'hégémonie américaine, éclipsant à nouveau l'Europe (au profit des "brillants seconds" des Etats Unis: le Japon et l'Allemagne), qui a le vent en poupe. Ici également je renvoie à *l'Empire du Chaos* et à mes développements concernant la *Géopolitique de l'hégémonie américaine*.

Conclusion

Vive le socialisme à venir

L'effondrement du système soviétique - bien que prévisible depuis longtemps - est certainement un événement majeur de notre époque. Tous les raisonnements et schémas concernant l'avenir doivent certainement être repensés dans les conditions nouvelles créées par cet événement. Mais cela n'est pas l'objet de cet article. Je renvoie donc le lecteur sur ce sujet à *l'Empire du Chaos* et à la *Géopolitique de l'hégémonie américaine*.

Cet effondrement signifie-t-il la "fin du socialisme et celle du marxisme" comme se plaisent à le répéter les médias dominants, la "fin de l'histoire, le triomphe d'un consensus monolithique qui assure la pérennité de l'esprit capitaliste? Je crois qu'il s'agit là de billevesées, même si, d'évidence, une époque se clôt.

L'époque du socialisme I, constitué au XIXe, s'est clôt en 1914 par la faillite des partis sociaux démocrates de la IIe Internationale devenue ouvertement complices de leurs impérialismes nationaux. A juste titre Lénine a déclaré à ce moment que ce Socialisme I était mort.

Le Socialisme II qui lui a succédé, celui de la IIIe Internationale et du léninisme est aujourd'hui mort à son tour, après une longue maladie. Dès 1963, j'écrivais que le progrès du socialisme exigeait une rupture avec le soviétisme aussi radicale que celle que Lénine avait opéré en 1914. Il est d'ailleurs significatif qu'aujourd'hui le système soviétique, dans son ralliement ouvert au capitalisme, rejoint les positions "anti tiers monde" (c'est-à-dire anti 75% de l'humanité!) dominantes dans la culture occidentale.

La mort du fils ne ressuscite par le père. Il appartient au petit fils de poursuivre l'oeuvre de ses ancêtres. Vive donc le Socialisme III à venir.

Les lignes directrices de ce Socialisme III à construire se dessignent-elles déjà? Je le crois et ose avancer sur ce terrain les trois leçons que j'avais tirées au cours des trente dernières années de ma double critique du système soviétique et de la mondialisation capitaliste:

- mettre en avant la dimension "faire autre chose"; en lieu et place de la priorité "rattraper à tout prix".
- accepter que la polarisation mondiale implique que la "déconnexion" est incontournable, même si, d'évidence, ses modalités doivent être sans cesse revues à la lumière des contraintes de l'évolution générale;
- développer une action systématique en direction de la reconstruction d'un monde polycentrique ouvrant des espaces d'autonomie au progrès des peuples.

Ces trois conditions commandent une renaissance possible et nécessaire d'un internationalisme des peuples de la Planète entière capable de combattre "l'internationalisme du capital" ouvrant par là la perspective - fut-elle lointaine - d'un socialisme qui ne peut être que mondial - à la hauteur du défi de la mondialisation sous peine de dégénérer rapidement et de périr.

J'avais proposé il y a une dizaine d'années qu'on ouvre un débat sur la "transition au-delà du capitalisme" en réfléchissant à nouveau sur l'expérience de l'histoire dans sa longue durée, libérée du contraste scolastique "réforme ou révolution". J'avais suggéré dans ce cadre de reconnaître qu'il y avait deux formes de transition: l'une impliquant une

certaine conscience idéologique capable d'expliciter les exigences du nouveau projet social (cette voie, que j'ai qualifiée de révolutionnaire - sans exclure l'achèvement de celle-ci par une succession de réformes progressives et cohérentes - a été celle du passage au capitalisme), l'autre n'impliquant aucune conscience idéologique, les contraintes objectives se frayant alors la voie par elles-mêmes (j'ai qualifié cette voie de "décadence", parce qu'elle implique effectivement la désagrégation anarchique du système ancien, et en ai trouvé un exemple dans le passage au féodalisme européen).

Le monde moderne est confronté à une situation analogue de même que la centralisation tributaire de l'empire romain était devenue un obstacle au progrès des peuples barbares et que ce progrès exigeait l'éclatement de cette centralisation que le féodalisme a représenté et sur la base duquel s'est reconstruit beaucoup plus tard une nouvelle centralisation du surplus que le capitalisme a réalisée, de même aujourd'hui la centralisation du surplus par le capitalisme à l'échelle mondiale est devenue un obstacle au progrès des trois quarts de l'humanité. La reconstruction d'un système mondial unifié dépassant la polarisation capitaliste passe alors par la désagrégation du système de centralisation capitaliste du surplus (la "déconnexion").

L'humanité maîtrisera-t-elle (fut-ce au mieux relativement, comme toujours) cette transition? Elle ne peut le faire qu'à travers la renaissance d'un mouvement du socialisme III, mondial et conséquent. A défaut, les contraintes objectives se fraieront la voie à travers une longue décadence de la société, par la violence redoublée de conflits insensés, c'est-à-dire par la barbarie. A une époque comme la nôtre, où la puissance des armements peuvent détruire la Planète entière, où celle des médias peut domestiquer les foules avec une efficacité effrayante, où l'égoïsme à court terme - l'individualisme antihumaniste - érigé en valeur fondamentale menace la survie écologique de la Terre, la barbarie risque d'être fatale.

Plus que jamais l'option n'est pas: Capitalisme ou Socialisme, mais Socialisme ou Barbarie.

Sources

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Workers in Nigeria's Social Development Experience: A Critique of Current Mythologies

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Résumé: Un ensemble important d'ouvrages sur la classe ouvrière s'est appesanti sur sa position privilégiée. Ainsi l'ouvrier fait partie soit de la coalition de l'élite urbaine, soit d'un groupe social puissant qui s'est adjugé une part démesurée des ressources nationales. Ces dernières années, cette position s'est déplacée vers le centre de l'explication de la crise africaine, et a souscrit aux instruments de politique liés à l'ajustement pour corriger cette anomalie. Le présent document examine la validité de cette caractérisation du travailleur africain et soutient que ces arguments ne sont pas étayés par les preuves empiriques dont on dispose, pas plus qu'ils ne sont valides sur le plan conceptuel. L'étude s'intéresse au marché du travail, au revenu, au statut-identité, à la pauvreté, à l'accès à l'éducation, à la santé, et aux soins de santé.

Introduction

A central aspect of the conventional wisdom in the explanation of worker aspect of the African development crisis is the idea that workers are elements of the privileged, consumptionist labour aristocracy or the urban elite coalition. De-constructed, it presupposes a privileged labour market defined by stable employment and income giving greater accent to workers' existing privileges over the peasant farmer or the 'semi-proletarianized worker. A reproduction of the Japanese myth of 'job for life' is fostered as existing for the 'modern' sector. Mobility between the 'formal' and 'informal' sectors is often precluded, and a false impression of the experience of 'modern' sector labour process as blissfully privileged is conveyed. Furthermore, elements within the old variant of this explanation, most typified by the writings of Emmanuel Arrighi and John Saul, suggest that in income, social status, and self-identification, the labour aristocrat-worker identifies with other urban elites, not the "urban poor". Social welfare spending is skewed in favour of the urban areas further accentuating the privileges of the worker-aristocrat. The characteristics are deemed antithetical to accelerated development! In this paper, I examine the labour market experience of the Nigerian worker, his/her location in national income distribution profile, poverty and workers' self-identification. While cast as a specific critique of the conventional wisdom, issues of employ-

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ment, wealth and income inequality, poverty, etc. key indicators of social development.

The specific manifestation of these opinions have been treated elsewhere and therefore need not delay us here¹. Significant though, is the use of these ideas to explain the African crisis and to rationalize the imposition and implementation of the structural adjustment programme of the World Bank and the IMF. While the articulation of the ideas by Arrighi (1967), Arrighi & Saul (1973a, 1973b, 1973c), Berg (1969), took the form of intellectual discourse, by the late 1970s and the 1980, the conventional wisdom had become the basis for policy instruments (Lipton, 1977; Bates, 1984; World Bank, 1978, 1981).

Workers, Status and the Labour Market

The image of the labour market situation of the African worker one gets is of someone abandoning the 'worthwhile' existence of the village for the neon lights and glamour of the city in the Bank's wisdom. The creation of huge state-sourced waged jobs, depletes the rural areas of the necessary manpower creating distortion in education market by inducing the prospective-city targeter to demand for qualifications and skills relevant to the white-collar jobs. The new-recruits marching on the cities, can then be expected to walk into well paying jobs with privileged status. Neat and precise, maybe - and the script may be a prospective Hollywood box-office hit - but it simplifies what is a very complex process, and creates myths. First, the development of the western education in Nigeria was greatly restricted. The number of secondary schools were limited even by the 1940s, and the first university did not exist until 1948, and then after intense agitation. The development of the 'skill market' was restrained for a number of reasons; the colonial regime's narrow definition of what an African needs to get through the day, restriction on the development of a trouble-making educated class, etc. By the late 1950s and 1960s, these policies were resulting in serious manpower shortage at various levels. So for one, it was hardly a case of over-production of white-collar personnel². When the AG Western Regional government in 1952, and the Federal Government in 1976 decided to make primary education universal and free, the motive was raising the literacy level to enhance basic skill. The rapid expansion in primary and university education in the early 1980s was motivated by similar desires. The job market situation up to the 1970s suggested a supply

1 Cf. Adesina, 1990c, 1991. See the *References* for some sources.

2 The attempt by the emergent political class to expand education, at regional and federal levels, was constrained by fund (Awokoya, 1969).

constraint on several fronts, which became acute in 1976 after the creation of new states.

It is true that most young persons with primary and secondary education emigrate from the rural areas. It is also true that job aspiration at the time of entry is usually the formal sectors (Ndegwa & Powelson, 1973; Fapohunda 1978a,), but the desire usually wears out for most and the majority end up in the informal sector. Migration, more significantly, is a result of absent job prospect in the rural area, which seems to me a perfectly logical market-led behaviour! As Fapohunda's survey in Lagos showed, 53.6 per cent of the respondents left to look for work in Lagos, another 28.7 per cent to school or learn a trade (Fapohunda, 1978a). We confront another aspects of the myth when we look at some unemployment figures. In 1935 in Lagos, for instance, 56 per cent of the self-registered unemployed were born in Lagos, not immigrants (Hughes & Cohen, 1978, p.49). Figures for the subsequent years might not be so concentrated but it is quite instructive.

For the category of immigrants we are interested in, job prospect hardly extends beyond the lower echelon of the private or public sector enterprises. Insertion into the labour market for most of them starts with taking up residence with kinsmen or relations. Contrary to the assumption of the LAT, a working class residential exclusivity from the (the rest of the) 'urban poor' is not supported by any of the studies on Nigeria. Our immigrant-job seeker takes up residence with others in the mainly urban poor neighbourhoods; (formal and informal sector) workers, informal sector operatives, etc. He or she depends on them for sustenance and job market information. Some will secure jobs in the formal sector, but most will end up as workers in the informal sector. As confirmed by Peace's (1979) study at Agege, on the outskirts of Lagos, the cycle of responsibility shifts to the newly employed. Often they will be supporting new immigrants or others who become unemployed, "constitut[ing] a drain on whatever financial surplus permanent workers may accumulate" (1975, p.288). This is in addition to repatriating money to relatives in the rural area, no matter the constraints of urban life. As Callaway remarked:

in many cases, those school leavers who have found paid work show remarkable restraint and save a high proportion of their low incomes, often sending money back home for the education of younger brothers or sisters. (1969, p.142)

The image of a full proletarianized working class which cuts itself away from extended family obligations is of doubtful validity³. As will be

3 Saul's response to these evidences was to turn the relationship round: in place of selfish aloofness, supporting others is indicative of patron-client relationshipl.

discussed later, there is very little to show that these workers constitute a privileged group with 'high-status' and income.

In assessing the labour market experience of workers there is also the need to appreciate the inappropriateness of a skill/unskilled dichotomy. Most process jobs in the industrial sector require very little pre-employment skill beyond basic literacy, and this has been an integral part of investment programme of the Multinational Corporations (MNCs) in Nigeria. Here, the BAT subsidiary, the Nigerian Tobacco Company is an example of this trend in the 1940s and the 1950s. As Kilby noted, the choice of technology within the protected Nigerian market 'has been governed by the motives of sales maximization... The ability to expand output and capacity rapidly... provide a full range of brands... [and] to have uninterrupted supply". (1969, p.84-85). High automation was combined with unskilled local manpower, most with little more than primary education. No substantial training outlay was required other than attaching them to 'skilled operators' with greater "experience and demonstrated ability" on the machines (*ibid.*). Braverman (1974) has noted that this "skill" amounts to little more than dexterity at machine tending. Although designated a skilled worker, the 'skill' is not easily transferred beyond the specific labour process. In terms of educational qualification, the workers were no more qualified than those in the secondary or tertiary labour markets. A loss of job in the core labour market, means a return to the cess pool of unemployment. The precarious character of remaining in the core labour market firm has a sobering effect on individual workers and capacity for collective action. By contrast, it facilitates the development of a very authoritarian managerial control of the workforce. This is the aspect that is often missed in the celebration of the "enlightened" managerial disposition of these firms⁴.

These features of the core labour market jobs were equally evident in 1986 in the Warri Refinery, in southern Nigeria (Adesina, 1989a). Except for individual educational qualification, the skill basis for workforce stratification is tied to the refining labour process, and is even less transferrable given the wide peculiarities of refining technology. Within the first six years of operation, about 25 per cent of the mainly junior staff were fired. With the squeeze in the labour market after 1984, sacking became a prominent form of disciplining the workforce (*Ibid.*). While career mobility may be better than in the informal sector, this can easily be exaggerated. Highly structured occupational boundaries, marked by formal educational qualification, predefine the limit of such mobility (Adesina, 1989a, ch.5). The experience of the labour process, among these 'privileged' workers is

4 And I should know; I grew up in an "NTC home". My parents met in the 1950s as shopfloor workers in the Ibadan factory.

often as physically excruciating as it is in emotional terms. This is more so among shift workers, where their total existence rotates around work and getting ready for work (*ibid*, ch.4). Many expressed the feeling of being caught between the authoritarian control of work, its dead-end nature, etc., and the horrors of unemployment (Adesina, 1989c, 1990). The 'privilege' of work derives more from the greater danger of 'being out on the street'. Again the experience of the refinery workers may not apply to all industrial workers much less civil service workers, but it is instructive⁵. The assumption that formal sector employment is *ipso facto* evidence of privilege, is pure tautology. Someone does it because it is privileged, it is privileged because someone does it. Again it mystifies rather than illuminates.

The problem with becoming unemployed is the dependence on relatives and neighbours, which as evident in Peace's (1979) Agege study is largely made up of co-workers circulating between jobs, petty-commodity producers, artisans and other informal sector operatives. That many workers end up in the informal sector is not to suggest that the workforce of the big firms show evidence of instability; the reverse is most likely the case. The point is that this circulation between the labour markets - apart from income distributional and residential issues - does not allow for the status demarcation assumed in the LAT and some of the NCW, to solidify⁶. This is more so given the relative permanence of unemployment as a feature of the Nigerian working class. As I noted earlier, by the mid-1930s there were about 4,000 registered unemployed in Lagos alone. Majority were born in Lagos, and many were clerical and skilled workers (Hughes & Cohen, 1978). Whatever privileged status existed, relative to the informal sector operatives, has a way of being pruned by unemployment. Labour market instability was a recurring feature of the 1940s and the 1950s: from the labour surplus of the 1940s, to the labour shortage of the 1950s in Western Nigeria, as a result of the cocoa market boom (Weeks 1971b). It would seem that, rather than being trenchantly urban bound, job boom in the rural areas does relocate employment seekers in that direction.

From the late 1950s, however, unemployment among unskilled, semi-skilled and process workers became a permanent feature. In 1956 there were 11 job seekers for every job available. By 1960 and 1966 the situation had worsened to 16 and 24 persons, respectively for every vacant job on the labour exchange register (Fajana, 1975b, p.160). The extent to which this

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- 5 The labour process experience of the glass factory and the steel plant workers in the town were remarkably similar to that of the refinery workers.
 - 6 One should not confuse this with workers who move up the firm's occupational ladder into petty-bourgeois level, and thus emigrate outside the 'working class' A factory hand rising to become divisional manager for instance.

reflects the situation on the ground is circumscribed by a number of factors. First, labour exchange statistics reflect only those registering for employment and those declaring vacancies. In the absence of unemployment benefits there is little incentive to register, so the real level of unemployment is under-represented. This is evident in the returns made by the labour exchanges across the country between 1986 and 1988. In late 1986, the military regime established the National Directorate of Employment (NDE) to coordinate the implementation of a number of job creation programmes. Prospective beneficiaries of the projects were required to register with the labour exchanges. Unemployment figures for 1987 revealed a sharp rise of between 50 per cent and 1200 per cent in labour exchanges across the country. While some of the registered unemployed (fresh registration in Table 1), can be accounted for by those in unfulfilling or underemploying jobs, there is little doubt that a substantial proportion are those previously uncaptured by labour exchange-based unemployment statistics⁷. Between 1986 and 1987, total (national) registered unemployed rose by 70.37 per cent, mostly accounted for by the 155 per cent rise in those registering for the first time. A year after the NDE directive, total registered unemployed fell by about 20 per cent, and *fresh registration by over 62 per cent*. By contrast those re-registering - perhaps not absorbed by the NDE projects) rose by 96 per cent.

Second, vacancy declaration may reflect available jobs in the formal capitalist sector and under-represent job openings in the petty commodity sector. For the purpose of our analysis, however, we can surmise that the latter sector will have to absorb the 'surplus' labour, although the capacity to do so is extremely limited (Fapohunda 1978a, 1978b). If it does, then the workers are subsumed under informal sector entrepreneurs, by no means your big time capitalist. With the mobility between the two sectors, the assumption of a privileged or aristocratic working class is circumscribed. Given the caveats in interpreting the labour exchange data, the situation for the 1970s and the 1980s reflects the continuation of a labour surplus market.

As Table 1. shows, at no time were less than two people competing for every vacancy declared. This trend is captured by the row on per capita jobs available. By 1985, there were more than 90 registered unemployed for every registered vacancy. Except for 1987 - which reflects the NDE projects - the chance of securing jobs through the labour exchange has been declining since 1979; from 67.26 per cent to 17.7 per cent in 1988. The proportion of those re-registering confirms the precarious nature of employment raised earlier. The over-riding picture is that while SAP

7 Cf. my "Adjustment, Unemployment and Urban Women: quantitative problems, impact and emergent issues" (mimeo, Department of Sociology, University of Ibadan, 1989).

**Table 1 - Registered Unemployed and Vacancies Declared
(Lower Grade Workers) 1973-1988**

Classification	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Total Registered	15196	14648	15740	99824	86023	75918	88565	86397	81438	106496	112588	120945	81277	85158	145084	116162
Old Registration	...	...	...	14203	16265	13810	17317	22883	21609	15688	25131	30670	27926	27210	33967	66625
Fresh Registration	...	...	...	85621	69758	62108	71248	63514	59829	59256	55339	50108	28116	31273	79718	30003
Re-registration	...	...	...	...	...	...	...	...	...	31549	32118	40167	25238	26675	31399	19534
Vacancies Declared	2921	4799	2680	32196	36280	45482	26599	23714	21935	19943	18310	14612	6348	13050	16502	14154
Placements	...	...	...	13902	13351	27517	17891	13826	11131	8276	7394	3865	1755	2378	4988	2506
Per capita Jobs Available	0.19	0.33	0.17	0.32	0.42	0.6	0.3	0.27	0.27	0.19	0.16	0.12	0.08	0.15	0.11	0.12
Fresh Registration as Percentage of Total	...	...	...	85.77	81.09	81.81	80.45	73.51	73.47	55.64	49.15	41.43	34.59	36.72	54.95	25.83
Percentage Chance of Placement	...	...	...	43.18	36.8	60.5	67.26	58.3	50.75	41.5	40.38	26.45	27.65	18.22	30.23	17.71

Source: 1973-1975, 1982-1988 figure: CBN, *Annual Reports and Statement of Account*, relevant years. 1976-1981: FMLP: *Quarterly Bulletin of Labour Statistics*, 1981, 1-4

...: Data not available or cannot be computed due to missing values.

N.B.: 1985 and 1986: January - September. Last three rows computed from available data.

aggravated the unemployment situation, the trend has always been there. Oil boom never quite translated into sustained expansion in the labour market, and whatever gains were made in employment petered out by 1979. The boom largely passed the workers by.

When we link the above with the trends in employment and productivity growth in Nigeria's industrial sector, some long term features become evident. The key industries that registered substantial growth in productivity in the 1963-74 era never marched this with job expansion⁸. This confirms the continuity of the capital-intensity of Nigeria's import substitution industrialization that many authors noted in the 1960s. If unemployment is combined with the insecurity in jobs, limited career growth, and decline in real earnings, the case of a privileged high status worker may be less correct than its advocates suggest. The proportion of Nigerian workers in the informal sector is also too high to support the aristocracy thesis, on their location in the social status structure of the society.

Workers, Income Distribution & Poverty in Nigeria

The privileged status argument is often made in relation to assumed income differential between workers and peasants. First there is need to emphasize the analytical crisis in such comparison. To focus on distinctions between two segments of the dominated social bloc in two separate modes of production may be politically comforting to the advocates of the dominant social bloc, but it is fraudulent. It involves the decentering of production⁹ as the analytical starting point of social inequalities and poverty. Politically it pitches one segment of the dominated bloc against another. But how empirically valid is the claim?

Two sensitive studies of rural-urban income distribution, and workers' location in the distribution pattern can be cited. One was in Northern Nigeria by Hinchliffe (1974). This study include Kano. The other study on Lagos was conducted by the ILO (1982). The concentration of industrial output and employment in Kano and Lagos, as a feature of Nigeria's industrial growth, justifies their usefulness in assessing the national trend.

8 Cf. Table 3.7 in my *Labour in Nigeria's Development Experience: a critique of some explanations of the African Crisis*, (CODESRIA Monograph Series, forthcoming) and "Wages and Productivity in the Explanation of an African Crisis: myths, statistics and lame lies", in Thandika Mkandawire & Eghosa Oshagae (eds.), *Between the State and Civil Society*, CODESRIA Books Series (forthcoming).

9 This refers to the abandonment or non-recognition of the mode (or more appropriately, the sphere) of production as defining the modes of appropriation of surplus and the reproduction of *social life* for a preoccupation with the sphere of circulation and modes of distribution/appropriation. Weberian sociology, like neo-classical and keynesian economics, has the decentering of production as its defining characteristic.

The data for Hinchliffe's study is from three sets of data collected between 1966 and 1972, at the Ahmadu Bello University, Zaria. The first set on three villages in the North Central State (now Katsina & Kaduna), covered "income, hours of work and division of output among the members of the rural family households" (*ibid*, p.59). This study was undertaken between 1966-67. The other in 1970 covered some rural households in Kwara State. The third set of data collected in 1972, covered factory workers and informal sector operatives (employed and employers) in Kano. If there is going to be any bias, it will be in appreciated workers' income. The textile factories used in Kano were also the better paying ones. One must also take cognisance of the wage increases that followed the awards of the Adebo Commission in 1972.

After controlling forage, educational level, etc. the initial estimate was that the farmers earned between 9d. and 1s. per hour, the informal sector workers about 9d., the informal (small-scale) sector employer, about one shilling and half a penny. The factory workers had an average hourly pay of 1s. 6d., which might suggest a differential of between 50 per cent and 100 per cent. However, adjusting for a limited cost of living, i.e. rents, the disposable earning of the urban small scale sector worker fell to eight and half pence an hour - below the average income of the farmer. The factory worker's income dropped to 1s. 2d. an hour. The differential fell to between 9 per cent and 55 per cent (Hinchliffe, 1974). The differential, Hinchliffe suggested, is likely to be even lower: informal operatives were reluctant to declare their total income, while there was direct access to the factory workers' pay through their pay offices. There was also the problem of under-estimating the farmers' income (especially in kind) at the individual and household levels. The proportion of female members' contribution to the household income was higher in the rural area than in the urban.

One should also note that the two rural surveys, 1966-67 and 1970, showed a 67 per cent 'appreciation' in household income, and a 73 per cent in individual male income. This can be a reflection of geographical variation or real appreciation in income over a three year period. Chances are that the inter-sectoral differentials would have diminished further given the two year lag between the last rural survey and the urban survey. But we will still be conducting the discussion within the parameters set by the purveyors of the conventional wisdom, i.e. intra-dominated bloc differentials. Here it is important to highlight intra-urban as well as intra-rural inequalities. Considering that the proletarian-worker with whom we are concerned are predominantly urban-based, I will for the moment concentrate on intra-urban inequalities. This exposes the intense class basis of income and wealth as well as the heterogeneity of urban-resident, making absurd the very notion

of urban coalition of the sort suggested by the conventional wisdom¹⁰. The ILO study, conducted in the mid- to late-1970s, assessed income differentials and inequality in rural and urban areas of Nigeria.

The data collected from a variety of sources - including national accounts figures and survey - and assessed for reliability was disaggregated to take care of a number of factors. These include differences in the composition of household incomes in rural and urban areas and across sectors of the urban area; price differentials in urban and rural areas, etc. The first stage was to consider income differentials among the low-income groups.

Table 2: A Comparison of Incomes Among Low-Income Groups, 1978

Groups	Income (Naira p.a)		Percentage Earning Less Than		
	Average	Median	Average Agricultural Income	Average Informal Sector Income	Average Unskilled Wage
Agricultural	785	650	37%	40%	46%
Informal Sectors	740	350	75%	80%	85%
Street Sellers	350	260	90%	95%	100%
Tailors, etc.	1,000	700	50%	55%	70%
Unskilled Workers	810	710	21%	55%	35%

Source: Jamal/ILO/JASPA (1982, p.11, Table 5).

While the street seller in the informal sector, in 1978, was much worse off than other low-income groups, the average income among the other segments was much narrower. The average family income of the unskilled worker was estimated at around ₦2 per month higher than the peasant farmers. The average unskilled workers' family would however earn about ₦16 less than the informal sector tailor. The median peasant farmer did much better than the median informal sector family, and ₦5 a month worse off than the median urban based unskilled family. Income differentials within the informal sector yielded a Gini Coefficient of 0.35 (ILO, 1982, p.14), but the income inequality across the urban area (Lagos) was much

10 Most of these proclamations - as is the whole of neoclassical economics and weberian sociology - is rooted in the methodology of logical abstraction. Its selection of concepts, and the prioritization of variables and problematic are, almost as a rule, *arbitrary and irrational*. Logical abstraction does not lend itself to the rule of empirical validation either; as curious as that may be for an ostensibly scientific endeavour. Where the empirical and the categories of logical abstraction collide - as they often do - the former is privileged.

**Table 3 - A Consolidated Distribution of Income in Urban Nigeria
1973 - 1974**

Groups	Number (Thousands)	Aggregate (Million Naira)	Average Income (Naira p.a)	Percentage		Cumulative	
				Numbers	Income	Numbers	Income
Unskilled Workers	390	125	320	10.9	2.2	10.9	2.2
Informal Sector I (Street Vendors)	700	262	374	19.6	4.7	30.5	6.9
Informal Sector II (Tailors, Mechanics, Carpenters)	1,000	538	538	27.9	9.7	58.4	16.6
Semiskilled Workers	337	236	700	9.4	4.2	67.3	20.8
Skilled/Clerical Workers	470	705	1,500	13.1	12.7	80.9	33.5
Informal Sector III (Small Shopkeepers, Taxi owners)	300	654	2,181	8.4	11.8	89.3	45.1
Professional, Nigerians	55	248	4,500	1.5	4.5	90.8	49.8
Formal Sector Entrepreneurs	300	2,493	8,310	8.4	44.9	99.2	94.7
Non-Nigerian	27	297	11,000	0.8	5.3	100	100
All Groups	3,580	5,558	1,553	100.0	100.0		

Source: Jamal/ILO/JASPA (1982, p. 14, Table 7).

higher. The intra-urban income profile in a study conducted five years earlier yielded a Gini Coefficient of 0.6. As the report says this is in spite of the "minimalist assumptions" that went into the calculation.

Unskilled workers turn out to be the worse off segment of the urban population¹¹, and while the income differential between the 'skilled/clerical workers', (the subalterns, perhaps) is significant, the percentile distribution of income is even more so. 68 per cent of the urban population, including most of the workers, earned only 21 per cent of the urban income. 81 per cent of the population, including all wage earners, earned only 33.5 per cent of the urban income. By contrast, 55 per cent of all urban income went to the top 10 per cent. As was noted, rural/urban differentials exist, but intra-urban inequalities are even more profound (*ibid*). In 1973/74, average family income was estimated at ₦485, that of the urban family ₦1,672.7. But the average unskilled worker family earned only ₦320. By 1978/79, the average urban family income had risen to ₦2,448.3, while the incomes of the average rural, and unskilled worker families' had fallen to ₦460.9 and ₦304, respectively.

In spite of the 1975 wage increases to workers in the formal sector, in real terms, the average unskilled family's income fell by ₦16 from a year before the wage rise and three years after the award. Nominal minimum wage, in the formal sector, we should recollect, had also been increased from ₦64 to ₦72 per month in the intervening period.

Onimode (1988, p.115) estimated (from the Bank's figures) that the Gini Equalization Coefficient rose from 3.4 in 1969/70 to 5.0 in 1971/72. The increasing concentration of wealth thus indicated has become more profound since 1972. The estimation was also before the emergent indigenous bourgeoisie started its meteoric rise on the back of the State, and the petro-naira. Alkasum *et al* (1985, p.156) also show that between 1973 and 1982, 73 per cent of all reported income came from property and related sources, which confirms my estimate on wage component of disposable national income in elsewhere¹².

The ILO/JASPA study estimated that in 1978, there were 320,000 unskilled workers' households living below the poverty datum line (PDL); about 82 per cent of all unskilled worker households. Also, there were about a million informal sector workers/operative households below the PDL; about 45 per cent of all informal sector households (*ibid*, p.33, Table 13).

11 This was based on the pre-Udoji wage, which may explain why by 1978 the average unskilled worker did better than the street vendor and rural low income earner.

12 Cf. Adesina, Jimi O., 1990b, *Labour in Nigeria's Development Experience: beyond conventional wisdom*, Report prepared for the 1990 Rockefeller Reflections on Development Fellows' Conference, Bellagio Italy (August), Ch.3.

What is quite dramatic is the phenomenal rise in the number of unskilled worker households that sank below the PDL in the five years between 1973/74 and 1978: 140,000 households to be precise. (*ibid.*, p.35). The much vaunted Udoji pay award did not seem to make much difference! Surely, the category 'urban poor', cannot preclude these households, and if it does not, the rationale for the 'defence of the poor' that gesturally falls from the Bank's printed lips, and the demand for a "reform" of the minimum wage law would seem rather contradictory. These are the households which need the protection of a minimum guarantee of income, as limited as the law was. Yet the argument over a 'minimum wage' begs the question, since in order to reduce poverty the issue should be a 'living wage'.

The impact of structural adjustment has been to worsen the inequality. The crisis of labour market insecurity reached feverish proportion by 1986 with mass retrenchment of workers. While comparable quantitative picture has not emerged, we can note the UNDP 1990 Global Report, which confirms the massive pro-rich direction of government spending in recent years. Qualitative accounts of the impact of adjustment can be glimpsed from the printed media for instance, and two examples will suffice. Ken Obi, a typist told the magazine:

that he earns a "handsome salary" of ₦250 per month when compared to some of his colleagues who earn less than ₦180. He pays ₦60 for his one room apartment (and the landlord has [] indicated his intention to increase it [] to ₦75), spends ₦100 on food and another ₦50 or so on transportation. At the end of the day, after the sundry expenses, he has a deficit of between ₦70 and ₦100. If he needs medicine, he has to borrow. He has shut his ears to the pleas of his parents to send money for educating his younger brethren. Ken is sapped - but he is lucky, he still has a job which is a luxury these days (This Week, May 21, 1990, pp.14-15).

At the polar end is the case of what is referred to as the "money bags". The magazine's staff writers groaned that the pathetic thing,

is that money bags do not even need to invest in manufacturing or nay other job-generating business to make their millions. All they have been doing now, is to move money around the banks and sit at home to watch their money. For example, in some banks, a one million naira deposit in any of the high-yield investment schemes carries at least 25 per cent interest after 90 days which is a quarter of a million. Some banks have even gone ahead paying the interest up-front (that is, before the maturity date) and the depositor can again take the ₦250,000 to another bank as principal. At the end of the year, he would have more than doubled the original money while sitting pretty at home.... [T]hey can use the deposit certificate collected from their banks to transact

business with such certificates serving as guarantee (This Week, ibid, p.22)

The individuals and households, traditionally below the PDL, have not even been considered!

Workers, Identity and Social Consumption of Welfare

Existing studies of the Nigerian worker, as I earlier noted, do not suggest exclusive residential neighbourhood for the workers outside where the 'urban poor', informal sectorists live. Peace's (1979) study in Lagos, Lubeck's (1975, 1986) in Kano and mine in Warri (Adesina, 1988, 1989a) confirm the extent to which workers are bound up in the intricate network of obligations and mutual dependence within the urban poor neighbourhoods. Peace's study and mine show that while in educational terms, the factory worker - especially those with secondary education - may be better off than most co-residents, this is not easily transferrable to income. Yesufu (1962) reveals the extent to which workers depended on ethnic associations for financial aids in periods of economic crisis. In the early 1970s, Peace also noted workers' dependence on credit from petty traders, which is heightened during the periods of industrial action when wages may not be paid. Across the neighbourhoods in Warri, lower grade workers, in a 'high prestige' industry, are not just co-residents, but are locked into a sustained daily relationship with informal sector artisans, petty traders, and other segments of the 'urban poor'. The dependence on credit is also more permanent, especially among the unskilled workers.

The workers are not distinguishable from the other residents by the furnishing of their apartments, or the physical attributes of their children. Age, education, and relative income level within the factory is what define their aspiration. Relatively older workers hardly have new dreams, while the ones in their 30s with a small-size family will talk to you about abandoned dreams. The unmarried, younger ones in their early 20s, more likely than not, exude the optimism of youth; a world out there to be conquered, etc. And some do break out. For most, the older workers say, the optimism will wear out with time. Wait until they start having kids, and younger extended family dependants to take care of! (Adesina, 1989a). Most of the workers, in the Warri context are children of peasant parents or children of urban poor parents; petty traders, or working class parents. Their 'socialization' was in the context of urban or rural poor parents and neighbourhoods. Whatever disadvantages or social domination the workers experience, it is often within the context of the large composite subordinate social bloc.

Lubeck's study shows that wage earners, and factory workers more so, occupy a lower status position and, had a lower perception of their work vis-a-vis most other occupational groups in the Tudun Wada neighbourhoods of Kano (1975, 1986). As I noted elsewhere (Adesina 1989b, p.10) what

these studies suggest is that the workers identify downwards towards the other segments of the urban poor, rather than upwards. This self identity is what I called "the 'poor man' worker" (Adesina 1989c). Self definition as "poor man" underscores the extent to which the workers share the sets of opinion and disposition of a larger subordinate social bloc; and an 'earthy' suspicion of the 'big men' in society. This orientation, interestingly, is within the context of a vibrant articulation of the idea that 'poverty is a curse' (Adesina 1989c).

Perhaps because of their relatively higher educational status, one found that the workers articulate the grievances of the other factions of the dominated classes in more coherent ways than one finds at the street levels of the neighbourhoods, confirming Peace's similar findings in Agege in the early 1970s. What more - and contrary to the labour aristocracy the petty commodity producers defined the post-Adebo Commission workers' agitation as a vicarious vent to their collective (urban poor) demands! This has been articulated in all the general strikes since 1945 (Adesina, 1989a, 1990b). The Lagos wage earning class, Peace noted "is best seen as a political reference group for the urban masses in general" (1975, p.287). In any case "values and sentiments attached to the wide range of entrepreneurial activity promote unity, not division, between those inside and outside the industrial mode of production" (1975, p.289).

I have so far tried to establish that in terms of income distribution, urban poverty, residence and identity, workers are not politically and socially a distinct collective apart from and standing over the 'urban poor'. Even those who are educationally better off or can be defined as skilled workers, share these collective attributes. We can safely assume, therefore, that whatever problems exist for the 'poor people' in the urban areas, in terms of some social indicators of development, will apply to the workers - perhaps, with differing intensity. At the level of labour market experience, income inequality and poverty, a substantial segment of the working class has been passed by the massive increase in per capita national income of the 1960-80 period. This the workers share, with differing intensity, with the other segments of the urban and rural poor. It is, however to some specific indicators of social development that I now turn my attention. These social development indicators further allow us to better appreciate how social development has impacted on workers and other subordinate social groups in Nigeria. The absurdity of the claims in the conventional wisdom becomes all the more evident.

Education is one area in which there has been phenomenal growth in Nigeria. In 1962, primary school population was over 2.8 million (Awokoya, 1969); in 1978/79 it reached 13.3 million, and 16.7 million in 1984/85 (FOS (Federal Office of Statistics), 1986). There were, however, major regional differences in coverage of the relevant population age. In 1965, access to

primary education in the relevant age group in Lagos was 100 per cent, 73 per cent in the Western Region, 71 per cent in the Eastern Region, and 17 per cent in the Northern Region. Between 1978 and 1985, national primary school education enrollment rose from 74 per cent to 93 per cent in 1981/82, but fell to 88 per cent in 1984/85. Other sources suggest that against the SSA average of 69 per cent in 1982, primary school enrollment coverage in Nigeria was 98 per cent: 94 per cent for males, and 70 per cent among females (Onimode, 1988, p.218). Secondary education enrollment also increased from 233,910 in 1962, to over 3.4 million in 1983/84, while university enrollment rose from 426 in 1962 to 113,158 in 1983/84¹³. Funding for education also suggests significant increases. Capital expenditure (nominal) of the central government, rose from ₦3 million in 1970 to ₦631.1 million in 1975. The bulk of this capital layout was directed at the implementation of the universal primary education programme that came onstream in 1976. In the 1979-1983 period at least five state governments operated free education to the secondary level.

The FOS household survey of 1984/85¹⁴, however, revealed that national literacy level was around 40.8 per cent: 28.5 per cent in the rural areas and 53.1 per cent in the urban areas, with significant regional and gender variations. In the urban areas, 78.8 per cent of people classified as 'working' had only primary education or less, and only 21.2 per cent had secondary education or higher. The category 'working' is however, ambiguous. It may embrace informal and formal sector operatives, wage earners and entrepreneur. The educational requirement for employment, may lead one to assume that the distribution among wage/salary earners will be more favourable, which will be true. While nearly 94 per cent of 'own account workers' (euphemism for informal sector operatives) had no more than primary education, only 43.3 per cent of 'employees' were in this category. However, the category of 'employees' does not easily translate into educational attainment for the proletarian wage earners. 'Employee' covers anyone in wage employment, from informal sector labourer to the senior managers in the MNC sector. In any case the essence of the category "unskilled worker" is that the person has no more than primary education.

13 FOS, *Economic and Social Statistics Bulletin, 1986 edition* (n.d.). The Federal Ministry of Education figures put primary school enrollment in 1984/85 at 13.025 million (1983/84, 14.383 million; 1985/86, 12.914 million). Secondary school enrollment (Grammar & Commercial schools, only) was put at 3.059 million in 1983/84, 2.689 million in 1984/85, and 2.794 million in 1985/86. For the university enrollment figures, the National Universities Commission put the figures 'major disciplines' at 112,056 in 1983/84, 126,285 in 1984/85, and 135,670 in 1985/86 (FOS, *Annual Abstract of Statistics, 1987 edition*, Lagos).

14 FOS, *National Integrated Survey of Household: General Household Survey April 1984 - March 1985*, Lagos, September, 1986.

At the least, therefore, the figure for the proletarian-wage earner is bound to be much higher.

Using educational attainment as a social development indicator, we see just how poorly the proletarian wage-earner in particular, and the country in general, has done when compared with other countries. Measured by population size, per capita GNP, there is little doubt that in this key area of social development - with significant implications for economic development - Nigeria has done far worse than any other country on the table. The high level of inequality within the country suggests that the burden of this poor performance falls on the poorer segments of society rather than the 'nation' as a whole.

The development since structural adjustment, with the accent on bringing the market into the classroom, has led to worsening of the educational crisis. Federal government spending on education, as a percentage of the GNP fell by nearly 63 per cent between 1972 and 1988. This is in spite of the massive rise in federal revenue over the same period, and the proliferation of federal funded secondary schools, polytechnic, universities and research institutes. Between 1972 and 1988, total federal revenue, as a percentage of the GNP was almost double, and non-tax revenue had gone up by nearly 500 per cent (World Bank, 1990, p.200)¹⁵. In 1985, adult literacy in Nigeria was 43 per cent, against 60 per cent in Kenya, 74 per cent in Zimbabwe, 95 per cent in South Korea, and 96 per cent in Cuba. Yet Nigeria's GNP was about 7.5 and 5.25 times bigger than Zimbabwe's and Kenya's, respectively (UNDP, 1990).

The 1983 figures reveal declining enrollment, not so much because there is a fall in relevant age population, but because of the increased monetization of access to education. In the face of increasing absolute poverty, the poor - by no means exclusive of the proletarian wage earners - are forced to withdraw their wards from school reflected in declining enrollment. The accent on reduction of public welfare spending with impact on education, already at a low level, involves a country mortgaging its future on the alter of market forces and current account balancing.

The Bank's own assessment suggests some connection between education and economic growth, whether weak or non-causal. 48 per cent of South Korea's labour force has completed secondary education or more. 13 per cent in Indonesia, and only 6 per cent in SSA (World Bank, 1987). South Korea, by contrast increased spending on education, as a proportion of its GNP, from 15.8 per cent in 1972 to 19 per cent in 1988. That the millions of naira spent on education, never quite translated into rapid

15 We should note, of course, that federal revenue had fallen sharply since 1981/82.

Table 4 - Comparison of Educational Dimension of Social Development

Country	Total Population (in Millions)		Per Capital GNP (US\$)		Number Enrolled in Secondary School as % of Age Group			Central Government Spending on Education (as % of GNP)	
	1981	1983	1981	1988	1965	1980	1987	1972	1988
Bangladesh	90.7	108.9	140	170	13	15	18	14.8	...
Brazil	120.5	144.4	2,220	2,120	16	32	39	20.7	15.6
China	991.3	1,088.4	300	330	24	34	43	...	...
India	690.2	815.6	260	340	27	28	39	2.3	2.9
Indonesia	149.5	174.8	530	430	12	28	46	7.4	10.0
Japan	117.6	122.6	10,080	21,020	82	91	96	...	...
Nigeria	87.6	110.1	870	290	5	16	...	4.5	2.8
Pakistan	84.5	106.3	350	350	12	15	19	1.2	2.6
USA	229.8	246.3	12,820	19,840	...	97	98	3.2	1.7

Sources: Alkasum *et al.*, (1985), World Development Reports, 1983 & 1990.

development in educational attainment, has been attributed by Alkasum *et al.*, to the class content of the implementation process itself. While the actual capital expenditure rose by 800 per cent between the 2nd and 3rd Plans, increase in enrollment and schools built was barely a hundred percent (1985, p.119). Recurrent expenditure (books, chalk, etc.) has become "a gold mine, a haven of exploitation and private accumulation" (*ibid.*). Alkasum *et al.*, also confirm the wider occurrence of exorbitant cost of capital projects in some States that provided free education to secondary school level between 1979 and 1983. Simply calling for the commercialization, or worst still privatization, of education will miss the origin of the problem. Furthermore, in a context of mass poverty and massive national (not private) wealth from oil, it seems reasonable to demand that the national wealth be spent in providing education for the nation's citizens.

A second dimension of the review of social development indicators concerns health-related human development profile. Table 5 allows us a glimpse of such a review, evidencing a similarly poor performance. Nigeria has the lowest life expectancy among the countries evaluated on the table; lower than Bangladesh with about 16 per cent of Nigeria's per capita GNP. Where the data is available, less Nigerians have access to (modern) health services than Bangladesh, Zimbabwe or Republic of Korea. Access to safe (portable) water is lower than in most other countries¹⁶. Most frightening, perhaps, is the proportion of Nigerian women who die in child birth, itself indicative of access to qualified medical services. Almost 24 times as many Nigerian women die in child birth as their Cuban sisters; higher than in Bangladesh and Zimbabwe, and nearly five times as in Kenya. The number of children who die at birth reflects a situation that is equally appalling.

The calorie in-take league also shows a similarly bleak social condition. While in most countries time and rise in national income translate into improved nutritional profile, in Nigeria the reverse has been the case. Cuba, again by contrast evidenced a 132 per cent increase in per capita calorie intake. Except in Kenya, calorie intake fell faster than in any other country examined in Table 5. In a list of ten countries randomly selected from the

16 The UNDP grossly overestimates even the proportion of Nigerians with access to safe water. The *Human Development Report* assumes that *all* urban residents have such access - a variant of the urban bias thesis, perhaps. But anyone with the minimal knowledge of urban life in Nigeria will confirm that having main water pipes running through your neighbourhood does not translate into water supply. And many of the urban poor settlements do not even have the pipes. The rich and the powerful are, however, retreating behind the walls of their houses, internally sourcing their own water (and electricity) supplies through boreholes and power generating sets!.

Table 5 - Human Development Profile: the health dimension

Country	Life Expectancy at birth (years) 1987	Population with access to health Services (%) 1987	Population with access to save water (%) 1985-87	Daily Calorie Supply as % of requirement 1964-66	1984-86	Maternal Mortality Rate (per 100,000 live births) 1980-87	Infant Mortality Rate (per 1,000 live births) 1988	Central Government Spending on Health as % of GNP	
								1988	1972 1988
Bangladesh	53	43	46	91	83	600	188	5.0	..
Brazil	65	..	78	100	111	120	85	15.1	16.7
Cuba	74	..	..	102	135	34	18	..	..
Japan	78	..	..	126	138	8	13	..	..
Kenya	59	..	30	98	92	170	113	..	..
Korea (Rep.)	70	93	77	96	122	26	33	..	..
Nigeria	51	40	46	95	90	800	104	3.6	0.8
U.S.A.	76	..	..	126	138	8	13	8.6	12.5
Zimbabwe	59	71	..	87	89	480	71	..	..

Sources: Human Development Report 1990, (UNDP) & World Development Report, 1990, (World Bank).

World Bank's own World Development Report, (1983), Nigeria only did better than Bangladesh and India with about 16 per cent and 30 per cent of Nigeria's per capita GNP, respectively. Worst still is the acceleration in the (nutritional) rate of decline. From 91 per cent in 1980 to 87 per cent in 1985 (UN, 1989, Table 13, p.19).

As 'per capita' measurements go, a great deal more is hidden than revealed. Given the level of inequality in the country, real consumption among the vulnerable groups (urban and rural) would in fact be much lower than these figures suggest. This translates into general level of malnutrition, that at the family level is easily measured by the proportion of children at risk. The FOS Health and Nutrition Status Survey¹⁷ of 1983/84, revealed that the national average of moderate-to-severely malnourished (MSM) urban children was 20.9 per cent. In the rural area, 19.7 per cent of the children were similarly malnourished¹⁸.

Between 1987 and 1988, a nutritional status assessment was jointly conducted by UNICEF and the Federal Ministry of Health in some local government areas (LGAs) of Nigeria. One such LGA is Oyo (Urban). In the 1983/84 FOS survey, 5.5 per cent rate of MSM was registered. The local government, in the later survey, with similar indicator, revealed a 27 per cent MSM among boys under 60 month, and 18 per cent among the girls. One could assume that the 1983/84 score for the State was the aggregate mean of the many assessment points. Conversely, it could well be that in the context of various adjustment programmes, there has been an upward swing in the number of urban families and children at risk. We have no basis for contesting the first explanation in the absence of assess to FOS's original data. Similar upward swing in the other four local governments covered in the UNICEF/FMH survey, relative to their 1983/84 mean score in the five states makes the second explanation more plausible. This conclusion is also supported by, *al beit*, cursory observation. Against the background of the thousands of urban households living below PDL in the boom years of 1973-1978, there is little to suggest that absolute poverty has not increased sharply.

I will suggest that the 1980s have seen a qualitative shift in the nature of poverty in Nigeria, although further investigation is required. Whereas in the 1970s many urban households - unskilled worker families inclusive - has access to cheap electronic consumer items, this has become virtually impossible even for many lower middle-income families. The content of

17 FOS: *The Health of Nigerians, 1983/84; Health and Nutrition Status Survey (A module of the National Integrated Survey of Households (NISH) April, 1983 - March, 1984)*, Lagos, Sept, 1985.

18 These were based on the 'weight for height' indicator.

poverty is shifting increasingly to food poverty. Coping with fall in real income has increasingly involved reduction in consumption: food, clothing, and shelter. Reduced access to education - with the increasing monetization of that sector - alongside reduced consumption surely has implications not only for the present nature of poverty but its transmission across generations. At a national level, long-term crisis in human resource endowment is perhaps one of the implications; the nation as well as the household are caught in what promises to be a vicious cycle.

As evident in the discussion above under section 2, a substantial number of proletarian wage-earning households are caught, like the rest of the urban poor in this mire.

A number of national-specific surveys attempt to capture other dimensions of social indicators like Maternal Mortality Rate (MMR), Infant or Child Mortality Rate (IMR/CMR), earlier discussed. The result as evident in Table 5 does not suggest social development advances commensurate with the growth in national income. As late as 1988, nearly a fifth of children born in Nigeria did not survive the first 60 months of life (UNICEF 1989). While the survival rate was 1.4 per cent higher than in Bangladesh, it was considerably lower than in Burma, Bolivia, Uganda, and Pakistan. The fertility survey report of 1984 revealed only a 3.4 per cent annual rate of decline in IMR from 1965-69 to 1975-79. The UNICEF/FMH survey also revealed what would again amount to an upward swing. IMR for Oyo and Calabar LGAs - both urban areas - was 120/1000 and 113/1000 respectively. While these may be shots in the dark, the fact that the proletarian wage earners constitute a significant segment of the urban poor suggests that whatever is happening, in terms of the crisis of social development, will also impact on them, especially the unskilled workers' households.

Concluding Remarks

We can conclude this paper by referring to the Bank's statement on the conditions of social amenities, thus; "In Lagos, Nigeria, low-income families buy portable water from vendors at a price at least four times the marginal cost of piped water and must carry it long distances" (1988, p.145). Although this was mentioned in the context of the agonies of industrial capitalists who have to generate their own power and water supply, it is instructive that the low-income families are as likely to be of proletarian wage earners, as of the informal sector vendor. While the big capitalist firms can pass the cost to the consumers, the low-income wage-dependent families can only absorb it by giving up other needs of life: sinking deeper into poverty, essentially. As I suggested above, we may be witnessing a qualitative shift in the nature and content of poverty. The 1990 *Human Development Report* cited Nigeria as one of the countries of dismal failure

to translate massive increase in economic wealth to social wealth for the majority of the population, proletarian-worker families inclusive.

I started this paper, by focusing on more general social development indicators: employment, inequality and poverty. In conducting the discussion within the context of the old and new conventional wisdom, especially the LAT-variant, it was necessary to identify workers' direction of association; to examine the extent to which even more educated/better paid workers can be assumed to stand above and away from the other segments of the dominated social bloc. Having suggested that such a position, is at best, suspect, I proceeded to examine the more overt indicators of social development and how these have impacted on the subordinate social bloc, of which the proletarian wage earners belong. The record on social development, how much 'development' has benefitted the workers, come out to be, at worst, more circumscribed than is suggested in the Bank's wisdom, the labour aristocracy thesis or their variants.

It is necessary to readdress the issue of poverty considering its recent reemergence as a vogue phrase. After years of preaching 'trickle down' ideology as a corollary to its adjustment programmes, the World Bank is rediscovering poverty. Nothing however shows a willingness to admit that the programme it is forcing on many sub-saharan African countries has exacerbated poverty, nor an admission that central aspects of its (the Bank's) diagnosis of the African crisis are profoundly flawed. The latter I have tried to demonstrate above. It is not just that the notion of "adjustment with human face" is, as far as idiomatic expressions go, flawed. Strapping a human face a wild tiger does not reduce its ferocity, does it? It is also that the so-called social dimension of adjustment project fits the Bank's political agenda of 'softening resistance to adjustment' (Atta Mills, 1989), rather than a fundamental readdressing of Africa's development crisis and how adjustment programmes of the Bank/IMF is fundamentally damaging Africa's future. The rather testy response of the Bank (and the ADB) to the fundamental flaws in SDA programme, as pointed out by their own consultants, betrays these hidden agenda of the Bank, the IMF, and the financial institutions demanding their pounds of flesh (UNDP. 1990b, Vols I & II).

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Book Reviews

Doug Hindson - *The Urban African Worker and the Crisis of Apartheid*
Fassil Demissie*

Since the 19th century, an industrial revolution has transformed the economic, social and spatial landscape of South Africa. This dramatic transformation in turn has been cemented by an ideological apparatus which later came to be known as apartheid. The systematic application of apartheid in all aspects of social life became the country's main political feature after the Purified National Party came to power in 1948. Since then, the National Party has systematically enforced colour bar legislation to safeguard the privilege position of the white working class, a tightened application of influx control to curtail the movement of African work-seekers from the rural to urban areas, and reenforcement of the migrant labour system to prevent the permanent settlement of Africans in the European "prescribed areas" and the forced removal of the so-called "surplus people" to the improvised "bantustans" as a means to systematically deprive them of their South African citizenship. In addition, the state has been engaged in a wide variety of social control and repressive institutions to diffuse the political demands of the African people. Unlike the preceding decades when successive South African governments practiced racial segregation, the South African state under the National Party's of apartheid, introduced two major changes in the nature of racial segregation. First, apartheid expanded and refined the system of racial domination both in the work place and at place of residence. To reenforce the various repressive laws introduced, the state erected a number of institutions to administer the system of apartheid both in urban and rural areas. Second, apartheid transformed the "reserves" which came into being in 1913 with the territorial segregation of the country into "homelands" or "bantustans", subordinated to capital and the state. The transformation of "reserves" into "homelands" or "bantustans" reflected the gradual shift in the strategic orientation of the state to respond to African political demands by granting the "homelands" bogus "independence" and self government within apartheid South Africa.

The magnitude of this transformation imposed by the systematic application of apartheid has been a subject of considerable debate among liberal and radical scholars. Liberal scholars maintain with considerable

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diversity and sophistication that racial segregation is a temporary and transient phenomenon. This view was reinforced by the expansion of the South African economy especially after the 1940s which brought a measure of faith in the capacity of the capitalist economy (or industrialization) to dissolve the racial structures of the country. This euphoric hope in the subsequent dissolution of racial segregation proved to be short-sighted as the state introduced an arsenal of draconian security measures and savage repression which effectively diminished democratic opposition to apartheid, and forced the leading popular nationalist organization such as the African National Congress and Pan African Congress to go underground or into political exile.

Over the past decade and a half, a sustained radical criticism of the liberal school has emerged from a variety of radical perspectives on the political economy of South Africa. By and large, radical scholars have argued that capital accumulation, migrant labour system and apartheid are at the core of racial domination in South Africa. Many radical scholars have suggested that the racial policy of the state is designed to facilitate capital accumulation and as Johnson has suggested, the "true rationale of apartheid policies is thus to maximize economic development both for the sake of white prosperity and for the material protection of white supremacy". (Johnson 1970: 125-6). The book under review is part of this radical tradition and constitutes an important advance in our understanding of the political economy of urban South Africa and the social forces which continue to shape present directions.

Both liberal and radical works have attempted to analyze the various legal instruments of the state designed to restrict African urbanization both during the segregation and apartheid era. Since 1910 when the South African state was reconstituted, successive governments have instituted and defined the limits of African urbanization. Pass laws have been the central legal instrument utilized by the state to control the movement, residence and the terms of employments of African workers in urban centers. While the centrality of the pass laws to apartheid is recognized both by liberal and radical scholars, its role in the proletarianisation and the reproduction of the African labour force has remained largely obscured. Doug Hindson's book redefines the whole problematic of pass laws and argues that pass laws have been the central feature of racial domination as well as the reinforcement of the dominant social relations of production at different historical conjunctures.

Pass laws originated with the establishment of the settler colour in South Africa. Hindson suggests that with the repeal of the Caledon Code in 1828 in South Africa, pass laws were employed to forge the transition of African workers from labour servile to market-allocated labour. The development of diamond mines at Kimberley and gold at the Rand in the 1870s and 1880s sharply accelerated and profoundly changed the nature and scope of the

labour market. Pass laws came to be used in combination with critical social control institutions (like the "closed" compounds at Kimberley and the "open" compounds at the Rand) to exercise direct and indirect control over the African workers while maintaining the developing migrant labour system. In addition, pass laws were widely employed to appease rural White farmers by restricting through legislation the movements of agricultural labour to the mines and to promote labour mobility within the agrarian sector. The establishment of the racial state in South Africa in 1910 crystallized the institutional boundaries of segregation and accelerated the assault on African labour and their institutions. A major extension of this development was the exclusion of African direct participation in the state, and the application of territorial segregation which emerged with the establishment of the racial state. A mere 13% of the land in the country (dry and infertile) was designated as "native reserve" where Africans could, in the racist lingua franca, "emerge from barbarism to civilization" under the "trusteeship" of the Department of Native Affairs - a state agency which has been given the resources and power to enforce racial domination in South Africa.

A major thrust of the state urban policy was to confine African labour in the "native reserve" and to use the pass laws to allow African to go to the cities (in the words of the Stallard Commission) to "minister to the needs of the white population". Although different strategies existed at the time to regulate the flow of African urbanization and the conditions for urban labour reproduction, Hindson maintains that these differing strategies were more or less incorporated in the 1923 Urban Native Act which severely limited African urbanization.

A major change in the nature and scope of the pass laws emerged from the state's policy of stimulating manufacturing in the 1930s. Local manufacturing grew rapidly from the mid-1930s with considerable support from the United Party government which came to power in 1934 with considerable support from local industrialists. The number of Africans working in manufacturing grew in step with the growth of investment especially by foreign capital. Wages paid in the manufacturing sector were much higher than in the mining, and agricultural sectors despite the fact that urban African workers paid part of their subsistence - food, transport and rent - out of their wages. The differential wages paid by the manufacturing sector attracted African urbanization, creating the condition for an elaborate pass system which could effectively allocate labour between the mining, agriculture and manufacturing sectors. Hindson shows how the new instruments of labour allocation emerged in response to the threat of labour shortage which the manufacturing sector posed to mining and agricultural sectors. With the irreversible growth in the urbanized African population,

the state streamlined the use of new instruments to control the growing African urban proletariat.

The period of the 1950s and 1960s brought significant changes in the South African economy. With the unprecedented growth of the economy, as Hindson shows, the pass system was restructured to secure the reproduction of the differentiated labour power. The decline of the African subsistence economy on one hand and the cost of securing the reproduction of the urban proletariat became a problematic to the state. In the absence of a coherent institutional response, urban struggle over housing, rents and transport in the burgeoning cities dramatized the bankrupt of the apartheid state. Hindson suggests that by the end of the 1960s, the state's urban policy was incapable of securing the material bases for the reproduction of industrial capital. Part of the reason stems from the fiscal and political problems associated with the administration of living in urban areas. The SOWETO uprising of 1976 highlights these problems.

The post SOWETO period and the state's urban initiatives which are discussed in the final chapter of Hindson's book against the background of regional, international and domestic crises. These crises impelled the apartheid state to move in two directions. On the one hand, the state's repressive apparatus was strengthened, both the military and police acquired expanded powers and resources. On the other hand, efforts were made to increase economic and educational opportunities for Africans as well as to incorporate elements of the urban workers into an evolving a political structure dominated by existing institutions of racial domination. These efforts were also made with much fanfare to curtail international criticism against apartheid.

A major component of the state's urban reform came from the Riekert Report which attempted to accord legal recognition to the urban Africans within the framework of territorial apartheid. As Hindson argued, the Riekert Report reenforced the relatively privileged status of the stabilized urban population, but also extended and refined the pass laws in a number of critical directions. The net effect was the intensification of the division between urban and rural Africans, giving rise to what Hindson calls the "insiders" and "outsiders". Hindson therefore argued that the repeated attempt to implement the Riekert recommendations between 1979-1984, floundered on the "structural contradiction underlying territorial apartheid".

In 1979 a new regional strategy of "spatial ordering" emerged which greatly modified the previous urban administrative and regional structures. The new structures encompass nine development regions, the boundaries which cut across bantustan borders. These new development regions transcend the previous geographical division between white South Africa and the bantustans and correspond to change in the geographical patterns of capital location and labour settlement. Hindson suggests the creation of

development regions as well as the corresponding administrative structures may provide the basis for a federal or confederal order which at present appear to be the cornerstone of the spatial restructuring of South Africa. Development regions encompass metropolitan areas, black townships as well as adjacent white areas and are administered by the Regional Service Council. Unlike the past, fiscal instruments rather than pass laws will be used to regulate the movement and settlement of urban populations. The effort to combine regional spatial ordering which is complemented by other urban and fiscal reforms such as the attempt at privatization of houses, the liberalization of the market and deregulation amount to what Hindson calls a "strategic shift in urbanization policy". But Hindson suggests that such attempts are incapable of providing fundamental solutions to South African urban crisis. He argues that "whatever form this urbanization takes there is no doubt that in the face of mounting opposition to the state, it can only be implemented with increased repression".

Hindson's work represents a major departure from previous works on the urban political economy of South Africa. The strength of the books lies in its coherent analysis of the pass system at different historical periods in the development of capitalism in South Africa. Yet, the books suffers from weakness in a number of critical areas. A major difficulty with his work arises from its failure to locate the pass system in its institutional context. For example Hindson's references to the Department of Native Affairs (DNA) which has been responsible to enforce the institutions of racial domination is negligible. However, the DNA (renamed several times) had the authority of regulating most of the various institutions of racial domination. In the reserves, the DNA was a local state instrument with power in regulating all economic and political life. It appointed and dismissed local chiefs, controlled access to land, undertook the administration of justice, declared pass areas and intervened in the reproduction of the subsistence economy. In urban areas, the DNA was responsible for the township administration through local authorities and for the regulation of the major market as well as for the enforcement of the pass laws on the national scale. In view of the critical institutional role of DNA as the central organ of racial domination, Hindson does not discuss its significance in the context of pass laws. In addition, his discussion of pass laws is focussed at an angle where critical events such as the anti-pass campaigns, the 1956 women's march to Pretoria, the social history of the squatter movements and the destruction of Sophiatown in the 1940s and Crossroad in the 1970s are not woven into the texture of his analysis. This omission may be due in part to the theoretical emphasis on structures and the relegation of the political struggles of African workers, to the superstructure. The social and political life of urban Africans cannot be understood within its own terms, or by an exclusively structural account of the pass system. The relationship between pass laws and the political

struggle of the African people has made the boundaries of pass laws permeable, more important, the African urban proletariat in spite of or because of pass laws, with it the distinctive character has emerged to be a major political force in shaping the urban political economy of South Africa.



SADCC: Prospects for Disengagement and Development in Southern Africa, Samir Amin, Derick Chitala and Ibbo Mandaza - The United Nations University, ZED Books Ltd., London and New Jersey, 1987.

Mthuli Z. Ncube*

Edited by S. Amin, D. Chitala and I. Mandaza, the book has nine chapters and ten contributors. It is about the performance and prospects of SADCC as a developmental regional cooperation organization, and discusses relevant and topical issues on "disengagement and development in Southern Africa".

Samir Amin in the Preface puts the topic in perspective by discussing the overriding need to "delink" from South Africa (SA) and the 'Global imperialist system', whereas D. Chitala in chapter I, rightly emphasizes the dominance of South Africa in the regional economy as measured by its investment, direct and indirect, and the trade imbalance in its favour. Mapping out the strategy for delinking from SA is important and the author does not address this issue directly. Should the umbilical cord be cut once and for all or should SADCC adopt a more gradual approach to delinking?

If a once-and-for-all approach is adopted, what are the alternatives? Or maybe seeing that there is trade-off between economic and politico-moral benefits, alternatives do not matter. Such questions need answers.

The backbone of any economy is the manufacturing sector and chapter 2, on the manufacturing sector by D. B. Ndlela, is quite relevant. At a higher stage of regional cooperation, we move from the sphere of exchange, that is trade cooperation, to the sphere of production, manufacturing.

This entails regional industrial integration. In this chapter, problems to this end are pointed out, pertaining to the "absence of well formulated strategies and plans for industrialization" within the SADCC region. If 'disengagement' is to be effected, an industrialization strategy for SADCC needs mapping out, or else SADCC might just be an international organizational white elephant with no feet.

* United Nations Institute of Namibia, Lusaka, Zambia

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What is lacking in this chapter is reference to the degree of multinational cooperations penetration in SADCC. Their resistance to regional industrial integration has negative effects on 'delinking'.

Regional food security and agricultural Cooperation issues are discussed by C. Mumbergegwi in chapter 3. The topic is interesting as it is important, even though parts of it are rather misleading.

For instance assertions like "the root cause of this growing malaise (food-shortage), is simply the failure of SADCC agriculture to keep pace with population and growth in food demand", slightly misleads readers into thinking that the solution to the food shortage 'malaise' is to reduce population growth and food demand. And yet the solution is to increase and improve regional cooperation in agriculture and restructure intra-national agricultural policies and incentives to improve efficiency and productivity.

Mongula B. S. Ng'andwe C. in chapter 4, point out a deepening energy crisis in SADCC, but evade egocentric-national energy policies in electric power, for instance, where such myopic and costly policies have overthrown sound and pro-regional policies. For instance Zimbabwe built the highly mechanized Hwange Thermal Power Station, which ensures self-sufficiency but is against regional cooperation. This makes Zimbabwean electricity 300% more expensive than previously imported electricity from Zambia. Cabora Basa electricity in Mozambique is even cheaper than Zambian electricity.

In chapter 5, D. H. Kalyala and G. Mudenda discuss world recession and its effects on mining in SADCC. The data used is from a paper by Mr. Paul Jourdan, Institute of Mining Research (IMR), University of Zimbabwe, entitled "The Effects of World Recession and Crisis upon mining in SADCC" September 1984, which was incorporated in the Munslow, B et al paper presented in ROAPE Conference, Keele, September 1984. Both the title and content of this chapter therefore lack any striking originality and the date is outdated.

It is certainly not surprising that tables 5.2, 5.3 and 5.6 have data up to 1983 only and yet the chapter was written in 1987, as these were extracted from a 1984 paper, and needed updating to accurately present the current situation. Phrases like 'unprotected minerals' as regards certain minerals were coined by P. Jourdan, and the authors use them without explaining their meaning to the reader.

The 'development of Local Technological Capacity' is discussed by G. Mudenda in chapter 6, in only two pages with fourteen and half pages devoted to description rather than analysis of the regional technological potential, technological bottlenecks and strategies to overcome them through coordinated regional efforts.

J. Wagano, in chapter 7 rightly shows the need for SADCC to promote trade within the organization, delink from South Africa, and abandon the

deferring ideological and political stances. But it should be pointed out that quite often it is mere inefficiency and bureaucratic systems as opposed to institutions with overlapping jurisdiction, which contribute to factors stifling trade relations within SADCC. For instance the PTA Clearing House which is meant to facilitate trade among the PTA countries several of which are members of SADCC, is underutilized, as the binding constraint is the import restriction strategies through import licensing, which are bureaucratic and inefficient. Besides most SADCC countries want 'hard' currency not 'soft' currency, leading to exports being channelled to developed capitalist countries. Therefore dependence on SA is weakened but strengthened with the capitalist world, defeating the main objective of SADCC.

The importance of financial integration in SADCC and PTA countries to facilitate trade by reducing trade tariffs and establishing a common currency, is treated by C. Ng'andwe in chapter 8.

The last chapter by I. Mandaza does not seem well placed as a concluding one. We would expect it to be at the beginning of the book, as it discusses 'Economic Cooperation and Autonomous Development', a framework within which the concept of SADCC should be discussed. The other chapters would then follow on their respective themes. This chapter is more of an introduction rather than a concluding one.

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