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**REVUE TRIMESTRIELLE DU CONSEIL POUR
LE DEVELOPPEMENT DE LA RECHERCHE
ECONOMIQUE ET SOCIALE EN AFRIQUE**

Vol. Xii, No. 3, 1987

Editor

Zenebeworke Tadesse

(C.O.D.E.S.R.I.A.)

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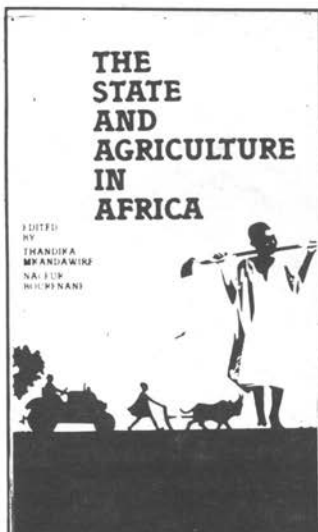
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Recovery From Economic Decline: Lessons For A Developing Economy

Eskor Toyo*

Introduction

In this paper we review the evidence on economic declines with special reference to capitalist history, the economic analysis of declines and proposed remedies. To do this in any great detail will require a thick volume; only a sketch can be attempted here. The concentration on capitalist experience is justified in this introduction. The rest of the work is divided into sections dealing with 'normal' cyclical crises, long waves, the general crisis of capitalism, the post-1980 crisis, a critique of remedies and the conclusion.

One must concentrate on capitalist experience for two reasons. The first is that the declines due to capitalist cyclical and existential (so-called "general") crises must be distinguished from other kinds of economic decline. There have been economic declines due to epidemics (such as the Black Death in fourteenth century Europe) and others due to war. After such declines due to the disruption of normal economy-related processes, rehabilitation consists in the restoration of normalcy in these processes. In the case of the Black Death, this included the resumption of normal population growth. Capitalist cyclical and existential crises, however, are quite a different matter, and to speak here of 'rehabilitation' as is done by the International Monetary Fund and allied circles is misleading. The capitalist economy is always going through one phase or other of its cycles and, therefore, there is no normalcy to return to.

Again in the construction of existing socialist economies, specific policy programmes have been launched in some countries that have led to economic crises and decline. We refer, for instance, to the Soviet collectivisation (1926-1932), the Chinese Great Leap Forward (1958-1963), and the Polish Special Road (1970-1975) campaigns that resulted in crises. Again, we know that the declines that accompanied these cases were occasioned by specific policy shifts. There is nothing systematic about such

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declines, and they have not occurred in all existing socialist countries. The remedies for these special occurrences were found in policy reforms which reversed the declines.

More systematic was the general slowing down of the East European socialist economies - the special case of Yugoslavia excluded. It is known that this decline in growth rates in the late 1970s was due to the unsuitability of the then existing planning and management methods for the complexity and the need for 'intensive development' which these economies had arrived at by the late 1960s. Remedies for this decline have been found in accelerated technological change; a change in the proportion between producer goods and consumer goods; price, investment and incentive reforms; new approaches in planning and management. In consequence, the socialist economies are resuming their rapid rates of growth¹.

The second reason why the review is one of capitalist experience is a practical one. Nigeria is a peripheral capitalist country sharing the global economic experience of the world's capitalist block of countries. The current crisis of her economy is neither abnormal nor due to any particular set of policies. Between 1980 and 1983 all capitalist economies without exception, whether or not they exported petroleum, were afflicted by a deep depression. Since 1983 there has occurred some partial, sluggish and uncertain up-turn.

We ought to try to know exactly what the world capitalist system is passing through. In fact, when we speak of recovery, it is pertinent to ask 'recovery from what'? A careful examination shows world capitalism as going through a period of great complexity. The 1970s 1980s are characterized by normal cyclical crises, the stagnation phase of a long wave, a moment in the general crisis of capitalism, and the specific collapse of the post-1945 'welfarist' thrust and Bretton Woods framework of policies for regulated finance capitalism.

What we shall attempt to do is describe these motions, examine the illusions of the so-called recovery policies with which the symptoms of the crisis are being met, relate all these to Nigeria's recent experience, and pose the question of stable development in the light of our analysis.

Normal Cycles: Facts and Explanation

It is known that a capitalist economy normally passes through cycles characterized by prosperity and depression (or expansion and decline). The expansion phase consists of two sub-phases, namely, the recovery and the boom; the decline consists of the down-turn (or recession) and the slump. Each contraction is a crisis because it involves a diminution in the production and realization of values and surplus value which is the *raison d'être* of capitalist enterprises.

1 For the USSR, for instance, see N.A. Tikhonov, Soviet Economy: Achievements, Problems and Prospects, Novosti Press Agency Publishing House, Moscow, 1983, pp.29-31.

Since the end of the eighteenth century, cycles have been observed in the capitalist economies as in Table 1. Capitalism has always been a system based on international commerce. Therefore, cycles originating from leading capitalist countries assume an international character.

Table I shows the business cycles that have occurred from 1790. A cycle runs from one slump to another.

During the expansion, the national income, employment, aggregate demand, prices, profits, investment, interest rates and business optimism rise. During the contraction, these variables decline and business pessimism replaces optimism. Since the end of the Second World War, however, prices have kept rising even during contractions. Economists describe this phenomenon of rising prices in the contraction as 'stagflation' or 'slumpflation'.

Business cycle theories have had a long history. It is known that the alternations of prosperity and depression have to do with the rhythm of capitalist investment. The theories differ only in the factors they hold largely responsible for variations in investment.

If we ignore the patently false 'sunspot' theory of W. S. Jevons¹, we can identify a number of theories. We cannot afford to review them here, interesting as this would be. Suffice it to record that R. G. Hawtry² (money), F. A. Hayek³ (money), L. Spiethoff⁴ (sectoral disproportion), J. A. Schumpeter⁵, K. Wicksell⁶ (technological innovation), J. A. Hobson⁷ (underconsumption), J. M. Keynes⁸ (underconsumption) and W. C. Mitchell⁹ (cost changes) have all developed business cycle theories in which in various ways they have attributed cyclical behaviour in capitalism to variations in the supply of money, sectoral disproportions in production, technological innovation, underconsumption and cost changes as indicated in parenthesis.

- 1 Reflecting the influence of harvest and the prices of agricultural products on capitalist instability in the nineteenth century., W. Stanley Jevons, a meteorologist and economist, put forward the thesis that periodic fluctuations in business activity were caused by sunspots which affected the weather periodically and thus harvests. The theory was discredited because no regular correspondence between sunspots and business fluctuations was, in fact, observed.
- 2 See a summary of Hawtrey's views in 'The Trade Cycle' reprinted in Readings in Business Cycle Theory, Blakiston, Philadelphia, 1944.
- 3 See F.A. Hayek, Prices and Production, George Routledge, London, 1955.
- 4 For Spiethoff's Theory, see 'Business Cycles' (translated and abridged from the original version entitled 'Krisen') International Economic Papers, N3, 1955, pp.75-171.
- 5 J. A. Schumpeter, The Theory of Economic Development, Harvard University Press, Cambridge, Massachusetts, 1934.
- 6 K. Wicksell, Lectures on political Economy, Vol.II, Macmillan, London, 1935, pp. 190-214.
- 7 J. A. Hobson, The Industrial System, Longman, Green, London, 1910.
- 8 J. M. Keynes, The General Theory of Employment, Interest and Money, Macmillan and Cambridge University Press, London and Basingstoke, 1973.
- 9 W. C. Mitchell, Business Cycles and their Causes, University of California Press, 1941.

Because of what we shall later say, however, it is of interest to note that of these economists only Mitchell emphasises the key fact that capitalism is a system where entrepreneurs invest only in search of profits and that, therefore, to be valid, a business cycle theory must focus on the regulatory role of profit. This note is important because in doing dynamic analysis of a capitalist or capitalistic economy, many economists are absent-minded about

Table 1: Business cycles after 1790

1.	1790-1797	14.	1907-1913
2.	1797-1808	15.	1913-1921
3.	1808-1816	16.	1921-1929
4.	1816-1825	17.	1929-1937
5.	1825-1836	18.	1937-1949
6.	1836-1847	19.	1949-1953
7.	1847-1857	20.	1953-1958
8.	1857-1866	21.	1958-1961
9.	1866-1873	22.	1961-1967
10.	1873-1882	23.	1967-1971
11.	1882-1891	24.	1971-1975
12.	1891-1900	25.	1975-1980
13.	1900-1907	26.	1980-....

Notes: Cf. John Eaton, Political Economy, International Publishers, New York, 1966, p.158; World Development Report, The World Bank and Oxford University Press, 1983.

the fact that they are not dealing with just any economy but with a capitalist one. They ignore what makes a capitalist economy tick, and tick the way it does rather than otherwise.

Apart from the foregoing theories we now have mathematical models of the cycle. Because these models purport to be more 'developed', and because of the false belief that whatever model is mathematical and can be operationalized statistically is necessarily an 'advance', we shall say a few words about these models. They also happen to develop from the work of J. M. Keynes whose aggregate economic analysis became and remains orthodox in Western universities.

They are of two types: those of P. A. Samuelson¹, J. R. Hicks² and L. A. Metzler³ that do not consider growth, and the so-called post-Keynesian models or theories that take account of growth. They all have the

1 P. A. Samuelson, 'Interaction between the Multiplier and the Accelerator'.

2 J. R. Hicks, A Contribution to the Theory of the Trade Cycle, Clarendon Press, London, 1950.

3 For an exposition of Metzler's models, see Michael E. Evans, Macroeconomic Activity, Harper and Row, New York, 1969, pp. 373-378.

distinguishing feature that they make use of the notion of interaction between the multiplier and the accelerator.

In the simplest terms, we can postulate consumption as a proportion of lagged income (which enables a multiplier to be calculated) and investment as a proportion of distributed-lagged consumption or income (which expresses the notion of induced investment or 'accelerator'). This exercise enables us to formulate a model reducible to a difference equation the path of whose dependent variable describes cycles in much the same way as a sine function does.

In the versions of N. Kaldor¹ R.M. Goodwin², again J. R. Hicks³, and A. Smithies⁴, the well-known growth notions of R. F. Harrod⁵ and E. Domar⁶ are introduced.

These multiplier-accelerator models all make excess capacity (that is, the accelerator) the cause of the down-turn. The weakness in these models is that they ignore prices and shifts in factor shares which they sometimes mention as after-thoughts. It must be said also that they generate cycles only thanks to their mathematical properties.

A model of a different type, usually but wrongly described as 'post-Keynesian', is that of M. Kalecki⁷, whose work was inspired by Marx and who anticipated Keynes himself and the post-Keynesians in many ways and went beyond them in the recognition of the importance of income shares in any matter concerning capitalist dynamics. His investment function is made of a function of profits and accumulated capital stock rather than a function of income or consumption as in the general run of Keynes-inspired models. Even Kalecki's consumption function is a function of profits rather than a function of income. All this can be seen in the presentation of the models of Samuelson, Hicks, Smithies and Kalecki in Appendix 1.

In fact, Kalecki's model recognizes what Schumpeter did recognize, namely, that although K. Marx did not leave behind a complete theory of the business cycle, his work on capitalist dynamics contains all the elements that

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- 1 N. Kaldor, 'A Model of the Trade Cycle', *Economic Journal*. Vol. 50, March 1940, pp.78-92.
 - 2 R. M. Goodwin, 'Secular and Cyclical Aspects of the Multiplier and the Accelerator' in *Income, Employment and Public Policy. Essays in Honour of Alvin H. Hansen*, Norton, New York, 1948, pp. 108-132.
 - 3 J. R. Hicks, op. cit.
 - 4 A. Smithies, 'Economic Fluctuations and Growth', *Econometrica*. Vol. 22, N1, January 1957, pp.1-52.
 - 5 R. F. Harrod, *Toward a Dynamic Economics*, Macmillan, London, 1948.
 - 6 E. Domar, 'Capital Expansion, Rate of Growth and Employment', *Econometrica*. Vol. 14, No.2, April 1946, pp.137-147.
 - 7 M. Kalecki, 'A Macrodynamical Theory of Business Cycles', *Econometrica*. Vol. 3, 1935, pp.327-344.

were subsequently embodied in developed cycle theories. Ernest Mandel has made the same observation¹.

Evans² has presented a synthesis of all that has emerged from the various cycle theories and models and this can be summarized as below - using US experience.

At the beginning of the up-turn, there occurs a rapid rise in inventories and the purchase of consumer durables. There is little change in fixed investment demand, which rises only when the up-turn is sustained. Residential construction may turn up at the early stage of the recovery, but it cannot compensate for the decline in fixed manufacturing investment which will still be declining at the beginning of the recovery. As residential construction has a counter-cyclical pattern, it is high during the contraction because of relatively low interest rates. The resumption of inventory stocking plus high residential construction raises incomes.

The early stages of expansion witness the increase of both total sales and profit margins. Profits arise even faster than the fast rise in Gross National Product (GNP) and the ratio of profits to GNP rises. Wages do not rise quite as fast. The profit rise is due to the fact that the increase in sales lowers average fixed costs and that the elasticity of demand decreases as prices rise, so that prices continue to rise even though unit labour and other variable costs do not increase. Wages are likely to lag behind productivity increases at the beginning of the up-turn, being kept low by the previous years' rate of unemployment.

There will be a shift to profits as compared with wages which, at best, can grow at the same rate as the marginal productivity of labour. (In the U.S. profits increase at the average of 28 per cent in the first year of expansion and labour productivity by 7 or 8 per unit). Still, even with the income redistribution and the slight increase in prices, personal disposable income rises faster at the initial stage of recovery than on the average over the cycle.

This first rapid growth ends (in the post-1945 U.S. after one year), because of a decrease in the rate of inventory investment. This happens because of the accelerator mechanism and the backlog of orders. According to the accelerator mechanism, ordering to increase the inventory stock declines as the stock increases. The influence of the backlog of orders operates as follows. Shipments usually lag several months behind orders. Therefore, demand for stock increases fast at first and then declines while the backlog of orders is being supplied.

The decline in inventory investment (orders) is sufficient to bring about a decline in the rate of growth of GNP. However, the decline does not take place after a year of inventory boom because fixed investment now increases. Fixed investment is stimulated by increased capacity utilization and high

1 E. Mandel, *Late Capitalism*, NLC, London 1976, p. 438.

2 Michael E. Evans, *op. cit.*, pp. 421-428.

profit rates in the first phase of the expansion. Besides, since fixed investment has been low, interest rates are low and there is easy money.

Two things are observable about the rise in fixed investment. Its magnitude will depend on the extent to which capacity was unused during the depression. Secondly, even if the expansion demand is small, the demand for purposes of modernization will be large. This makes the rate of obsolescence of fixed investment an important determinant of the duration of cycles. Molnar records that among individual sectors of industrial production in the U.S.A. "the most dynamic sector is undoubtedly the production of equipment", and that this sector is "at the same time the least stable", with annual changes in production varying between +38.8 per cent and -13 per cent¹. There will be a small drop in residential construction, but on balance fixed investment will rise sharply.

The initial rapidity of growth in GNP has now temporized. The decline in inventory investment and in the demand for consumer durables is compensated by the rise in fixed investment, so that the growth curve flattens out. The demand for non-durable consumer goods runs at trend rate and there is no substantial change in the net foreign balance unless the growth and inflation rates in the given country are different from those of her trading partners.

After a year or two, the economy begins to turn down, unless exogenous forces intervene to keep incomes up. Evans notes tax cuts and "increased expenditures for government defence" as obvious instances of such exogenous forces².

The down-turn is brought about by two influences. The first is the combined influences of the inventory and consumer durable accelerators which are now augmented by the fixed investment accelerator. That is, after the desired stocks of inventory, consumer durables and fixed investment goods commensurate with the requirements of competition which have been built, capital stock building decelerates. However, empirical data show that the down-turn due to accelerators, though certain, would be gradual but for two factors: money and excess capacity.

The sharpness of the down-turn is caused in part by monetary stringency. During the boom phase of the cycle, the idle cash balances, which exist throughout the first phase, disappear as a result of reduction in company cash flow. This reduction also affects credit creation by the bank as the central banks apply pressure to restrict money expansion to bring down the inflation rate.

The inflation with which the monetary authorities have to grapple occurs because as prices increase wages will eventually go up. Since the firms will resist a decline in their profit rates, prices will increase further. However,

1 F. Molnar, *Economic Growth and Recessions in the USA*, Akademiai Kiado, Budapest, 1970, p. 120.

2 Evans, *op. cit.*, p. 424.

firms that are not in strong monopolistic positions cannot pass on rising costs to their customers. Therefore, their profits will fall, squeezing their cash flow (L), which is defined as:

$$L = \frac{(F + A) - D}{P}$$

where F is after-tax corporate profits, A is depreciation, D is dividends and P is the price of capital goods.

Even for the monopoly firms, as the rate of increase of demand slows down, the demand curve will not shift out as fast as price rises, and, if the elasticity of demand exceeds unity, these firms' total revenue will decline as they raise prices.

The cash flow situation also tightens because though profits are not rising, dividends will continue to increase because they are paid largely on lagged profits. Depreciation charges will rise but, since they are based on historical rather than replacement cost, their rise will not compensate for the sharp increase in the price of capital.

The inflation will cause the monetary authorities to tighten credit thus increasing interest rates. This coincides with the profit squeeze, complicating the liquidity problem of firms.

Another development during the boom is that the increase capacity reduces the level of unfilled orders for inventory. The decrease in this variable occasions a fall in the demand for inventory and, therefore, a sharp decline in inventory investment. Excess capacity develops or increases.

Thus it is the decline in unfilled orders and in inventory investment, resulting in excess capacity, that is largely responsible for the sharpness of the down-turn. Monetary stringency also does bring about a sharper decline in fixed investment, but the existence of excess capacity is the principal cause of the rapidity of the down-turn.

We may now make some observations on the theories we have reviewed so far.

First, the theories confirm the view of Marx that no single factor can explain the occurrence of cycles¹. Cycles are products of a complex interaction of various factors which presuppose one another within capitalism as a totality.

Secondly, the stages of the business cycle follow one another with inexorable force. There is no force capable of preventing these stages from following one another. The capitalist system is a system of autonomous and competing firms, ever hunting for higher profit, ever revolutionizing the forces of production to this end, and ever oblivious of and driven to breach the conditions of social compatibility and equilibrium. It is a system which is based on social division of labour and mutual presupposition of its parts but at the same time promotes the uneven development and violates the social or aggregate compatibility of its parts.

1 K. Marx, *Theories of Surplus Values*, Vol II, London, 1972, p. 510.

Thirdly, those models are invalid which are blind to the aim of capitalist accumulation, which is the realization of the highest possible rate of profit. Only with a rising rate of profit is an economic up-turn possible. A down-turn is not possible unless a fall in the rate of profits is conceived as at least imminent. A simultaneous equation system which is true to capitalist reality must make profits the ultimate independent variable as in Kalecki's model. The position of Keynes on this matter is utterly wrong. Said he:

"If human nature felt no temptation to take a chance, no satisfaction (profit apart) in constructing a factory, a railway, a mine or a farm, there might not be much investment merely as a result of cold calculation"¹. In capitalism we deal with capitalists, not with romantic individuals.

Fourthly, the imbalances that can develop in capitalism, bringing about a crisis are many: between production and valorisation, between investment and consumption, between the growth of profits and wages, between the monetary and the real parts of the system, between external connections and internal connections.

The capitalist system has more sources of instability still, for it develops in a wavelike way as we shall see in the next section.

Long Waves in Capitalist Activity

Evidence shows that in the first two decades after the Second World War, the capitalist world - and Nigeria with it - was passing through the upward phase of one of its long waves and that from 1968 we entered the stagnation phase of a long wave. In table 2 we present the waves.

These waves are often called 'Kondratieffs' after the economist in the early Soviet state who paid a great deal of attention to them.

Economic historians are almost unanimous that in capitalist history there have occurred waves of expansion and contraction as shown in table 2. The statistical evidence on these waves which we present in this section is due to

Table 2: Long waves in capitalism

	Expansion	Contraction
1st Wave	1793-1823	1824-1847
2nd Wave	1848-1873	1874-1893
3rd Wave	1894-1913	1914-1939
4th Wave	1940-1967	1968-....

1 J. M. Keynes, *The General Theory of Employment, Interest and Money*, Macmillan and Cambridge University Press, London, 1936, p. 150.

sources cited by Ernest Mandel¹ who has made a valuable study of the long waves to which this section is indebted.

What is responsible for these long waves? They are best explained as due to major technological revolutions, which are not accidents but arise from

Table 3: Annual cumulative rates of growth of the industrial output of Great Britain (%)

1827-1847	3.2
1848-1875	4.6
1876-1893	1.2
1894-1913	2.2
1914-1938	2.0
1939-1967	3.0

Table 4: Annual cumulative rate of growth of the industrial output of Germany (after 1945 Fed. Rep. of Germany) (%)

1850-1874	4.5
1875-1892	2.5
1893-1913	4.3
1914-1938	2.2
1939-1967	3.9

Table 5: Annual cumulative rate of growth of the industrial output of the USA. (%)

1849-1873	5.4
1874-1893	4.9
1894-1913	5.9
1914-1938	2.0
1939-1967	5.2

1 E. Mandel, Late Capitalism, op. cit., pp. 141-142.

Table 6: Annual cumulative rate of growth of physical per capita output on a world scale (%)

1865-1882	2.58
1880-1894	0.89
1895-1913	1.75
1913-1938	0.66

Table 7: Annual cumulative rate of growth in the volume of world trade (%)

1820-1840	2.7
1840-1870	8.5
1870-1890	2.2
1891-1913	3.7
1913-1937	0.4
1938-1967	4.8

Table 8: Annual compound % growth of industrial output after World War II

	1947-66	1966-75
U.S.A.	5.0	1.9
Original		
EEC 'Six'	8.9	4.6
Japan	9.6	7.9
U.K.	2.9	2.0

movements in the rate of profit. It is important to show that the long waves, like the 'normal' cycles, are not fortuitous but obey the logic of capitalist dynamics to which the rate of profit is central.

A long list of writers have commented on the problem of long waves, by way of sustained analysis, criticism of analysis, or historical demonstration¹. As usual, however, it is Karl Marx that gives us the theoretical basis for convincingly explaining the phenomenon, even though these waves did not become clear in his time and were not studied by him.

Let us observe certain facts that will help us.

First, the industrial revolution, which consists in the process of industrializing agrarian economies, must be distinguished from further technological revolutions induced by capitalist competition.

Secondly, industries are linked in such a way that a technological revolution in a group of industries calls for a technological revolution in the industries that supply it and stimulates a technological revolution in those that buy from it. In particular, Department I in the Marxian theoretical system (that is, the production of producer goods) is linked with Department II (the production of consumer goods) in this way. Revolution in processing is linked with revolution in raw material production, and revolution in making machines is linked with revolutions in the machines that make machines in this way.

Thirdly, capitalism develops unevenly, since there is no social plan to control the use of new capital. The rate of profit provides the guidance for the movement of productive capital. It is thus a system of division of labour between more developed and less developed sectors of activity and regions. In particular, uneven development between Department I and II must bring about a reaction, since, in the final analysis, all production must be directed towards consumption.

Fourthly, by industrial 'development' under capitalism one means in the ultimate the development of machine production and the motive power for turning machines, since capitalist industry is essentially mechanized industry.

Fifthly, we have to distinguish the making of an invention and its installation at its first site from the adoption of the invention by other producers. We have also to distinguish between the centres of modern industries and the spread of the activities of these centres to less developed regions.

Sixthly, capital moves about in the capitalist system. If technological innovations take place in a sector, the rate of profit will rise in it. For this reason, there will be expansion through investment of new capital in it. This will raise the organic composition of capital (capital/wage ratio) in it. The effect of this is to lower the rate of profit. Still the sector will earn a larger mass of profit. The system tends to establish an average rate of profit

1 These writers are cited by Mandel, *Ibid.*, but they are too many to cite here. To Mandel's list, however, should be added W. W. Rostow who applies the thesis of the long waves. Lander, following Rostow, also applies this thesis. See W. W. Rostow, The British Economy of the Nineteenth Century, Oxford University Press, London, 1948, and J. E. Lander, International Economic History, Macdonald and Evans, London, 1969.

through competition - in the absence of monopoly. Consequently, processes that involve more capital investment earn a larger mass of profits.

If the expansion of investment in a sector is large relative to the increase in productivity in it, this has two effects: profit will be transferred from other sectors to it to compensate it for the large increase in investment and the general rate of profit will fall. For this reason, and in order to cope with demand, if there is a major technological innovation in Department I, that will eventually induce technological innovation in Department II and vice versa.

We can now look at the history of capitalist industry since about 1825.

Apart from the classical industrial revolution (1750-1850), we have had three technological revolutions: 1847-1873, 1893-1914, 1940 or 1945-1968.

If we may present the matter summarily, the long period from the end of the eighteenth century up to 1847 was characterized basically by the gradual spread of the steam engine made by hand to all branches of industry in all countries that were industrializing. This was the long wave associated with the industrial revolution itself.

The long period from 1847 to the beginning of the 1890s was characterized by the generalization of the steam engine made by machines rather than by hand as the principal motive machine. This was the long wave associated with the first technological revolution.

The long period from the 1890s to the Second World War was characterized by the generalized application of electric and internal combustion engines in all branches of industry. This was the long wave of the second technological revolution.

The long period, beginning in North America in 1940 and in other imperialist countries in 1945-1948, was characterized by the generalized introduction of machines controlled by electronic apparatuses or nuclear energy. This is the long wave connected with the third technological revolution.

Marx distinguished three essential parts of a developed system of machinery - a system where all the processes are mechanized. We have motive machinery, transmission machinery and tool or labour machines. The development of the latter two, after a point, depends on the development of the first. Motive machines are the mechanical producers of energy. Thus revolutions in the technology of production of motive machines appear to be the determinant aspect of revolutions in technology as a whole.

The construction of plants for the new basic technology offers an opportunity for the investment of new capital. As the application of the new motors becomes more general, orders for the products of industries making the new motors decline more and more and thus the growth rate of the industry declines. This implies growing difficulty in the valorization of the capital sunk in it. Moreover, a general transformation of productive technology, consequent on the introduction of new motive machines, requires

an enormous investment of capital, and leads to a rise in the organic composition of capital and a general decline, in the rate of profits. With the growing difficulty of valorization, there is a crisis.

At this stage there is a feverish look for new fields for the valorization of idle capital.

Each of the long periods falls into two parts. In the first part the new technology comes into existence and is generally adopted. This implies a rise in the rate of profits and an accelerated accumulation of capital, accelerated growth, accelerated self-expansion of previously idle capital and an accelerated devalorisation of capital previously sunk in Department I and now technically obsolescent. There follows a second phase. Now the new technology has already been installed and only improvement or further extension is possible. This phase is one of declining profits, gradually decreasing accumulation, deceleration of economic growth, gradually increasing difficulties in the valorization of the total accumulated capital, and a general increase in idle capital.

If we may apply this reasoning to the long wave that started in 1940, the expansion due to the introduction of electricity and oil machines ended in the prolonged contraction of the 1930s. The Second World War intervened. From 1940 in the United States and from 1945 in other parts of the capitalist world, a long expansion began, stimulated by the introduction of automated machines and - to some extent - nuclear energy. We also had along with this the rise of polymer chemistry (the manufacture of synthetic products). By the middle of the 1960s capitalist countries had massively installed these processes and the conversion was reduced.

Added to this development was the acceleration of industrial development which greatly reduced the peasantry and small farmers in the United States, France, Japan and Italy. After the Second World War also, a number of developments led to the acceleration of the synthetic production of raw materials. In short, the scope for 'extensive' development narrowed. (Extensive development is the process of development which draws people and resources from the non-mechanized into the mechanized sector rather than increasing labour productivity in the mechanized sector itself. The latter is 'intensive' development).

In order to encourage the installation of the equipment for 'intensive' development by their own monopolies, the governments of capitalist countries allowed accelerated depreciation. These transformations greatly raised the organic composition of capital (the capital/wage ratio). When they began to exhaust themselves, net investment began to show a long-term decline.

A rapid rise in the organic composition of capital means that even with increase in labour productivity, the rate of profit will tend to fall if the workers are strong enough to win some of the increase in value-added for themselves - and this was the position after World War II.

Table 9: Real rates of return on corporate capital, by country 1962-1976 (%)

Period	Canada	France	Germany (Fed.Rep.)	Italy	Japan	U.K.	U.S.
Average							
1962-64	7.9	9.7	19.3	10.4	26.2	11.9	12.0
1965-69	9.6	10.0	19.5	10.4	27.9	10.6	12.2
1970-73	9.0	11.6	15.0	10.3	21.9	8.3	8.6
1974-76	9.2	8.0	11.4	-	13.5	3.7	7.1

Source: Sactis, 1979, cited by *World Development Report*, 1984, p.17.

The declining trend in the rate of profit is obvious (as from 1965-1969) in Table 9.

Kondratieffs are not isolated from 'normal' (or conjunctural) cycles. How are the two related? During a Kondratieff expansion, the upswings in the conjunctural cycles tend to be longer and the downswings shorter. During a Kondratieff contraction, the upswings become shorter than previously and the downswings longer. This is confirmed by experience after World War II.

In the current epoch, both business cycles and Kondratieffs are complicated by phenomena that mark the general crisis of world capitalism.

The Crisis of World Capitalism

The capitalist economy as a global system has always been one in which a few capitalist countries exploit weaker ones. From 1750 to about 1875, Great Britain dominated this system. From then to 1945, capitalism became polycentric. Since 1945, it has been dominated by the United States of America.

The system of modern imperialism, characterized by the dominance of monopoly-finance capital and the export of capital, was necessary for the revitalization of capitalism after the depression of 1873 to 1893. It is this global system that is now disintegrating. The disintegration set in during the First World War (1914-1918).

The crisis of the world capitalist system manifests itself today in five forms.

The first is the emergence of the socialist world order: the falling off of more and more countries from the capitalist system.

The second is the disintegration of imperialism's colonial order and the development of new links between developing countries and the world socialist system.

The third is the development of deep contradictions of redivision of territories and spheres of influence among the imperialist countries themselves.

The fourth is the crisis of peripheral capitalism.

The fifth is the deepening crisis of monopoly capital within each of the leading capitalist countries.

The first breach in the system of world imperialism was made by the October socialist revolution in Russia. After the Second World War more countries joined the socialist community of countries. As of 1981, a tenth of the population of the world lived in socialist countries, but already these countries produced one third of the world's steel, one quarter of its oil, one quarter of its electricity and 40 per cent of its mineral fertilizer.

Table 10 shows the average growth rates of principal indicators in socialist, capitalist and developing countries.

We have not included in the above indicators for socialist countries the indicators for socialist-oriented states, such as Ethiopia, Angola, Algeria, Mozambique, Benin, Burkina Faso, Afghanistan, South Yemen and Congo.

Table10: Economic Development indices for Socialist, advanced Capitalist and Developing countries

	Average annual growth rates for 1951-1981 (%)		
	National Income	Industrial Output	Agricultural Output
Socialist countries including	7.2*	9.1	3.3*
C.M.E.A. countries	7.0	8.6	2.9*
U.S.S.R.	7.3	8.5	2.9
Advanced capitalist countries including	4.0	4.5	2.1
U.S.A.	3.4	4.0	1.6
Developing countries	5.4	6.7	3.1

* For 1951-1980.

Source: Socialism: Theory and Practice, N11, 1983, p.114.

The development of socialist countries both limits quantitatively the territory open to imperialist exploitation and also restricts the freedom of imperialist exploitative policy. Thus by 1982 the territories in the world available for imperialist exploitation had shrunk to 73.8 per cent from 100 per cent. The socialist share in world population grew from 7.8 per cent in 1919 to 32.8 per cent in 1982. Whereas the Soviet Union - the only socialist country then - produced about one per cent of the world's industrial output in 1922, in 1982 the socialist countries were producing 40 per cent.

The break-up of the colonial system of the world and the crisis of imperialist relations with less developed countries in general further limit the

scope for imperialist manoeuvre. In some developing countries, some imperialist enterprises were nationalized; in others, they were restricted and compelled to make some concessions as in the case of the Organization of Petroleum Exporting Countries (OPEC) and the Nigerian Enterprises Promotion Decrees. Underdeveloped countries began to industrialize themselves and many of them turned to the growing socialist countries for help.

As regards their industrialization, the textile and other industrial exports of LDCs began to offer a sufficient competition in advanced capitalist markets for them to be restricted by tariff and other means.

As regards aid from socialist countries, by January 1, 1982, the USSR alone had helped to build in developing countries 310 industrial, 75 agricultural, 76 transport and communication, 45 geological prospecting and 190 science, education and health service projects¹. By the beginning of 1983, the USSR had helped the developing countries build almost 1,800 industrial enterprises, electric power plants, hydroelectric complexes, and agricultural and other projects². These projects are invariably large ones. Table 11 shows the export of Soviet complete plants to LDCs.

Table 11: Export of Soviet Complete Plants to Developing Countries (million roubles)

1956-1960	278.1
1961-1965	1,012.9
1966-1970	1,443.5
1971-1975	1,878.3
1976-1980	3,269.9

Source: Analoly Mikhailov, 'Equality and Mutual Benefit: Lenin's Ideas put into Practice' *Socialism*, N4, April, 1983, p. 15.

It is important to observe that such projects from socialist countries are constructed on terms much more favourable to the LDCs than similar projects built by firms in advanced capitalist countries and include the training of local personnel to take over the projects in record time. For instance, the USSR made a loan of eight million dollars to Turkey for a term of twenty years, interest free, whereas at about the same time the USA granted Turkey a loan of 10 million dollars at the annual rate of 6.5 per cent³.

1 Fanaloly Mikhailov, 'Equality and Mutual Benefit: Lenin's Ideas put into Practice', *Socialism*, N4, April 1983, pp. 15-16.

2 E. Obminsky, 'Proponents and Opponents of Restructuring International Economic Relations', *International Affairs*, N7, Moscow, 1984, p. 86.

3 Ibid..

As regards the division of the world among imperialist powers, after the Second World War, U.S. capital rapidly penetrated the capitalist world. When West European and Japanese industries were rebuilt, however, an intense inter-imperialist rivalry developed.

Table 12 shows the shares of the major capitalist countries in world capitalist exports before the Second World War (1938) and their respective shares from 1947 to 1974.

The table shows that after World War II the United States increased her lead over Britain and others in exports. However, the position of the United States and Britain declined rapidly. By contrast, the shares of the European Economic Community (EEC) countries and Japan mounted rapidly. By 1974, the Common Market (EEC) countries had surpassed the U.S. position in 1947. The rapidity of growth in the Federal Republic of Germany and Japan, whose economies suffered heavy war damage but which did not carry the military burden of defending world capitalism, is to be specially noted.

The share of the US in the capitalist world's industrial output declined from 56 per cent in 1948 to 30 per cent in 1981, while that of Japan, which has moved to second place, increased from 3 per cent to 17 per cent between these dates. In 1982, twelve of the world's 100 leading banks were US-owned, whereas 24 were Japanese-owned. Even in Latin America, which US monopolies regard as their backyard, US direct investment rose 2.8-fold between 1966 and 1984, whereas Japanese direct investments leapt 63-fold.

Just as the emergence of monopolies marks the crisis of free-competition capitalism, so do the attempts at imperialist integration and the subordination of the other imperialist countries to US imperialism mark the crisis of monopolistic capitalist competition. However, the strains and fissures in collective imperialism show that imperialism cannot overcome its inherent crisis of uneven development and the contest to reshare the world by harmonious sharing.

Data like those in Table 12 which show the uneven development of monopoly capitalism as between the countries explain the crises in joint-exploitation arrangements such as the Bretton Woods agreements, the European Economic Community (EEC) and the Organization for Economic Co-operation and Development (OECD). Each industrially powerful capitalist country in order to grab the economic positions commensurate with its power steps on the toes of other capitalist economies.

The U.S.A. has no intention to reconcile itself to the erosion of the dominance which her monopolies had gained after World War II. Under pressure from the military-industrial complex, the transnational companies and the transnational banks, the Reagan administration is mobilising not only all possible internal resources but also all resources it can extract from abroad to change the situation. Its hostility to OPEC and its support for the economy of the racist regime in South Africa, for instance, arise from its strategic interest in world oil resources and strategic minerals. It has

financed the astronomical growth of not simply unproductive but also anti-social expenditure, in terms of the arms race, her assumption of the role of world gendarme, and the export of counter-revolution. New techniques which would marshal world resources have been invented in pursuit of U.S. hegemonic ambitions: the Federal Reserve Bank raised the bank rate of interest to the record height of 17.3 per cent.

The crisis of peripheral capitalism consists in the different ways in which development has been frustrated. There are no better indicators of this than the inability of the peripheral states to free themselves from the grip of multinationals, the net export of investible resources, the chronic high rate of inflation, deteriorating terms of trade, and the debt crisis.

Let us illustrate. In the period 1966 to 1981 in Latin America, the gross domestic product grew roughly 2.5-fold, but the sales of US subsidiaries in the area grew more than 7-fold¹.

For Africa, for instance, investment by overseas private capital and the export of profits between 1968 and 1975 were as shown in Table 13.

1 'The General Crisis of Capitalism and Latin America's External Debt Problem', World Marxist Review, N4, April 1986, p. 59.

Table 12: Share of the main capitalist countries in World capitalist exports (in %)

Year	USA	Britain	France	Germany (Fed. Rep.)	Italy	Japan	Common Market (the nine)
1938	15.0	11.8	4.3	-	2.7	5.4	-
1947	33.0	10.0	4.1	0.5	1.4	0.4	-
1957	20.8	9.3	5.4	9.1	2.6	2.9	-
1974	12.7	5.7	6.0	11.5	3.9	7.1	35.6

Source: G.A. Kozlov et al., *Political Economy: Capitalism*, Progress Publishers, Moscow, 1977, p. 402.

Table 13: Exported profits on invested private capital and Inflow of overseas capital in African countries (hundred millions dollars)

	1968	1969	1970	1971	1972	1973	1974	1975
Exported profits	12.8	13.7	12.7	13.3	16.2	23.1	23.0	17.9
Inflow of private capital	3.1	2.1	7.4	8.3	1.1	8.4	7.5	22.1

Note: Estimated from United Nations and Economic Commission for Africa Sources.

Source: E. A. Tarabin et al. *USSR and Countries of Africa*, Progress Publishers, Moscow, 1977, p. 144.

This reveals that in each year apart from 1975, expatriated profits greatly exceeded the inflow of private capital. The cumulative exported profits for the seven years was 13,252.6 million dollars and the cumulative inflow of private capital was 6,997.6 million dollars, making a cumulative net export of investible funds of 6,255.0 million dollars in seven years.

Concerning prices and terms of trade, in the period 1970 to 1980, the average annual price change of non-primary products was 9.1 per cent, whereas for manufactures it was 10.6 per cent. W. Klein estimates that in 1981 and 1982, the LDCs lost 79 billion dollars from the sagging of the prices of fuel and raw materials.

The outstanding debt of the developing countries¹ was 548.0 billion dollars in 1982 and rose to 900 billion dollars in 1984. The debt service as a percentage of all LDC exports was 20.7 per cent in 1982. In 1984, 50 per cent of the export revenues of debtor countries was spent on debt servicing as compared with 36 per cent in 1979. Developing countries spent 10.9 billion dollars in 1971, 91.2 billion dollars in 1980, 111.7 billion dollars in 1981 and 150 billion dollars in 1984 on debt servicing. By 1984 there was a net outflow of funds from the LDCs.

Let us turn to the difficulties of monopoly capital in the imperialist countries. Capital is compelled to be intensely parasitic in these countries, and monopoly capital faces the growing hostility of the population, led by workers. This is made clear above everything else by the increasing burden of the national debt, the growth of the non-productive sector, the growth of so-called 'state intervention', militarism, excess capacity, permanent inflation, the phenomenon of 'countervailing power', and the deepening of cyclical crises.

For the industrial capitalist countries as a whole², public spending rose from 29.3 per cent of GDP in 1961 to 40.9 per cent in 1981. To pay for the growth in public spending, taxes rose from 28.7 per cent of GDP in 1961 to 37.5 per cent in 1981. This increase was not sufficient to cover all the rise in spending. Therefore, there has been considerable public borrowing to cover the deficit.

The effect of deficit financing has been equivocal. On the one hand, it has sometimes had some counter-cyclical effects. It cannot be denied, however, that its inflationary character has brought in its train many difficulties. As regards large states like the U.S.A., deficits have had important global consequences. By contributing to the escalation of interest rates, they drive up the cost of borrowing and increase the difficulty of so-called 'structural adjustment' both within the country and outside.

The long-term nominal interest rates in the United States³ rose from 4.5 per cent in 1965 to 13.5 per cent in 1980 and 12 per cent in 1984.

1 World Development Report (1983), The World Bank and Oxford University Press, p.33.

2 World Development Report (1984), The World Bank, pp. 13-16.

3 World Development Report (1985), The World Bank, p. 5.

In the United States economy, employment in the non-productive sector grew from 33.1 per cent of total employment in 1937 to 38.2 per cent in 1947 and to 57.6 per cent in 1971. These statistics reflect two things. On the one hand there is the increasing difficulty of profit realization in capitalism (owing largely to excess capacity) which leads to high expenditure on sales by the monopolies. On the other, there is the increase of the public sector which arises from various government interventionist moves to save the system.

As to 'state intervention' itself, even in the US economy, which is less 'mixed', employment in the state sector, which is overwhelmingly non-productive, rose from 5.5 million (or 10.5 per cent of the whole) in 1947 to 12.9 million (or 17.3 per cent of the whole) in 1971.

As to military spending, let us take the USA. In 1930, military spending was only 0.9 per cent of Federal Government expenditure. In 1970, it was 9.6 per cent. In 1984, US military spending was 265 billion dollars and in 1985, 313 billion dollars. It is important to note who profits from military spending, since this spending is no longer much of a voluntary policy but has become basically a structural necessity for the survival of capitalism.

In the 1940-1945 period, the US monopolies earned 58.7 billion dollars in profits (after taxes)¹. The average net profits of US corporations grew from 3 billion dollars in the pre-war period (1935-1939) to 9.5 billion from 1941 to 1945. Particularly enormous profits were made by major military-industrial corporations, including General Electric Company whose profits rose 8 times, United Aircraft (10 times), Douglas Aircraft (13 times), United States Steel Corporation (48 times) and Boeing Aircraft (110 times). Over the 1939-1945 war period the British monopolies' receipts from profits, interest payments and rent totalled 18 billion pounds. This was three times the sum of profits made over the six years preceding the war.

Military build-up in peace time is pursued by the military-industrial complex for three reasons: first, to enable the monopolies to make high profits to compensate for excess capacity; secondly, as a counter-cyclical measure; thirdly, in order to police the tottering world imperialist system, promote counter-revolution and slow down the rate of growth of socialist economies by compelling them to devote a large part of their smaller incomes to defence.

Excess capacity in the advanced capitalist economies is a notorious fact. In the U.S. economy, for instance², the index of capacity utilization in manufacturing industry declined steadily from 100 in 1947 to 65 in 1961. This means that even during periods of 'prosperity' capacity utilization did not rise sufficiently to overcome the downward trend in this indicator. As another indicator of secular stagnation, net investment as a percentage of gross investment declined (also fairly steadily) from 69.4 in 1947 to 38.0 in

1 Nicolai Voloshkin, 'Why are Wars Profitable for Imperialists?' *Socialism*, N12, December, 1983, pp. 30-32.

2 F. Molnar, *op. cit.*, p. 62.

1968. It is interesting to observe that the years involved were the general expansion years from 1945 to 1968. Permanent inflation in late capitalism is caused by a number of factors: the growth of the non-productive sector, the monopolistic price-fixing power of the transnationals, excess capacity and the rapidity of turn-over of capital (high depreciation rates), the organized opposition to wage reduction by trade unions, military spending, and high liquidity arising from a huge idle mass of profits and serving as a basis for an enormous growth of credit. Recently experience in advanced capitalist countries has shown that by pursuing a deflationary policy, involving the perpetuation of a high unemployment rate, it is possible to reduce the rate of inflation. However, it is not possible to eliminate inflation, and the cost of deflation is a rate of unemployment 'acceptable' only to the most rabid anti-working class elements.

The fact of permanent inflation after World War II is too well known to need illustration. What is necessary is to settle the much-debated issue of the extent to which military expenditure or another factor is its main determinant. Table 14 is of help in this respect. It shows that in the post-war period, private debt has grown much faster than public debt and has also been more massive.

It is private indebtedness that links up inflation with such phenomena as the financing of rapid obsolescence and corporate profits.

In the case of the USA, the effect of accelerated obsolescence is seen in the fact that depreciation allowances as a ratio of corporate sales grew from 1.5 in 1947 to 3.2 in 1961. Moreover, when this indicator is calculated as a

Table 14: Proportions of public and private debts to gross national product

Year	Gross Nat. Product (N bil- lion) A	Public debt (N bil- lion) B	Private in- debtedness (N billion) C	B as % of A	C as % of A
1946	208.5	269.4	153.4	129.4	73.6
1950	284.8	239.4	276.8	84.0	97.2
1955	398.0	269.8	392.2	67.8	98.5
1960	503.7	301.0	566.1	59.7	112.4
1965	684.9	367.6	870.4	53.7	127.1
1969	932.1	380.0	1,247.3	40.8	133.8
1973	1,294.9	600.0	1,700.0	46.3	131.2
1974	1,395.0	700.0	2,000.0	50.0	140.0

Source: Earnest Mandel, *Late Capitalism*, NLB, London, 1972, p.418.

percentage of the ratio of gross profits to sales¹, the resultant variable increases steadily from 17.6 in 1947 to 55.2 in 1961.

The foregoing data illustrate growing parasitism within the advanced capitalist countries. The long-term tendency of the rate of profit to fall is a permanent crisis condition in capitalism giving rise to intense class struggle, imperialistic ferocity, accentuation of concentration and feverish innovation. It is not difficult to present statistical indicators of these reactions to the falling rate of profit. We shall only illustrate the falling rate of profit itself.

In the United States corporate profits as a percentage of corporate sales declined on the whole steadily from 10.5 in 1943 to 5.8 in 1961.

Inflation is not caused by rising wages as the cost-push theory and the Phillips curve, which merely reflects co-variation, presume. Prices first rise for other reasons before workers agitate for wage increases. However, if the trade unions are strong and alert, as they are in advanced capitalist countries, they can push up wages more or less *pari passu* with productivity. That this has been broadly the case is shown in Table 15.

The data in the table reveal quite a close correlation between growth in real wages and growth in labour productivity in all the countries. Since, however, monopolies are strong enough to resist a fall in real profits, inflation has become a powerful weapon for limiting the rise in real wages.

Table 15: Rates of growth in labour productivity and real product wage, by country, 1962-1978 (per cent)

Sector & period	Canada	France	Fed.Rep. Germany	Italy	Japan	UK	US.
Aggregate labour productivity							
1962-69	3.3	5.2	5.3	7.4	9.9	3.1	2.7
1969-73	3.2	5.7	5.2	6.6	9.1	3.9	2.6
1973-75	0.7	2.6	4.0	3.0	3.9	0.7	0.3
1975-78	2.0	5.0	4.5	1.3	4.1	2.0	2.1
Aggregate Economy Real Prod. wage							
1962-69	3.6	5.1	5.0	7.8	8.6	3.2	3.1
1969-73	2.0	5.5	6.3	7.9	12.2	3.7	2.6
1973-75	1.5	5.1	4.8	6.0	8.6	4.9	0.2
1975-78	1.8	5.2	2.7	1.2	2.7	1.5	2.3

Note: Real product wage is defined as the ratio of nominal wage to the price of commodities produced.

Source: Sachs, 1979, cited by *World Dev. Report*, 1984, p. 16.

1 Ibid., pp. 156-157.

This is the core issue between the keynesians and the 'supply-siders' in the International Monetary Fund, the World Bank, and the Reagan and Thatcher administrations. Should the state use a deliberate inflationary policy to reverse increases in real wages or should the firms be allowed to reduce real wages on their own both by retrenchment and automation (which swell the industrial reserve army and puts a 'natural' curb on wage increases) as well as by a smaller price inflation rate whose benefits will go to profit earners because of the 'natural' limit to real wage increases?

The question involves class struggle and an unsolvable dilemma of policy. It can be said, however, that the solution of the 'supply-siders' is more in keeping with the logic of capitalism.

The result of all the above influences is reflected in the growing depth of cyclical crises indicated in Table 16 by the percentage drop in industrial production in the USA.

The Post-1980 Crisis

In Nigeria, the post-1980 crisis is almost invariably described as a problem stemming from petroleum exports. The notion is that prior to

Table 16: Percentage drop in industrial production from peak to trough in U.S. Post-war recessions

1948-1949	8
1953-1954	10
1957-1958	14
1960-1961	10
1969-1970	43

Note: Based on data from Federal Reserve Bulletin and Handbook of Basic Economic Statistics, Vol.xvii, N1, June 1972, Economic Services Bureau of Washington D.C., p.73.

1978/79, the country was riding on the wave of a petroleum export boom. In the period 1978-80, earnings from petroleum export declined. The country happened to be a mono-cultural economy over 90 per cent of whose export revenue came from petroleum. The economy itself is very export-import dependent. Therefore it crashed.

The burden of the previous sections of this paper was to show that this 'petroleum decline' story is a very superficial way of understanding the economic crisis in Nigeria. This country is very much a part of the capitalist world system. She is a peripheral capitalist or neocolonial country.

The crisis that the capitalist world has been passing through since 1980 involves a 'normal' (or conjunctural) economic crisis, the contraction phase of a Kondratieff decline and the financial and other woes associated with the general crisis of capitalism. Economic historians recall that capitalism entered a deep depression crisis in 1929. Some recovery came as from 1933 thanks to the general rearmament associated with the rise of Hitler. However, by 1939 when the Second World War erupted, the leading capitalist economies had not quite recovered and there was still a lot of unemployment. The same is true of the 'recovery' in the world capitalist economy since 1983. According to data published in 'Die Wahrheit' (Federal Republic of Germany), unemployment in OECD (i.e. principal capitalist) countries was 25.4 million in 1981, 30.0 million in 1982, 31.8 million in 1983 and 35.0 million in 1984. As a matter of fact, the depression of 1974-75 and that of 1980-83 ought to be taken together, because it is the underlying long-term crises of capitalism that produced a 'recovery' in 1976 that turned out to be only ephemeral.

The GDP of industrial capitalist countries rose by 6.1 per cent in 1973, an impressive rate. Then in 1974 it rose by only 0.8 per cent and this fell again to 0.4 per cent in 1975. In 1976, however, it rose by 4.7 only to fall again sharply.

In 1979, the GDP of the industrial capitalist countries rose by 3.3 per cent, then by 1.7 per cent in 1980 and by 1.3. per cent in 1981. It fell by 0.5 per cent in 1982 and is estimated to have risen only about 2.3. per cent in 1983. Having risen 4.3. per cent in 1984, it fell again disastrously in 1985, rising only by 2.9 per cent.

The underdeveloped countries were also more severely affected in 1980-83 than in 1974-75. Their GDP grew by only 2.5 per cent in 1980, 2.4 per cent in 1983. They had fared better in the prior recession not only because it was shorter but also because their heavy borrowing enabled them to grow. In the second recession, however, the availability of credit declined abruptly after 1981.

The recent recession is attributed by the World Bank Report to two causes¹. The first is the rise in oil prices in 1979, stemming from supply disruptions in Iran. The second is the disinflationary policies of governments in most major industrial countries after 1980. It must be observed, however, that the economies were already long in recession before 1980. After 1976, the industrial economies and the developing economies with them began to decline as the figure in Appendix two shows.

The above explanation gives the impression that the depression of 1980-83, was produced only by so-called external shocks, including supposedly wrong policies. However, from developments since 1968, it is

1 World Development Report (1984), p.11.

obvious that such a superficial explanation would be most unconvincing. The authors, therefore, add:

Both the need to reduce inflation and the severity of the resulting recession can be understood only as a manifestation of a long-term deterioration in the economic performance of industrial (capitalist - E. T.) countries. This deterioration may be explained in part by past policy choices as well as by the underlying economic and social conditions.

Of course, a capitalist government must pursue one policy or other. Up to about 1980, these governments pursued predominantly Keynesian policies, but Keynes himself and the Keynesians, whose policy recommendations went up in flames with deepening crisis after 1965, had blamed the pre-1940 depressions on 'wrong policy choices'.

We can see, and we have shown, how long-term 'deterioration' in the economic performance of capitalist countries can be explained by underlying economic and social conditions. Since it is precisely the purpose of this essay to show that the 'deterioration' in question is a law-governed and predictable product of capitalist dynamics rather than an outcome of policy errors, we must dwell on the statements of the World Bank experts a little more carefully.

Their analysis runs on two parallel lines without being integrated. They keep mentioning 'policy' and 'underlying influences' and give the general impression that the latter could be neutralized by some policy choice. However, their data and even a part of their report confirm the operation of the three types of capitalist crises which we say are manifest in the current capitalist 'deterioration'.

The World Bank Report observes as follows. We are not dealing with mere ordinary cycles, but with certain underlying tendencies. There are the following signs of long-run stagnation. Since the mid-1960s the industrial cycles have been more marked, that is, deeper. The rate of unemployment has not shown any significant downturns but has had three upturns since 1969.

"The progressive deterioration from cycle to cycle is also evident"¹. GDP growth in industrial countries has not matched its rate of 1973 in any subsequent year. The cyclical peaks and troughs in unemployment have risen from 2.9 to 2.7 per cent on the first of the cycles to 8 to 5 per cent in the most recent. In the case of inflation, the peaks and troughs have risen from 5.7 to 2.7 per cent in the first cycle to 12.2 to 7.1 per cent in the most recent. Although inflation has fallen below its previous cyclical trough, this should not be interpreted as a break in the "progressive deterioration", because to lower inflation to a level that is still well above the average for 1960s, unemployment rates have had to rise to three times the level of the 1960s.

1 Ibid..

The tendency toward slower growth, says the Report, can be explained in part by changes in underlying conditions. The Report then gives an explanation which agrees with our assertion that a Kondratieff phase is involved. By the late 1960s, says the Report, the opportunity for catching up with the technology of the United States had been largely exploited by both Japan and Western Europe, so that one source of exceptional growth declined in significance. Another source, the shift of workers from low productivity agriculture to high productivity manufacturing, had also been largely exhausted. A third source - trade liberalization and reintegration of the industrial economies after World War II - had boosted growth for at least two decades but was no longer providing the stimulus it did earlier. Finally, the increasing share of service industries in GDP may have slowed the growth of GDP, since the growth of productivity has traditionally been lower in the services.

Having made the foregoing correct analysis, the Report then embarks on an invalid speculation. It observes that although the fundamental factors played a part in slowing down GDP growth, they cannot entirely explain the "deterioration in economic performance". Here, the imprecise term 'deterioration' plays havoc.

To begin with, pursues the Report, some forces were working in favour of faster growth, namely rapid innovation in key industries, such as electronics. Additionally countries could have exploited the potential for shifting labour out of unemployment and declining 'smokestack' industries into new areas. They could also exploit the opportunity to expand trade with developing countries, especially by importing more labour-intensive goods in return for exports of machinery and other sophisticated products and services.

One must observe here that a capitalist economy is not run by the government; it is run by capitalists - by monopoly capitalists for that matter. In many cases it is more profitable for the monopolies to limit output, inflate prices and hold on to their existing markets than expand to new areas. Moreover, the existence of large unemployment is a necessary datum for 'supply-side' recovery.

The Report moves on to another claim namely, that the underlying changes in economic opportunities "have little to do with the stop-go pattern of cyclical disturbances combined with rising unemployment and inflation". That pattern, it claims, can be explained only by the economic policies followed in the industrial countries.

Our analysis shows that this statement is erroneous. Permanent inflation is rooted in the general crisis of world capitalism. The underlying causes of the current Kondratieff decline cannot be isolated from the 'normal' cycles. The cycle itself is a systematic feature of capitalist growth and is not produced by policies. So-called 'stop-go' policies are only official reactions to cycles. The 'stop-go' character of the policies reflects the dilemmas of the concept of a state-regulated capitalism.

The World Bank economists urge that the following developments require prior attention: first, the increasing 'rigidity' of the labour market and the resulting strong upward pressure on real wages; secondly, the growth and pattern of public spending, taxation and fiscal deficits. They claim that "the links between these are at the root of the problems of inflation, unemployment and slow growth"¹ They refer to 'rigidity' of the labour market and the growth and pattern of public spending, etc. as 'policy induced development'.

This is a strange mix-up. Having correctly identified the real causes of slow growth, the Report now holds other factors responsible for it. Further, it pretends that these allegedly responsible factors are policy matters. Both views are erroneous. The four 'underlying' factors earlier identified by the Report are responsible for the Kondratieff element of the post-1965 decline. Wage 'rigidities' arise from the objective realities of the labour market. The particular patterns of fiscal policy adopted in advanced capitalist countries arise from the very character of the crisis of monopoly capitalism. The notions that we can make anything we wish happen to a capitalist economy and that every capitalist crisis is simply the result of some error are widely held, but they are erroneous.

Since it is not clear what policies may or may not do as regards a cyclical crisis, let us observe that policy may affect to some extent the depth of a recession, the sharpness of the down-turn or the exact month in which the recession starts, but no set of policies has been found - and none can be - to stop conjunctural crises in capitalism.

As regards developing economies, since peripheral capitalist economies have very close links in production, finance and commerce with the industrial capitalist economies, the crises of the latter are reproduced in them. Besides, so long as they remain peripheral capitalist, they cannot recover on their own.

In this regard, the World Bank report under reference observes:

The links between the industrialized world and the developing countries are close and pervasive. Growth has been faster in the developing countries during most of the past ten years (1973-83 - E.T.); yet they have not been able to escape the cyclical pull of industrialized economies. The pull is exerted principally through international trade and capital flows.

Having made this correct and acute observation, the report slips into ambivalence:

In an interdependent economy, growth in developing countries is significantly affected by what happens in industrial countries. To assess the prospects of developing countries, it is

1 Ibid., pp. 13-14.

therefore important to consider the extent to which poor policies in industrial worlds were to blame for their difficulties.

The question raised by the present essay is precisely whether any capitalist country, let alone a neocolonial one, can by any set of policies, while remaining capitalist-oriented and in the world imperialist orbit, "escape the cyclical pull of industrialized capitalist economies".

This is not a question that can be answered by any wishful thinking. To come to grips with such wishful thinking is the *raison d'être* of this essay. Therefore, the second statement deserves more than passing attention.

It is to some extent a distortion to describe the relationship between countries such as Nigeria and advanced capitalist countries simply as one of 'interdependence', a word with which economics textbooks are in love. What is crucial in this relationship is dependence or subordination.

The term 'significantly affected' is an understatement and, therefore, a distortion. In the case of a conjunctural crisis, especially of the severity involved, happenings in developing countries are, in fact, determined by happenings in advanced capitalist countries. It is a powerful determination.

Again with regard to the alleged 'poor policies' of imperialist countries, imperialism is a systemic fact. So is conjunctural crisis. It is misleading to speak of them as if they were fortuitous products of some mistaken policies.

The so-called underlying 'social and economic conditions' mentioned in the report can be specified in the following way. One is dealing with the world capitalist economy. This economy is going through three interrelated crises as explained in the present paper. The developing country involved in our discussion is not Vietnam or Cuba but a peripheral capitalist country, such as Nigeria.

No two crises of capitalism are exactly identical, because these crises occur in changing historical situations. However, in terms of a Kondratieff wave, what has happened is that capitalism has exhausted certain sources of growth that became available, thanks largely to scientific and technological advances, after World War II. As in the period 1929 to 1939, neither the statesmen of the advanced capitalist countries nor the capitalist-oriented leaders of the peripheral capitalist ones can conceptualize policies that can make a developing country escape the stagnation pull of imperialist metropolises.

Critiques of Remedies

The foregoing sections make it clear that it is a misunderstanding to think that the crisis of 1980 to 1983 for Nigeria was a simple affair of a drop in oil revenue or even a 'normal' cyclical depression. Nevertheless we ought to examine outstanding and currently urged recommendations for recovery.

We can classify the familiar recovery remedies and those currently being drummed up by supply-siders and others in Western Europe and North America as Keynesian, anti-Keynesian and eclectic.

The Keynesian remedy is well-known. In a nutshell, it is that the government should borrow idle funds and spend them on anything in order to give support to faltering private investment. In the last analysis, since the government will not invest in the production of ordinary goods, in order not to compete with private producers, it is military expenditure that comes up handy.

Government deficit budgets and huge expenditures on non-productive branches, however, are inflationary. Inflation leads to balance of payments problems as well as to a redistribution of income that is in conflict with what the Keynesians seek to achieve. In so far as it redistributes income in favour of profit earners, it may encourage investment, but by that very process, it raises the marginal propensity to save.

Keynesian policy may, in fact, not lead to much employment, which is what the Keynesians set out to achieve in the first place. It has been found in practice that the arms monopolies may make very high profits from arms contracts, but these profits enter the financial system and the funds may not be invested because military expenditure does not necessarily brighten profit prospects in other spheres.

In the USA, for instance, in the industries most concerned with weaponry (aerospace, chemical and atomic industries), 40 to 60 per cent of those employed are of the skilled category. There is labour scarcity here while there is vast unemployment elsewhere. The system cannot train all the skilled workers needed, and the workers cannot afford all the money needed for training. This explains why massive unemployment continues in spite of staggering military expenditure year after year.

Besides, on practical grounds, the Keynesian remedy may worsen a depression or an inflation. It takes time to gather data to formulate a counter-cyclical policy towards a developing or anticipated position. It takes additional time to get the policy adopted. It takes still additional time to get it executed. By the time a particular policy is applied the economy would have shifted to another phase of the cycle in which the policy will produce results opposite to those intended. Then there is a sharp application of the opposite policy. This explains the 'stop-go' phenomenon.

Finally, Keynes' policies were formulated for recovery in a static framework. Competition, profits, prices and growth are not considered. The question Roy Harrod and Evsey Domar addressed themselves to has not been answered: if investment creates not only demand but also capacity, how do we avoid excess capacity, the fall in the rate of profits consequent on it and the panic that causes the down-turn? The multiplier is at best a tool for recovery analysis when the economy is depressed. How do we prevent it from being depressed?

There are a host of other problems. The Keynesians have not yet answered the main objection of neoclassical economists. If prices are free to vary in the course of competition, then structural parameters such as

'multiplier' and 'accelerator', especially for the whole economy, are unreliable.

Of late, and especially since 1970, Keynesians have been addressing themselves to these questions, borrowing now from Sraffa's neo-Ricardian analysis and now from Kalecki or even from Marx¹. This probing, however, has not gone far, it is only tentative², and has not saved Keynesian theory from its essentially eclectic and ad-hoc character³. Moreover, while they tried to face up to the weaknesses of Keynesianism, a deep and prolonged depression of the kind that Keynesian theory was designed to prevent - and which Keynesians believed had been prevented - developed.

Then there is a whole range of questions that Marxian economists deal with: the capital-labour relationship which determines income distribution and the rate of saving, technology, competition, depreciation and turn-over of capital, inter-sectoral disproportions, concentration, problems of the world market, and many contradictions that ought to be considered in capitalist dynamics⁴. There is the whole question of monopoly capitalism and imperialism which Keynesians consider only marginally and inadequately⁵.

Then there is the economics of development and under-development for which Keynesian analysis and conclusions are of limited relevance.

Finally, there is a fundamental flaw in Keynesian reasoning: it conceives of the state as a *deus ex machina*⁶. Embarrassing to the whole Keynesian concept of stability through state regulation of capitalism is permanent

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- 1 See Alfred S. Eichner, (editors), *A Guide to Post-Keynesian Economics*, Macmillan, London, 1979.
 - 2 Ibid. This is clear from Eichner's preface to and a number of the articles collected in this work.
 - 3 The eclectic and ad-hoc character of Keynes' work has been much commented on. For instance, Vargo observes that "he does not pay the slightest attention to the basic categories of capitalist economy" and that "keynes has not created an economic theory of his own: he is a typical eclectic". See Y. Varga, *Politico-economic Problems of Capitalism*, Progress Publishers, Moscow, 1968, pp. 305-306.
 - 4 These are discussed in K. Marx, *Capital* (3 Vols.) and K. Marx, *Theories of Surplus Value*, as well as in E. Mandel, *Marxist Economic Theory*, The Merlin Press, London, 1962; Y. Varga, op.cit.; E. Mandel, *Late Capitalism*, op. cit.; G. A. Kozlov et. al., *Political Economy: Capitalism*, Progress Publishers, Moscow, 1977; and Arun Bose, *Marxian and Post-Marxian Political Economy*, Penguin Books, Harmondsworth, Middlesex, England, 1975; and Ian Steedman et. al., *The Value Controversy*, Verso Editions and NLB, London, 1981.
 - 5 See V. I. Lenin, *Imperialism: The Highest Stage of Capitalism*, Progress Publishers, Moscow, 1978, and more recent works on monopoly capitalism and imperialism by Marxists: P. Baran and P. M. Sweezy, *Monopoly Capital*, Penguin, London, 1966, M. Barrat Brown, *The Economics of Imperialism*, Penguin London, 1974 and Dan Nabudere, *The Political Economy of Imperialism*, Tanzania Publishing House, Dar-es-Salaam, and Zed Press, London, 1977.
 - 6 Cf. P. M. Sweezy, 'What has Keynes contributed to the analysis of capitalism?' *Keynes and the Classics*, edited by R. Lukachman, D. C. Heath and Co., Boston, 1965, p. 34.

inflation, or stagflation, a new development in capitalist crisis which 'Keynesian measures' can only aggravate.

Let us pass on to the anti-Keynesians, the new neoclassical economists.

Among the neoclassical economists there are the monetarists. As far as the government supplies neither too much money nor too little during the expansion, they hold, there will be neither inflation nor cyclical crises. The correct answer to this school is that of Evans¹:

Since monetary policy has historically been tightened whenever inflation occurs, and this pattern seems unlikely to change in the near future, easy monetary policy throughout the cycle would require stable prices. This would mean that firms would not raise their prices when their demand curves shifted out, and wage earners would not bargain more vigorously when demand for labour was higher. This would be a most interesting situation, but in the absence of tightly controlled and enforced wage-price guidelines probably belongs in a book of fables.

It is known from experience that interest rate policy - which must be the major way of controlling the money supply in economies where transactions are largely intermediated by commercial banks - is more effective in checking expansion than in initiating a recovery².

Next we have the 'supply siders' whose remedy for recovery is a deep deflation. This is calculated to force real wages down, lower production costs, raise the rate of profit, and thus induce investors to invest. This is the policy that was applied by the first Reagan administration in the United States and by the Thatcher administration in Great Britain. It is not considered a suitable policy by anyone to whom large-scale unemployment is anything to worry about.

The policy being advocated by the International Monetary Fund and the World Bank is to some extent eclectic but akin to this. According to the World Development Report:

Pressures in the labour market and on public finance in industrial countries have contributed to four major problems since the late 1960s: inflation, unemployment, declining profitability, and a broadly defined protectionism.

Thus 'rigid wages', deficit budgets and government spending, and trade protectionism are held responsible for the economic problems of the capitalist world.

The recovery measures usually advocated by the International Monetary Fund, the so-called conditionality, fall into six categories. They are:

- reduction of government expenditure and subsidy
- tax reform

1 M. K. Evans, op. cit.

2 Ibid.

- trade liberalization
- currency adjustment (devaluation)
- more disciplined management of foreign exchange
- privatisation.

It can be shown easily that each of these works in the interest of imperialist firms. They may also to a limited extent work in the interest of the national economy but neither any combination of them nor all of them together will bring about the recovery of any developing country from a depression.

Reduction in government expenditure is designed to curb inflation. This works to the advantage of foreign firms, in so far as the foreign exchange they bring in or earn can then have greater local real value.

Reduction in government subsidy to consumption is inflationary. It can help the national economy if it leads to the curtailment of non-essential imports.

Tax reforms designed to make citizens pay more tax are favourable to imperialist firms if they save them from the burden of higher taxation and enable the government to do more by way of building the infrastructure to facilitate expatriate economic activity.

Trade liberalization is designed for the advantage of foreign exporters and of foreign subsidiaries within the country.

Devaluation, by whatever method, helps foreign investors. They can earn local currency for every unit of foreign currency they bring in. It can help the national economy by halting capital flight. To the extent that it is inflationary, however, it imposes hardship and prepares the stage for further devaluations.

A more disciplined management of the foreign exchange will make more foreign exchange available for the operation of the expatriate business.

Privatisation is meant to create a more completely capitalist atmosphere for capitalist firms as well as to transfer some state investments to private foreign investors.

It can be seen that the advocacy of these measures by the IMF is not disinterested. Besides, the measures are demanded as conditions for a loan. The lender has a stake in the recovery of the borrower, of course, but what is really implied here is a recovery of the activities of subsidiaries of foreign firms.

The conditionality reforms are sometimes self-contradictory. So, for instance, is prevailing on Nigerian authorities to raise interest rates, which clearly militates against pioneer enterprises and small-scale 'progressive' farmers and industrialists that reformers and privateers are often champions of. So is the dogma of privatisation which is at odds with state development initiative in most developing countries. So is the free trade overtone of trade and foreign exchange liberalization which, at bottom, jars with foreign exchange budgeting and development-oriented import structuring which the foreign financiers claim they are not opposed to. So is the inflationary effect

of devaluation which raises labour and imported input costs and is compatible with the export promotion part of the recovery package only if a rigid wage freeze operates, which is itself contrary to the 'reduction in inequality' or the 'broad spreading of the fruits of development' that the foreign financiers often put forward as desirable. Moreover, it is the pioneering small-scale and medium-scale commodity producing sectors owned by indigenes that need to be stimulated most and it is here that wage freeze will make heavy weather.

On the final count, the IMF conditionality cannot pull any developing country out of the current depression or provide the basis for such an escape. Everything else apart, the measures cannot create the overseas market for the one leading commodity that the mono-cultural economies of most developing countries export, thanks to the imperialist international division of labour by which they are still bound and will remain more tightly bound the more liberal is trade liberalization. This is even more true of a period of depression in the world capitalist economy and a tide of protectionism in Western Europe, Japan and North America in which Nigeria, for instance, did 86 per cent of her export selling in 1984. Before this protectionism the authors of conditionality for developing countries are entirely impotent. Even non-tariff barriers against imports from developing countries are not negligible¹.

We must not forget the debt crisis which, in addition to conjunctural and Kondratieff crises, has emerged as a specific feature of the general crisis of capitalism, namely, a crisis of its currency and credit systems. 'Structural adjustment' as prescribed by the IMF and its associates had such a little chance of dragging the leading capitalist countries out of their recurrent and deepening crises that they smashed up the tenuous Bretton Woods constraints and went their own individual ways. 'Structural adjustment' is envisaged more as a design to get debts repaid than as anything else.

In 1982, the outstanding external medium and long-term debts of developing countries amounted to 548 billion dollars. They were paying 49.5 billion dollars a year as interest on this debt. In 1981 the current account deficit stood at about 80 billion dollars. The proportion of the medium and long-term debts to exports stood as 104 per cent. With short-term debts included the ratio exceeded 150 per cent. In 1985, as we have seen, the external debt of developing countries was already 900 billion dollars. This is the situation that has to be considered in the light of high interest rates.

By 1973, the solution offered the problems of development by pundits in the West, namely, importation of foreign capital, import substitution, aid and

1 In 1984 the proportion of industrial capitalist countries' imports from developing countries covered by non-Tariff barriers varied from 5.4 per cent in Japan to 48.8 per cent in Switzerland. In most cases, it was more than 8 per cent.

trade - unequal trade on the basis of colonial or semi-colonial division of labour - had collapsed. In 1973/74 the developing countries themselves started agitating for a New International Economic Order (NIEO)¹. Such an advocacy, of course, amounted to asking finance capitalists to dissolve imperialism. It was bound to be ignored or resisted and it was. In its stead, the imperialists thought up their own way of leading the developing countries by the hand to 'save' their semi-colonial economies from perpetual stagnation and ultimate revolution. This is the work assigned to 'structural adjustment'.

Short of repudiating the debts, a sensible compromise would be a moratorium on debt servicing for a number of years. The multi-millionaires who own these loans can afford to wait. However, their interest is not really in getting any country developed; it is in profits and interest.

This brings us to the 'structural adjustment' package on which the Nigerian Government has embarked. This is nothing other than the IMF conditionality which, it is hoped, will throw open the gateway to the credit expected to finance raw material imports.

It is also hoped that devaluation of the Naira, especially - that is what the Second Foreign Exchange Market aims at - will facilitate the production of non-petroleum commodities for export in order to ease the country's foreign exchange situation.

There are, however, two reservations that may be made. Devaluation will bring no special help to the development of the basic industries - iron and steel, petrochemicals, liquified natural gas - which the government is pioneering. It will not help pioneering local industrial entrepreneurs because it is bound to raise local labour costs and other costs. Along with the partial floating of the Naira in the Second Foreign Exchange Market and trade liberalization, it will help the established expatriate monopolies who have already saved up a lot of Naira profits in the banking system so that there is considerable excess liquidity. Because of the rise in labour cost in the small-scale sector, it will not, as expected, stimulate agricultural exports, especially as the fruits of enhanced agricultural prices will likely go to middlemen.

In short, the so-called 'structural adjustment' will not do much to stimulate local production of basic commodities. It will stimulate the production of commodities that depend on imported raw materials, provided that the firms that produce them are financially strong enough to buy foreign exchange, but there is the problem of even a local market for commodities sold at astronomical prices. We have Ghana's experience to go by.

One essential device for recovery in Nigeria must consist of the restriction of non-productive imports and the use of the foreign exchange

1 For a review of this advocacy as against the positions of the Transnational Corporations and governments in advanced capitalist countries, see E. Obminsky, op. cit., pp. 81-88.

resources thus saved to import producer goods. If the producer goods are those that will merely promote a fuller use of existing consumer-good plants, however, then the recovery will basically depend on the resurgence of petroleum revenue. All forms of financial manipulations will otherwise be sooner or later frustrated by the absence of the basic ingredients for sustained industrialization.

Table 17: Major industrial countries: Real fixed investment (1981-1984)

Countries	Percent change from previous year			
	1981	1982	1983	1984
Canada	6.4	-9.7	5.7	0.7
United States	3.1	-6.8	9.7	18.0
Japan	3.6	1.9	0.7	5.7
France	-1.8	-0.6	-1.9	-1.9
Germany(Fed.Rep)	-4.3	-4.6	3.0	1.2
United Kingdom	-0.6	-5.2	-3.8	4.1
Italy	-8.4	6.6	4.2	0.6
All Seven	0.9	-3.5	4.3	10.2

Source: International Monetary Fund, Annual Report, 1985, p.7.

There is, as already noted, some evidence of recovery in the world capitalist economy. The pattern of recovery can be seen from movement in fixed investment. This is presented in Table 17. It can be seen that the recovery in 1983 and 1984 was led by the U.S.A. By late 1984, and early 1985, however, economic growth in the U.S.A. had receded. For all the seven countries, real GNP declined in 1985.

What lesson can we learn from the recovery in the U.S.A., uncertain as it is?

First, as is obvious from 'normal' cycles and the expending phase of a Kondratieff, the fact that a capitalist economy is passing through a period of prolonged stagnation and decay does not mean that it is incapable of some growth. The capitalist economy is a profit seekers' competitive economy. It will always be capable of some growth. Equally, as we have seen from all the indicators of long period stagnation, the fact that a capitalist economy is experiencing some up-turn or expansion does not mean that it is not decaying.

The second lesson we learn is that Nigeria will be ill advised to look forward to any long upward swing in the capitalist world economy. The fact that since 1965 there have been three pronounced recessions, the deepening character of the 1975 and 1985 recoveries all show that the advanced capitalist economy does not have within it now the stimulus for a prolonged upward swing. That will have to await another great technological revolution.

Thirdly, the recovery in the United States is to some extent artificial being induced by President Reagan's arms build-up policy. In his second term in office, President Reagan decided to launch a huge military programme and finance it by borrowing from abroad rather than raise taxes at home. Over three years, military spending in the U.S. surpassed 640,000 million dollars. 280,000 million dollars was allocated for 1984 alone, and 2,000 billion was planned in 1985-89¹.

To attract funds massively, the Federal Reserve Bank, as noted earlier, raised the bank interest rate to the record high of 17.3 per cent. That jacked up the interest rate all over the capitalist world, caused an enormous capital flight to the United States, sent up the value of the dollar which had been in deep trouble since 1967, escalated the debt obligations of the developing countries, made it extremely difficult for countries to borrow to finance development, and severely checked economic recovery in other capitalist countries and to some extent in the U.S. herself.

This particular kind of half Keynesian and half monetarist invention by a President who won election by pledging a drastic reduction of government expenditure and professed faith in supply-sidism, and which is designed to enable the United States beat back the Japanese and West European challenge to her supremacy no matter what happens to any one else's economy, is not available to every President and every country. Therefore, Nigeria has no lesson to learn from it, except to take to heart the caprice of capitalist policy.

One may observe as the World Development Report does, being wise after the event: "It was wrong to assume that low interest rates would continue"². Yet it is the same World Development Report that kept prompting developing countries to look up for salvation to imperialist direct and portfolio investors.

Another lesson we can learn is that if, in spite of their structural advantages, the advanced capitalist countries have still not convincingly come out of depression, they have no positive lessons to teach others. Moreover, since profit repatriation, debt servicing, etc., are resulting in a net outflow of funds from developing countries, one ought to ask seriously who is financing the recovery of the other? If debt servicing and profit repatriation were withheld for some years by a negotiated moratorium, the developing countries would be able to solve their problems with the foreign exchange they earn but which they now repatriate. Therefore, 'structural adjustment' designed to please multi-millionaire creditors who can afford to wait is simply an influctment of frustration.

1 Cf. V. Ovsyannikov, 'U.S. Military Bridgehead in Europe', International Affairs (Moscow), N7, 1984, pp. 154-155.

2 World Development Report. (1985), p.6

The final lesson we can learn is that recoveries have been happening since the 18th century. No matter the government in power, cycles have kept their rhythm. As for Kondratieffs, few even among the economists are conscious of their existence. No one knows how to prevent a capitalist cyclical crisis, a Kondratieff contraction or the development of the decay, general crisis and disintegration of capitalism from taking place.

It is evident from theory and empirical cases since 1917, however, that a socialist revolution can effect an escape from these three scourges and from the frustrations and miseries they bring to millions of people the world over.

Conclusions

The prolonged depression in capitalist economies and the sluggish recovery from it from 1980 to now is not a simple recession. Neither is it simply a debt crisis. It is, in fact, a complicated crisis of three components: a cyclical crisis, a Kondratieff contraction and a phase in the general crisis of capitalism.

It is a gross misunderstanding to treat it as a recession or a debt crisis and to apply conventional concepts and methods of recession and debt management to it. In the light of our analysis, the recommendations usually called 'conditionality' or 'structural adjustment' turn out to be very superficial and misguided.

The traditional Keynesian and neoclassical remedies are also neither here nor there. They are pills that often worsen the disease: Keynesianism will worsen inflation and neoclassicism unemployment.

No capitalist or capitalist-oriented country, while remaining or going capitalist, can solve the problems of periodic cycles, Kondratieff stagnation or the general crisis of capitalism. These crises are products of capitalism as such. Furthermore, no neocolonial underdeveloped country, while going capitalist and remaining linked with imperialism, can solve even the problem of a cyclical crisis alone on its own.

This does not mean, however, that underdeveloped countries are doomed. It only means that they should not rely on superficial and incorrect analysis and misguided advice. If a leadership in an underdeveloped country really wishes to make its country escape from the current crisis and - what is just as important - make sure that it does not return to a crisis similar to this or something worse, it will have to start thinking in certain directions and pose certain questions pertaining to basic goals.

As we have hinted one of the key policy directions should be the curtailment of imports by some method and the ploughing of the foreign exchange thus saved into importation of essential producer goods - machinery especially. However, this is only part of the story. If the so-called turn-about is to be achieved by making the economy more capitalist, then recovery in a developing economy must depend more on recovery in the centres of world capitalism which, as we have seen, is problematic.

Another key policy direction is a drastic curtailment of middle-class consumption and the use of the Naira so saved to stimulate production which does not require foreign exchange input or even to finance the local complement of the latter. If however, recovery is to proceed by way of privatisation, then there is no strategic way of going about this. The Naira not spent officially on imports will end up either in the hands of smugglers or in those of the joint imperialist-comprador monopoly enterprises which will continue to make astronomical profits through price inflation. The essence of privatisation is to be seen in the advocacy of a leading Nigerian transporter who urged that the roads should be handed over to private entrepreneurs to maintain by charging tolls. He did not advocate that private entrepreneurs should build roads and charge tolls on the roads they build.

A third policy drive is to envisage sustained recovery in the context of sustained autonomous development thereafter. This depends on a strategic distinction between industries. In this matter the Nigerian government has shown the right instinct when it insists on continuing with the establishment of the 'prime-mover' industrial branches of iron and steel and petrochemical industries. However, if the government is to depend on private enterprise in agriculture, then this policy is compromised, for a very rapid transformation is then not possible. One must consider agricultural inputs into the light of industrial branches that will serve as the market for the basic industries, if the country's recovery is to be fast, sustained and autonomous.

A very fundamental economic instrument for sustained and stable development is planning. Already economic planning has not been successful in any capitalistic economy because such an economy is essentially unplanable. However, the more privatised the economy is, the less it is possible to plan its motion. No capitalistic economy, that is, no basically unplanable economy, can be saved from capitalist conjunctural crisis. In this regard the fact that conjunctural crises are getting more and more severe in intensity is of interest for decision makers in developing countries. Its mere perpetuity, is of course, a matter for sober thought.

A non-bogus consideration of recovery must pose the question this paper is particularly designed to focus on: recovery from what? From conjunctural cycles, from Kondratieff contractions or from the general crisis of world capitalism in which the developing neocolonial countries are very much engulfed? As we have seen, recovery from conjunctural depressions and Kondratieff contractions is not *sui generis* a matter of policies, clever or foolish. While differing from one another in the specific historical circumstances and some of the details of their occurrence, such crises occur from the very nature of the self-reproduction processes of capitalism. Under capitalism recoveries from those crises are just as objectively determined by capitalist dynamics as the crises themselves. This was the reason for us to look at how these crises actually happen.

As for the general crisis of capitalism, many capitalists will prefer to sustain capitalism even by arms, but mankind or the developing world is not committed to perpetuating a system that is historically doomed by its own injustices, contradictions and absurdities.

Finally, we ought to ask: recovery of what for whom? Are we to be concerned with the cyclical or Kondratieff recovery of imperialist enterprises while Nigerians are under-dogs in the neocolonial system? The rulers of the United States, Britain or France and local comprador millionaires are interested in seeing precisely such a recovery, but is this the kind of recovery that will really serve the interest of ninety-nine per cent of Nigerians? Or to broaden the question, are we concerned to recover along the capitalist road of development which must continue to be unstable as well as to concentrate the nation's wealth in fewer and fewer hands because capitalist concentration is a basic law of capitalist development? Must we sentence the vast majority to the unjust inequalities, perpetual poverty, inflationary spirals, unemployment, crises and insecurity characteristic of capitalist growth or development?

In short, are we to revamp a system which develops the private monopolies to the detriment of the people? Even today 27 per cent of Americans live below the official U.S. poverty line - to say nothing of unemployment. Should we not take advantage of our underdevelopment, the current capitalist crisis, our suffering in this crisis, and a deeper understanding of it to build an economy that will serve the Nigerian people rather than exploit them to promote private financial, industrial and commercial empires for a few?

The foregoing are more basic questions for an economic recovery programme than, say, how to carry out an exchange rate adjustment and other narrow and short-term questions which some consider the only economic issues worthy of attention.

APPENDIX 1

Note that the symbols used for parameters are not necessarily the original ones.

Samuelson's Model

$$C = a Y_{t-1}$$

$$I = b(C_{t-1} - C_{t-2})$$

$$Y = C + I + G$$

Where

C: consumption

I: private (induced) investment

Y: (national) income

G: government expenditure

a and b are parameters: consumption and acceleration coefficients respectively.

Hicks' Model

$$C = cY_{t-1}$$

$$I = v(Y_{t-1} - Y_{t-2})$$

$$Y = C + I + G$$

Where

C, I, Y and G have the same meanings as in Samuelson's model and c and v replace a and b respectively. The above system of equations reduces by substitution to

$$CY_{t-1} + v(Y_{t-1} - Y_{t-2}) + G_t = Y$$

A similar equation can be derived for Samuelson's model.

Smithies' Model

$$C = (1-a_1) Y + a_2 \bar{Y}$$

$$I = b_1 Y_{t-1} + b_2 \bar{Y} - b_3 (Y_{f-1} - \bar{Y}) + K^t$$

$$Y = C + I$$

$$Y_f = Y_{f-1} = g^I_{t-1} - D_1 - D_2 + h^t$$

$$D_1 = d_1 Y_{f-1}$$

$$D_2 = d_2 (Y_{f-1} - Y_{t-1})$$

Where

\bar{Y} : peak previous level of GNP

Y_f : full capacity GNP

D_1 : ordinary (physical) depreciation - secular component

D_2 : additional obsolescence - cyclical component

k : autonomous investment

h : increase due to technology
 $a_1, a_2, b_2, b_3, g, d_1$ and d_2 are parameters.

Barely to find out if the model can generate a cyclical pattern with the endogenous variables alone, we ignore the trend terms, K^t and h^t , and simplify the model thus:

$$Y = a Y_{t-1} + b Y_{f-1}$$

$$Y_f = c Y_{t-1} + d Y_{f-1}$$

If we make the substitution $Y_{f-1} = (1/b)(Y - a Y_{t-1})$, we can obtain
 $(a + d) Y_{t-1} - (ad - bc) Y_{t-2} = Y$.

Kalecki's Model

$$C_1 = mP + a$$

$$I_0 = b^P - gK$$

Where

- C_1 = purchases of consumer goods by capitalist
- P = gross profits (that is, including depreciation)
- I_0 = orders of investment goods
- K = capital stock
- m, a, b, g , are parameters.

This model already has dynamic properties since I is defined as dK/dt .

However, the cyclical nature of the model is determined by the lag between investment orders and actual production. This can be introduced thus.

Let θ be the average gestation period of all investment. Then production at time t , that is, $I_p^{(t)}$ is given by

$$I_p^{(t)} = \frac{1}{\theta} \int_{t-\theta}^t I_0^{(t)} dt$$

The system can be closed by adding the equation

$$P = C_1 + I_p$$

$$C_1 + I_p + C_2 = Y$$

The first means that gross products are either consumed or invested. In the second, C_2 is the consumption of employees and is equal to total wages.

In equilibrium $I_p = I_0 = I$, so that

$$Y = a + m^P + I + C_2 = a + (1 - m) C_2 + mY + I$$

Therefore,

$$Y = \frac{a + (1 + m) C_2 + I}{1 - m}$$

Africa Development

If the time path of I can be found, the value of Y at any time can easily be determined by the above equation. The problem is thus reduced to solving the equations for investment orders, which are

$$I_0(t) = a P(t) - mK(t - \theta)$$

$$I_0(t) = a C1 + aIp(t) - gK(t - \theta)$$

$$I_0(t) = a C1 + a \int_{t-\theta}^t I_0(t) dt - gK(t - \theta)$$

Differentiating this expression, we have

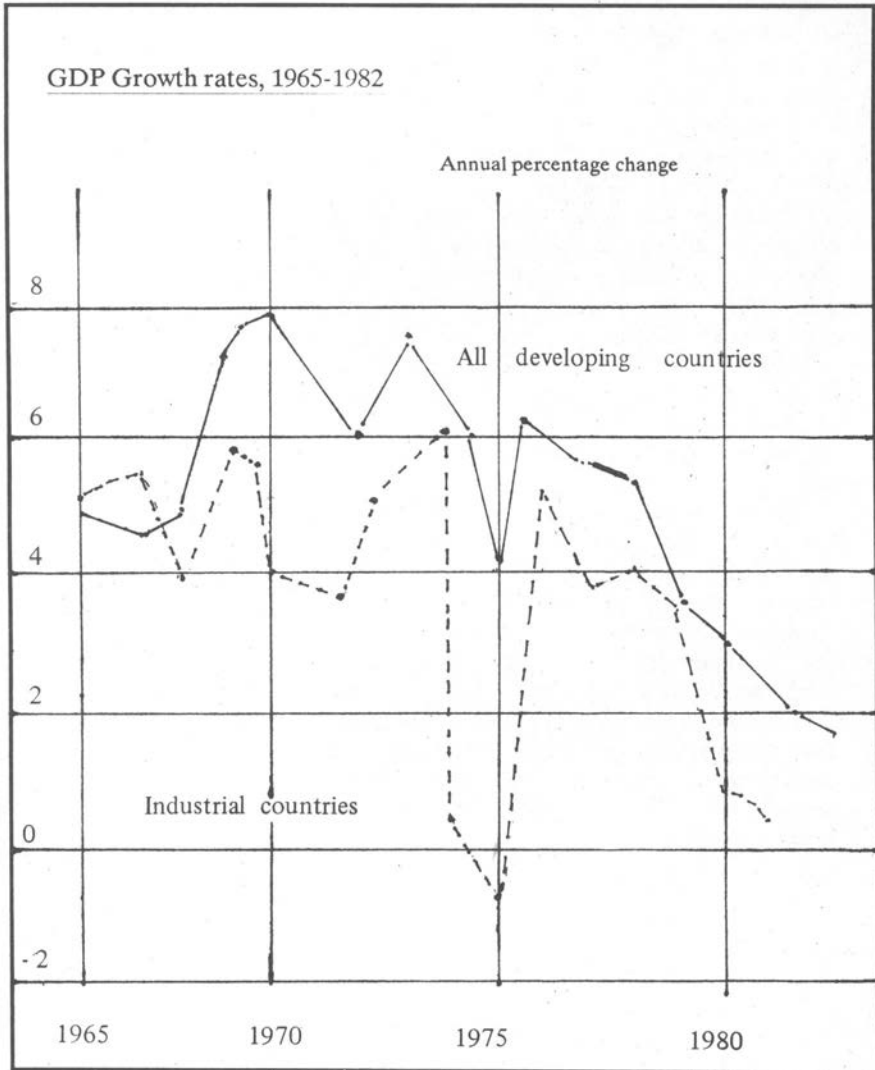
$$\frac{d I_0(t)}{dt} = a [I_0(t) - I_0(t - \theta)] - gI_0(t - \theta)$$

or

$$\frac{d I_0(t)}{dt} = a I_0(t) - (a + g) I_0(t - \theta)$$

This is the equation to be solved to get the time path of I_0 and thus of Y . This equation is of the trouble some difference-differential type.

APPENDIX 2



Source: World Development Report, 1983, p.2

Résumé

L'article passe en revue les manifestations des déclinés économiques en se référant spécialement à l'histoire du capitalisme, et fait une analyse économique des crises et des remèdes proposés. A la lumière de l'expérience capitaliste, l'auteur divise l'étude en différentes parties portant sur les crises conjoncturelles normales, les vagues de longue durée, la crise générale du capitalisme, la crise postérieure à 1980 et fait une critique des solutions préconisées.

L'auteur affirme que la récession prolongée des économies capitalistes et la lente reprise de 1980 à ce jour n'est pas une simple récession, ni une simple crise de l'endettement.

C'est en fait une crise complexe à trois facettes: une crise conjoncturelle, une contraction de Kondratieff et une phase de la crise générale du capitalisme. Compte-tenu de ce qui précède, c'est une erreur grossière que de prétendre juguler la crise par des méthodes classiques généralement utilisées pour gérer la récession ou l'endettement.

Les thérapeutiques keynesiennes et néo-classiques traditionnelles compliquent souvent le mal: le modèle keynesien aggrave l'inflation et les remèdes néo-classiques augmentent le chômage. De même l'ajustement structurel et les "conditionnalités" sont des efforts très superficiels et hors de propos.

Un pays en développement comme le Nigéria qui cherche à sortir de la crise actuelle et qui plus est, veut éviter de retomber dans une situation semblable, devrait prendre certaines orientations politiques et poser certaines questions par rapport aux objectifs de base.

L'une des orientations politiques majeures devrait consister à réduire les importations et à consacrer les ressources ainsi épargnées à l'importation de biens essentiels à la production tels que des machines.

La restriction sévère de la consommation de la classe moyenne serait une autre politique importante, tandis qu'une troisième politique consisterait à envisager une reprise soutenue dans le contexte du développement autonome soutenu dont un instrument économique clé est la planification.

Ajustement Structurel Au Congo: La Perversion De L'autocentrage

Hervé Diata*

L'adoption, par un nombre croissant de pays, de programmes d'ajustement structurel agréés par le Fonds Monétaire International constitue l'un des faits ayant marqué l'évolution économique en Afrique subsaharienne depuis le début des années 80. En effet, le nombre de pays ayant présenté un programme appuyé par le FMI soit par un accord de confirmation, soit par un accord élargi est passé de 14 en 1980 à 24 en 1982, 28 en 1984 et plus de 30 en 1986, sur les 42 que compte cette partie de l'Afrique.

Ce mouvement résulterait de la dégradation de la situation économique dans cette zone. Les études qui y sont consacrées, notamment celles des experts du FMI¹, mettent en avant une série de causes qu'on peut situer à deux niveaux :

- Le premier niveau, le plus apparent, concerne l'accroissement des déséquilibres financiers intérieurs et extérieurs vers la fin des années 70. Ces déséquilibres se sont traduits au plan interne, d'une part par une croissance économique faible (avec un taux annuel moyen pondéré passant de 4 % en 1974-1976 à 1 % en 1981-1983 pour les pays non pétroliers de la zone) ayant pour conséquence la diminution du revenu réel par habitant et, d'autre part, par le doublement du taux d'inflation (avec un taux annuel moyen de 20 % de 1977 à 1979). Ces déséquilibres se sont manifestés au plan externe d'une part par le déficit global des opérations courantes de la balance des paiements (4 milliards de dollars en 1974, 10 milliards par an en 1978-1979) avec comme conséquence le recours accru aux emprunts extérieurs, l'alourdissement de la dette extérieure (15 milliards de dollars à la fin de 1974, 46 milliards à la fin de 1979), le doublement du service de la dette entre 1974 et 1979 et la diminution des réserves internationales.

* I.E.D.E.S. - Université de Paris 1 (Mars 1987).

1 cf notamment : Justin B. Zulu et Saïch M. Nsouli "Les programmes d'ajustement en Afrique", Finances et Développement, Mars 1984 - Peter S. Heller, "Analyse et ajustement des dépenses publiques dans les PMA", Finances et Développement, Juin 1985. Mohsin S. Khan et Malcolm D. Knight, "Les programmes d'ajustement financés par le Fonds ralentissent-ils la croissance ? Finances et Développement, Mars 1986

- Au deuxième niveau, les déséquilibres qui sont à l'origine de l'adoption des Programmes d'Ajustement Structurel sont expliqués à leur tour par trois phénomènes. En premier lieu, le ralentissement brutal de l'activité économique et l'accélération de l'inflation dans les pays industriels suite à la hausse des prix du pétrole de 73-74 ont eu une incidence négative sur la demande des produits d'exportation et sur les termes de l'échange des pays sous-développés, la hausse des prix du pétrole ayant quant à elle aggravé directement le déficit des paiements courants de ces pays. En second lieu, la mise en oeuvre par ces pays de programmes d'investissements publics ambitieux s'est accompagnée du gonflement des dépenses courantes du secteur public non compensé par une augmentation des recettes publiques et d'exportation, ce qui a engendré l'aggravation des déficits budgétaires financés de plus en plus par des banques nationales et des emprunts extérieurs. Enfin, les solutions mises en oeuvre par les autorités locales, en particulier les contrôles administratifs sur les biens importés et les pressions sur les prix, ont eu pour effets la pénurie de biens de consommation, de biens intermédiaires et de biens d'équipement, le développement de marchés parallèles de produits et de devises et, finalement, le ralentissement de l'activité économique.

La plupart des actions menées ces dernières années en Afrique subsaharienne en matière de politique économique se fondent sur cette analyse. Il reste à savoir, compte tenu du cadre conceptuel dans lequel s'inscrit ce schéma et les politiques qui en découlent, quelles perspectives de développement l'ajustement offre aux pays qui ont adopté ces programmes.

Les lignes qui suivent portent sur cette interrogation, le cas de référence étant l'économie du Congo dont l'intérêt tient au fait que les autorités de ce pays qui ont opté pour "la rupture avec la division internationale capitaliste du travail et la construction d'une économie autocentrée et autodynamique" ont fini par se soumettre aux exigences du FMI, précisément au moment où s'exécutait le plan quinquennal 82-86 qui était censé incarner l'option choisie. Mais avant d'aborder la question des perspectives, il est nécessaire de rendre compte d'une part de l'évolution qui a conduit à l'adoption du programme d'ajustement structurel et d'autre part du contenu de ce programme.

La crise économique et financière

Le processus qui a abouti à l'adoption par le Congo en 1985 d'un programme d'ajustement structurel peut s'appréhender à travers trois phénomènes qui ont principalement marqué son économie au cours de ces dernières années. Ce sont la baisse du rythme de croissance, la crise des finances publiques et la dégradation de la situation monétaire et de la balance des paiements.

La récession économique

L'examen des principaux indicateurs économiques permet de distinguer trois phases dans l'évolution de l'économie du Congo depuis 1979. La première phase, qui va de 1979 à 1981 se caractérise par un rythme de progression particulièrement élevé de l'activité économique. La seconde phase (1982-1984) voit le rythme de croissance baisser, en restant cependant positif. La troisième phase qui commence en 1985 est marquée par une profonde récession avec une plus nette régression des principaux indicateurs de la croissance économique.

Pendant la première phase, la variation annuelle moyenne du PIB évalué en francs courant est de 40 % contre 12,6 % entre 1974 et 1978. Son taux de progression dépasse pratiquement 50 % en 1981. Le PIB réel a suivi le même rythme de croissance avec une moyenne de 20,7 % au cours de cette période (79-81) et un maximum de 24 % en 1981, alors qu'il se situait à -7 % entre 1977 et 1978 et -2,5 % entre 1976 et 1977.

L'analyse de la répartition du PIB réel par secteurs permet d'attribuer cette croissance principalement à trois secteurs à savoir le pétrole, les bâtiments et travaux publics (BTP), le commerce et les services, la part de ces trois secteurs représentant en 1981 plus de 60 % du PIB.

Tableau 1: Taux de croissance du PIB par secteur 1980-85 (au prix 1980).

	1980	1981	1982	1983	1984	1985
Agriculture, Elevage, Pêche	6,6	-0,6	-16,4	1,7	2,7	0,0
Exploitation forestière	1,5	-10,4	-7,2	-1,6	33,3	-
Industries et Mines	15,8	17,2	15,0	0,0	-7,0	-
Exploitation pétrolière	14,8	32,2	12,7	11,1	11,3	-
Bâtiments et Travaux Publics	3,3	36,3	32,2	10,1	-2,7	-
Transport et Communications	32,2	19,2	9,2	-6,3	6,8	-
Commerce et services	26,2	50,2	32,3	-3,8	-14,5	-
Services non marchands	5,7	8,0	-6,2	2,4	5,0	-
Droits et taxes sur importation	22,5	2,3	24,6	1,8	5,3	-
PIB	17,5	24,0	13,0	3,5	2,5	-3,0

Source: Centre National de la Statistique et des Etudes Economiques (CNSEE).

De 1979 à 1981, en effet, la production du secteur "Commerce et Services" a crû à un rythme annuel moyen de 38,2 %, celle du secteur pétrolier à 23,5 % et celle des BTP à 19,8 %. Il faut cependant préciser que la croissance enregistrée dans les services et les BTP résulte en dernière analyse de l'augmentation de la production et des recettes pétrolières. Multipliée par douze entre 1972 (335 600 tonnes) et 1981 (4 100 935 tonnes) sous l'effet combiné d'importants investissements réalisés par les sociétés privées notamment (Elf et Agip) et du triplement du prix du baril, la production pétrolière occupe depuis 1979 la première place dans la structure du PIB, alors qu'elle ne se situait qu'au 4ème rang en 1978, derrière l'Administration (Services non marchands), le commerce, les Services de l'Agriculture¹. De plus, évaluée en francs courants, la production pétrolière a augmenté beaucoup plus vite que celle des autres secteurs, progressant au rythme annuel moyen de 102,5 % de 1979 à 1981, contre 35,93 % pour le PIB hors pétrole au cours de la même période.

La hausse des productions et des prix de pétrole a permis à l'Etat congolais de disposer d'une masse substantielle de ressources qui lui ont permis de réaliser d'importants programmes d'investissement². Or 70 % des investissements réalisés par l'Etat en 1980 et 1981 ont été consacrés à l'infrastructure (Transport, Hotellerie, Equipements administratifs et sociaux). Il n'est pas étonnant, dans ces conditions, que l'application de ces programmes ait eu plus d'impact sur les secteurs Commerce et Services et BTP que sur le reste de l'économie.

Bien que la croissance du PIB se soit poursuivie jusqu'en 1984, on note cependant une baisse de son rythme de progression qui passe de 20,7 % entre 1980 et 1981 à 6,3 % entre 1983 et 1984, soit une chute de 14,4 %. Ce ralentissement touche toutes les composantes du PIB, à l'exception du secteur forestier. Il en résulte notamment une baisse d'activité dans le commerce, les services, le transport, l'industrie, les mines et le pétrole.

1 La part de l'exploitation pétrolière dans le PIB a évolué de la façon suivante: 1978: 13,12 % ; 1979 : 23,19 % ; 1981 : 39,28 % ; 1984 : 43 %

2 Il s'agit en l'occurrence du Programme Complémentaire 1980, du Programme transitoire 1981 et du Plan Quinquennal 82-86.

La baisse de l'activité économique à partir de 1982 est elle-même la conséquence de la diminution du volume et du taux d'accroissement de l'investissement public. Après avoir enregistré une hausse substantielle (97,2% en 1982) avec le démarrage du plan quinquennal 82-86¹, le volume de l'investissement a amorcé une chute à partir de 1983, du fait des difficultés financières croissantes de l'état (cf infra). L'augmentation régulière des recettes pétrolières jusqu'en 1984 a néanmoins limité les effets de la baisse de l'investissement et permis à l'économie de poursuivre sa croissance jusqu'à cette date, bien qu'à un taux de plus en plus faible².

A partir de 1985, le ralentissement de la croissance fait place à une récession profonde marquée par un recul du PIB réel de l'ordre de 3 à 10%³. Au plan sectoriel, cette récession est caractérisée par la diminution de la production pétrolière (-3%), du chiffre d'affaires de ce secteur (-7%, malgré le cours élevé du dollar dont le niveau annuel moyen était de 450 francs CFA) et surtout du chiffre d'affaires des BTP (-22%) et des industries mécaniques (-15%)⁴. Plus généralement, cette évolution est liée à la chute combinée de l'activité pétrolière et de l'investissement public⁵.

Ainsi, en l'espace de cinq ans correspondant à la période de mise en oeuvre du plus ambitieux des programmes d'investissement jamais réalisés au Congo (le plan quinquennal 82-86), l'activité économique a chuté aussi vite qu'elle avait progressé de 1979 à 1981, retrouvant son niveau de 1977.

La crise des finances publiques

La diminution du rythme et du volume de l'investissement public ne s'explique pas uniquement par la baisse des recettes pétrolières. Il faut aussi prendre en compte le mode de financement des investissements par l'Etat et la manière dont les crédits y afférant sont répartis et gérés.

L'examen des finances publiques révèle que les fonds affectés par l'Etat à l'investissement proviennent essentiellement de deux sources : d'une part

- 1 Ce plan prévoyait un volume d'investissement de 1109 milliards de francs CFA de 1982 à 1986, dont 780 directement financés par l'Etat, soit 70 %. L'ensemble des investissements réalisés n'a atteint que 717 milliards (64,6 %) l'effort financier de l'Etat a été de 611,7 milliards, soit 82,6 % des investissements réalisés (cf Marchés Tropicaux du 23 janvier 1987)
- 2 Les recettes pétrolières ne sont pas directement utilisées pour l'investissement. Leur forte contribution au budget de fonctionnement (70 % en 1982) permet néanmoins d'affecter les autres ressources du budget de l'Etat à l'investissement.
- 3 L'estimation de la variation du PIB réel entre 1984 et 1985 diffère d'une source à l'autre. La Banque Française du Commerce Extérieur la situe à -10 % (cf le bulletin "Actualités" publié par cette banque en octobre 1986) tandis que l'ONUDI l'estime à -3 % (cf l'étude publiée par cette organisation le 25 novembre 1986 sous le titre "Industrial Development Review Series - Congo", page 60).
- 4 cf Marchés Tropicaux du 31 octobre 1986.
- 5 Il faut signaler que les investissements privés réalisés par les sociétés pétrolières ont continué à progresser au cours de la période considérée, bien que leur part dans l'investissement total ait diminué (35,8 % de 1982 à 1984 correspondant à 376,1 milliards de francs CFA contre 63,8 % en 1981).

Tableau 2 - Evolution comparée des recettes pétrolières et des investissements publics (en milliards de francs CFA)

	1980	1981	1982	1983	1984	1985	1986
Recette pétrolières	72,6	133,2	150,7	180,8	225	198,6	163,8
Variation annuelle		83,47%	13,14%	19,97%	24,45%	-11,64%	17,6%
Investissements publics	49,1	100,6	198,4	137,1	127,3	98,1	50,8
Variation annuelle		104,9%	97,2%	-30,9%	-7,1%	-22,9%	48,2%

Source: Bulletin de l'Afrique Noire - Ministère des Finances.

l'Épargne Budgétaire dont une partie est enregistrée sous la rubrique "Contribution du budget de fonctionnement au budget d'investissement", et d'autre part les "emprunts extérieurs". Or ces deux sources qui, prises ensemble, représentent 84 à 94% des recettes d'investissement selon les années, ont fortement regressé depuis 1983.

La baisse simultanée de la contribution du budget de fonctionnement au budget d'investissement et des emprunts extérieurs semblent donc être à l'origine de la diminution du rythme et du volume de l'investissement public. Il faut cependant prendre en compte l'évolution des principales composantes du budget de fonctionnement pour avoir une explication plus précise et plus complète. Or, cette évolution a été marquée de 1983 à 1985, du côté des ressources, par une augmentation annuelle moyenne égale à 10,9 % pour les recettes pétrolières et une régression égale à 93,3 % pour les recettes ordinaires, du côté des dépenses par une progression beaucoup plus rapide du service de la dette publique directe (20 % en moyenne par an) par rapport à celle des frais de fonctionnement des services (6,9 % par an). Il faut donc considérer que la baisse du rythme et du volume des investissements publics résulte avant tout de l'augmentation du service de la dette publique directe dont le taux de progression a été supérieur à celui des recettes pétrolières et, dans une moindre mesure par l'accroissement des frais de fonctionnement des services dont les salaires des fonctionnaires constituaient 75 % en 1984. De plus, si l'on considère l'ensemble des investissements publics (budgétisés et non budgétisés), on constate que leur variation annuelle moyenne est de -20 % entre 1983 et 1985, soit l'équivalent de la variation du service de la dette, ce qui confirme bien le rôle joué par le service de la dette dans la réduction des investissements publics.

Plus généralement, le poids du service de la dette sur l'évolution des finances publiques est attesté par un certain nombre de ratios. Ainsi la part des recettes du budget de fonctionnement absorbée par le service de la dette

est passée de 15,6 % en 1980 à 38,9 % en 1985. En outre alors qu'il ne représentait que 21,2 % en 1981, le ratio service de la dette/recettes pétrolières a atteint 56,3 % en 1985 et 97,1 % en 1986.

Il reste à préciser pourquoi les investissements réalisés n'ont pas engendré les ressources supplémentaires qui auraient pu annuler les effets récessionnistes de l'endettement. La première explication tient à l'orientation des investissements réalisés au cours des trois programmes qui ont été appliqués de 1980 à 1986. Leur analyse révèle que 56,2 % de ces investissements ont été consacrés à l'infrastructure routière et ferroviaire, 22,4 % au secteur productif qui comprend l'agriculture, l'élevage, l'exploitation forestière, la sylviculture, l'industrie, la pêche, les mines et l'énergie, 21,4 % aux autres secteurs. La priorité a donc été accordée aux dépenses d'infrastructure. Or, non seulement la rentabilité économique de tels investissements est rarement assurée à court terme, mais encore la quasi totalité des marchés a été confiée à des entreprises privées étrangères dont il ne fallait pas attendre le réinvestissement sur place des bénéfices réalisés. En outre, les investissements consacrés au secteur productif ont été le plus souvent affectés au redressement des entreprises d'Etat dont les déficits n'ont fait que s'aggraver.

L'autre explication tient au "désordre" qui a caractérisé la gestion du budget d'investissement et qui s'est manifesté de plusieurs façons :

- "La programmation de certaines opérations ne correspondait pas aux autorisations budgétaires ;

- "La charge de certains emprunts contractés par l'Etat au nom de certaines entreprises publiques ou mixtes n'a pas été rétrocédée à celles-ci ;

- "Des projets ayant fait l'objet d'une première inscription budgétaire annuelle se sont poursuivis les années suivantes sans inscription budgétaire ;

- "Certains marchés ont été signés sans que la dépense ait figuré au budget ;

- "Il n'y a pas eu de suivi systématique des disponibilités sur emprunts et marchés, ce qui a rendu difficile l'appréciation des dépassements qui pourraient être de l'ordre de 30 à 40 milliards"¹.

Ce désordre a engendré un décalage entre le développement des investissements et les dotations budgétaires, décalage qui a rendu nécessaire le recours aux crédits à court terme ou aux crédits financiers dont le coût a été prohibitif.

Ainsi, pour avoir privilégié les emprunts extérieurs comme mode de financement des investissements, les infrastructures et les entreprises d'état comme domaine d'affectation de ces derniers et pour avoir manqué de rigueur dans la gestion du budget d'investissement, l'Etat s'est trouvé contraint, dès 1983, de réduire sa contribution à l'accroissement de la

1 cf le document officiel intitulé "Programme d'Ajustement Structurel 1985-1987", pages 12 et 13.

production nationale. Alors que le but poursuivi était d'accroître sa propre capacité de financement, tout au moins, de réaliser les conditions d'une croissance auto-entretenu, l'intervention étatique s'est soldée en quelque sorte par la négation de l'investissement par l'investissement.

La dégradation de la situation monétaire et le déficit de la balance des paiements

Les manifestations de la récession économique au niveau de l'activité des banques peuvent se lire à travers l'évolution des principaux indicateurs de la situation monétaire. Entre 1980 et 1985 les ressources du système monétaire ont été multipliées par 2,4 passant de 86,4 à 210 milliards de francs CFA et la part des emprunts extérieurs à moyen et long terme est passée de 6,8 % à 17,9 %. En ce qui concerne les contreparties de ces ressources, on note que le crédit intérieur a été multiplié par 2,8, passant de 77,6 à 219,6 milliards. Cependant, la baisse des avoirs extérieurs nets à partir de 1982 marque la dégradation de la situation monétaire depuis cette date. Cette dégradation est confirmée par les ratios caractéristiques du système monétaire.

La lecture du tableau révèle l'existence d'une insuffisance des ressources de financement à partir de 1983 attestée par l'évolution du ratio crédit intérieur/ressources du système monétaire et du taux de couverture du crédit intérieur par les dépôts. En effet, alors que le crédit intérieur ne représentait que 91,7 % des ressources du système monétaire entre 1979 et 1981, ce ratio est passé à 110,6 % entre 1982 et 1984, avec un maximum de 120,3 % en 1984. A partir de 1983, le crédit intérieur est devenu supérieur aux ressources du système monétaire. Ce fait résulte d'une plus forte progression du crédit intérieur par rapport aux ressources du système monétaire (31,5 % contre 15,2 %) entre 1982 et 1984 alors que c'était l'inverse au cours de la période antérieure (18,5 % contre 33,4 % entre 1979 et 1981). L'inversion du rapport entre ces deux indicateurs s'explique à son tour par trois facteurs qui sont : l'évolution des dépôts effectués par les particuliers, les entreprises et l'Etat auprès du système bancaire, l'évolution des emprunts extérieurs et la structure des crédits à l'économie.

Les dépôts auprès des banques se caractérisent par la baisse de leur rythme de progression (46,3 %) par an en moyenne entre 1979 et 1981, 20,9% entre 1982 et 1984 et 17,9 % en 1985) et leur faiblesse relative eu égard aux besoins de financement de l'économie, faiblesse attestée par le taux de couverture du crédit intérieur par les dépôts dont le niveau se situe entre 50,8 % et 66,7 %.

La faiblesse des dépôts explique le recours massif aux emprunts extérieurs qui constitue 45 à 64 % des ressources du budget d'investissement entre 1980 et 1986. Cependant, si les emprunts extérieurs ont connu une très forte hausse de 1980 à 1982 (121,8 % en moyenne par an), ils ont fortement baissé à partir de 1983, leur variation annuelle moyenne étant de -14,8 % entre 1983 et 1985 (cf tableau 3). Ils ne pouvaient plus, de ce fait compenser la faiblesse des dépôts pour amener les ressources du système monétaire à

Tableau 3: Evolution des principales composantes du budget de l'Etat ¹

Valeur (en milliards de Francs C.F.A)											Variation	
	1980	1981	1982	1983	1984	1985	1986	80-82	83-85	Annuelle		
Recettes pétrolières	72,7	133,2	150,8	180,8	225,0	198,8	163,8	48,3%	10,9%			
Recettes ordinaires	43,8	61,6	93,0	94,7	99,3	90,0	124,5	45,8%	-93,3			
Service de la dette publique directe	18,2	28,3	66,0	87,0	110,4	112,0	159,1	94,55%	20 %			
Fonctionnement des services	67,9	88,1	117,1	134,9	143,6	142,3	97,5	31,3%	6,9%			
Epargne budgétaire	30,4	78,4	60,7	53,6	45,6	34,5	31,7	67,6%	-16,9%			
Contribution du budget de fonctionnement au budget d'investissement	7,9	45,2	58,5	44,0	41,0	36,9	26,5	250,7%	-13,9%			
Emprunts extérieurs	18,9	49,2	90,2	59,8	66,6	51,9	72,4	121,8%	-14,8%			
Dépenses d'investissement	31,5	104,4	170,7	125,0	105,1	98,1	50,8	147,4%	-16,4%			

Source : Ministère des Finances et du Budget

1 Les chiffres relatifs à l'année 1986 sont ceux de la loi des finances tandis que pour les autres années il s'agit de budgets exécutés. D'autre part, les dépenses d'investissement portées sur ce tableau sont celles qui sont inscrites au budget de l'Etat tandis que celles du tableau 2 comprennent les dépenses hors budget et correspondent aux comptes consolidés de l'Etat

Tableau 4: Evolution des principaux indicateurs de la situation monétaire

	1980	1981	1982	1983	1984	1985	79-81	82-87
Variation annuelle des ressources du système monétaire en (%)	36,5	41,5	26,9	-4,5	23,2	15,0	33,4	15,2
Taux de croissance du crédit intérieur (%)	17,1	27,1	52,6	12,9	29,2	6,0	18,5	31,5
Taux de couverture du crédit intérieur par les dépôts (%)	50,8	66,7	58,2	59	52,5	58,4	52,4	56,5
Ratio crédit intérieur Ressources du système monétaire (%)	89,8	80,7	97,0	114,6	120,3	110,9	91,7	110,6
Avoirs extérieurs nets (en milliards de F.CFA)	8,9	23,6	4,7	-21,7	-37,04	-22,9	-	-
Solde de la Balance des paiements (en milliards de F.CFA)	11,5	12,8	-27,6	-9,4	-25	-34,7	-	-

Source : - Calculs effectués à partir des données de la Banque des Etats de l'Afrique Centrale.

** Ministère des Finances et du Budget.

un niveau leur permettant de couvrir le crédit intérieur en constante progression.

Néanmoins, la croissance régulière du crédit intérieur aurait pu se solder par une augmentation substantielle des dépôts si celui-ci avait effectivement servi à accroître la valeur ajoutée des entreprises. Or, l'analyse de la structure des crédits à l'économie, qui constituent 72 à 87% du crédit intérieur met en évidence la prédominance des crédits à court terme qui représentent 57 à 68 % de l'ensemble, contre 22 % à 30 % pour les crédits à moyen terme et 4 à 13 % pour les crédits à long terme. Loin de correspondre à un accroissement des capacités productives de l'économie, la progression du crédit intérieur sert plutôt de palliatif aux tensions de trésorerie des entreprises d'Etat dont l'évolution est caractérisée par des déficits chroniques. Par conséquent, l'augmentation des crédits à l'économie et partant du crédit intérieur a aspiré la masse des dépôts sans contribuer à son remplacement et sa progression. L'incapacité des ressources du système monétaire à faire face à la croissance du crédit intérieur trouve donc bien son explication dans la combinaison des trois tendances évoquées ci-dessus ; faiblesse des dépôts, diminution des emprunts extérieurs, prédominance des crédits à court terme destinés à pallier aux tensions de trésorerie des entreprises d'Etat.

L'insuffisance des ressources de financement a un impact fortement négatif sur la situation extérieure du Congo. Contraintes de soutenir la trésorerie des entreprises d'Etat, les banques connaissent à leur tour des tensions de trésorerie et sont obligées de se tourner vers l'Institut d'Emission (la Banque des Etats d'Afrique Centrale) et leurs correspondants étrangers. Ce mouvement, combiné avec la priorité accordée par l'Etat au respect de ses engagements extérieurs, s'est soldé par la baisse dès 1982 des avoirs extérieurs nets dont la valeur est d'ailleurs négative depuis 1983. Il s'est traduit au niveau des rapports qu'entretient l'économie du Congo avec le reste du système économique mondial par le déficit de la balance des paiements qui est passé de -27,6 milliards de francs CFA en 1982 à -34,7 en 1985. L'examen des différents postes de cette dernière permet d'ailleurs de saisir le rôle joué dans ce processus régressif par les services dont le solde largement négatif a été multiplié par 3,8 entre 1980 (-78 milliards) et 1985 (-298 milliards) et n'a pu être compensé ni par l'important excédent de la balance commerciale (+ 77,2 milliards en 1980; + 218,9 en 1985) ni par le solde positif de la balance des mouvements de capitaux non monétaires (+37,8 milliards en 1980 ; + 86,9 en 1985).

Finalement, la détérioration de la situation monétaire et de la balance des paiements révèle une autre contradiction caractéristique de l'évolution de l'économie du Congo au cours de ces dernières années. Alors que les principaux indicateurs de la situation monétaire mettent en évidence l'insuffisance des ressources internes de financement, la balance des paiements enregistre un déficit croissant dû à une sortie massive de capitaux

dont le volume excède largement les entrées. Tout se passe comme si l'économie disposait en définitive d'une capacité à financer non seulement son développement, mais aussi celui des prêteurs extérieurs. L'insuffisance de ressources internes de financement n'est donc qu'apparente.

Ajustement structurel et perspectives de développement de l'économie au Congo

Les tendances peu favorables enregistrées en 1983 et 1984 et les perspectives particulièrement sombres mises en évidence par la projection de ces tendances ont conduit les autorités congolaises à entreprendre au mois de Juin 1985 l'examen approfondi des finances publiques et à adopter, à l'issue de cet examen, un Programme d'Ajustement Structurel (PAS) destiné à rétablir les équilibres fondamentaux de l'économie. En élaborant et en adoptant ce programme, les autorités voulaient démontrer qu'elles pouvaient, par elles-mêmes, redresser la situation sans recourir aux instances internationales, en particulier le Fonds Monétaire International (FMI) qui subordonne son appui à court et moyen terme, pour faciliter le rétablissement des positions extérieures de l'Etat, à l'établissement et à l'exécution de mesures souvent jugées très contraignantes. Cependant, l'aggravation de la crise en 1985 et au premier semestre 1986 les a amenées à renforcer le PAS et à accepter la tutelle du FMI, avant même que l'application des premières mesures n'ait été suivie d'effet. Il convient de présenter les principales mesures retenues, avant d'en dégager la signification et les implications et de formuler un certain nombre d'interrogations suscitées par l'adoption quasi-généralisée des PAS en Afrique subsaharienne.

Les mesures d'ajustement

Les différentes mesures contenues aussi bien dans le document officiel initial intitulé "Programme d'Ajustement Structurel 1985-1987" que dans la lettre d'intention adressée au FMI sont regroupées dans les cinq rubriques suivantes : Compression des dépenses publiques et amélioration des ressources de l'Etat, relance de l'économie, entreprises d'Etat, monnaie et Crédit, dette publique.

Les mesures relatives au budget de l'Etat consistent à réduire les dépenses de fonctionnement (en agissant surtout sur les dépenses de matériel et de transfert, les frais de personnel étant maintenus au même niveau de 1985 à 1987) et les dépenses d'investissement (98,1 milliards en 1985, 50,8 en 1986 et 38,5 en 1987) en améliorant les ressources de l'Etat par diverses dispositions (limitation des exonérations fiscales, relèvement de la taxe complémentaire sur les importations, création d'une taxe intérieure de 10 % sur la consommation, etc).

Alors que dans le programme initial, la relance de l'économie était envisagée essentiellement à travers le désengagement de l'Etat vis-à-vis de la production agricole et le renforcement des lignes de crédits PME Artisanat,

l'accent est mis, avec le renforcement du PAS, sur les prix agricoles, les prix aux producteurs notamment, dont le relèvement va de 10 % pour les produits vivriers à 104,7 % pour les produits d'exportation (café, cacao). De plus, la liste des produits dont les prix sont administrés a été réduite de 38 à 20 "produits essentiels".

S'agissant des entreprises d'Etat, l'un des objectifs poursuivis est la suppression des subventions d'équilibre. Les mesures mises en application depuis le 31 Mai 1986 sont:

- la suppression du monopole des offices qui assuraient jusque là la commercialisation des produits agricoles (office du café et du cacao, office des cultures vivrières);
- la limitation du monopole de l'office national du commerce à quatre produits au lieu de onze ;
- le relèvement des tarifs et des prix en fonction des prix de revient réels pour les six principales entreprises d'Etat qui doivent également réduire de 5 % leur masse salariale et améliorer les méthodes de gestion, de comptabilité et du choix des investissements.

En ce qui concerne le crédit intérieur, son expansion a été limitée à 9,2 % de la masse monétaire dont 5,6 % pour le secteur non-gouvernemental.

Evoqué dans le PAS initial comme une des "solutions théoriquement envisageables", au même titre que la réduction plus forte du budget et la recherche d'un concours financier extérieur, le rééchelonnement de la dette apparaît comme l'objectif à atteindre dans l'immédiat à travers le renforcement des autres mesures. Les négociations menées à cet effet ont abouti le 15 Juillet 1986 à un accord de confirmation devant libérer 22,4 millions de DTS sur vingt mois en faveur du Congo et permettre au Club de Paris de réunir le 18 juillet ses principaux créanciers (France, RFA, Canada, Espagne, Brésil, Etats-Unis, Royaume-Uni, Italie, Suisse) afin d'examiner les conditions du réaménagement de sa dette extérieure.

La demande initiale du Congo portait sur le rééchelonnement de 100 % des arriérés au 10.01.1986 et 100 % des échéances-capital et intérêts sur cinq ans, la durée de consolidation étant de dix ans dont quatre ans de différés. Les créanciers ont consenti à aligner exceptionnellement la durée de la période consolidée sur celle de l'accord stand-by soit vingt mois. Les quotités rééchelonnées portent sur 95 % des échéances globales dues entre 1.08.1986 et le 31.03.1986 et 90 % des arriérés dûs au 31.07.1986. La durée de consolidation est de neuf ans pour les arriérés et de dix pour les échéances à venir, avec quatre ans de différés. Les 5 % restant dûs sur les échéances à venir et les 10 % d'arriérés seront versés en trois tranches annuelles en 1988, 1989 et 1990. Ainsi, l'allègement porte sur la totalité des échéances en 1986 (soit 91,2 milliards de Francs CFA) et en 1997 (soit 54 milliards).

En outre, le Congo a obtenu des financements complémentaires exceptionnels pour soutenir l'ajustement structurel, avec des tirages FMI de 4,53 milliards en 1986 et de 3,34 milliards en 1987, des financements

bancaires de 11,5 milliards en 1986 et de 6,5 milliards en 1987 et un financement public de 12,65 milliards en 1986, soit un total de 38,5 milliards de francs CFA sur deux ans. Les échéances à venir pour les autres créanciers (Club de Londres, Chine, URSS, Algérie) atteignent 58 milliards en 1986 et 53 en 1987 auxquels il faut ajouter 25 milliards d'arriérés.

Mais le rééchelonnement seul ne suffisait pas à combler le déficit global prévisible en 1986 et 1987¹. Le Congo négocie des financements complémentaires de 35 milliards en 1986 et 32 pour 1987. Enfin le montant des arriérés au titre du budget de 1985 atteindraient 75,8 milliards.

Degré d'adéquation des mesures préconisées et perspectives à court terme

Le PAS initial était destiné à "rétablir les équilibres fondamentaux de l'économie afin de permettre la poursuite, sur des bases saines, du plan quinquennal 82-86, de garantir l'élaboration et l'exécution du deuxième plan quinquennal 87-91". L'exécution du plan 82-86 s'est achevée dans un contexte particulièrement malsain marqué par la profonde récession décrite plus haut ; l'élaboration du prochain plan quinquennal a été reportée à une date ultérieure non précisée, mais le rétablissement des équilibres économiques fondamentaux demeure la préoccupation à court terme. Cet objectif est cependant le moyen d'un autre objectif réalisable à court terme lui aussi ; il s'agit de la relance de la croissance. La question qui vient immédiatement à l'esprit est celle de savoir si les mesures préconisées peuvent effectivement permettre d'atteindre ces deux objectifs.

Le mécanisme qui permet de relancer la croissance, dans l'optique de l'ajustement structurel, est celui de "l'adaptation de l'offre", pour reprendre les termes utilisés par les experts du FMI². Les mesures correspondant à ce mécanisme sont, dans le cas du Congo, la réorientation des investissements, la suppression des monopoles et la "mise en liberté contrôlée" des prix, le désengagement progressif de l'Etat vis-à-vis de la production et le développement de l'initiative privée.

La réorientation des investissements consiste à agir sur leur structure plutôt que sur le seul volume comme cela se faisait auparavant. Plus précisément, il s'agit d'affecter le plus gros des dépenses d'investissements au secteur productif (agriculture, élevage, pêche, industrie, exploitation forestière, mines, énergie) et non plus aux infrastructures routières et ferroviaire. On peut tout de suite faire remarquer que le secteur productif occupe le deuxième rang depuis 1980 en ce qui concerne la part de l'investissement qui lui a été consacrée, mais cela ne l'a pas rendu plus

1 Selon les estimations du FMI, le besoin de financement du budget de l'Etat serait de 166 milliards de Francs CFA en 1986 et de 118 en 1987. Les arriérés cumulés et le service atteindraient un montant égal à 80 % du budget rectifié 1986, soit 157,4 milliards de Francs CFA (cf. Marchés Tropicaux du 26 septembre 1986, page 2375)

2 cf notamment l'article de Mohsin S. Khan et Malcolm D. Knight : "Les programmes d'ajustement financés par le Fonds ralentissent-ils la croissance ?", Finances et Développement, Mars 1986.

performant. Au contraire, la croissance y a été particulièrement faible, voire nulle pour certaines activités (agriculture par exemple).

Les autres mesures préconisées semblent destinées à agir sur les facteurs qui ont empêché jusqu'ici les investissements réalisés dans le secteur productif de produire les effets escomptés. Ainsi en est-il de l'augmentation des tarifs publics dont l'objectif est, selon le Gouvernement, de restaurer la crédibilité financière des entreprises publiques. Mais, pour que ces mesures agissent, il faut que l'investissement soit effectivement réalisé. Or, l'approfondissement de la récession réduit pratiquement à néant la capacité de financement du principal investisseur, à savoir l'Etat. Par conséquent, la reprise de la croissance, sur la base de la réorientation des investissements combinée avec la libération des prix et le désengagement de l'Etat ne peut être envisagée à court terme que par le recours aux ressources extérieures que les autorités se sont procurés et continuent à se procurer grâce au rééchelonnement de la dette et aux prêts d'ajustement qui lui sont accordés.

Les perspectives pourraient toutefois être différentes pour ce qui est de la croissance agricole. Si l'augmentation des prix agricoles décidée en mai 1986 peut avoir un effet incitateur sur les producteurs ruraux, l'accroissement de la production se heurte cependant à un certain nombre d'obstacles parmi lesquels figurent notamment la forte baisse de la population active rurale et son vieillissement.

Le rétablissement des équilibres macro-économiques comporte principalement trois sous-objectifs : rétablir l'équilibre des finances publiques, restaurer l'équilibre monétaire, résorber le déficit de la balance des paiements. Le mécanisme qui permet de réaliser ces sous-objectifs est celui de "la stabilisation de la demande intérieure ou absorption". Les mesures qui y correspondent sont dans le cas du Congo, respectivement la compression des dépenses publiques et l'accroissement des ressources, le plafonnement du crédit, le rééchelonnement de la dette et l'accroissement des entrées nettes de capitaux. Ici aussi, l'objectif de rétablissement des grands équilibres macro-économiques peut être réalisé à court terme grâce au rééchelonnement de la quasi totalité de la dette extérieure obtenue en juillet 1986 et aux divers prêts d'ajustement qui sont accordés au Congo.

A moyen et long terme, l'autocentrage pervers

Si d'ici fin 1988 on peut s'attendre à une légère reprise de la croissance comme le préconise le programme intérimaire d'investissement 1987-1988 élaboré très récemment cf le document officiel intitulé "Grandes options du programme intérimaire d'investissement 1987-1988 et Budget d'investissement 1987". Il y est notamment évoqué l'objectif d'un taux de croissance de 3 à 4 % en 1987 et 5 à 6 % par an à partir de 1988 pour le secteur agricole, la filière bois et l'industrie. et à une stabilisation de l'absorption, à moyen et à long terme, la réalisation des objectifs que les autorités congolaises se sont fixés risque d'être hypothéqué.

En effet, l'application des différents programmes d'investissement analysés plus haut répondait au souci de "partir de la structure désarticulée et exocentrée de l'économie congolaise au début des années 80 pour construire une économie nouvelle, sectoriellement harmonieuse; régionalement équilibrée; tournée fondamentalement vers l'intérieur (autocentrée) et qui s'entretient par sa dynamique interne propre (autodynamique)¹". La réalisation de cet objectif à long terme suppose un certain nombre de conditions dont la mise en place devrait être permise par ces programmes. Or, l'application de ces programmes s'est soldée par la récession et la soumission aux contraintes du FMI. On peut dès lors s'interroger sur la possibilité, même à long terme, d'une "rupture effective avec la division internationale capitaliste du travail" et de la mise en place d'une économie autocentrée et autodynamique, compte tenu de l'ouverture amorcée, bien que de manière hésitante, dès 1979, mais franchement affirmée avec le renforcement du PAS en 1986². En d'autres termes, il s'agit de savoir si le recours au FMI et aux emprunts extérieurs est une solution passagère destinée à faire face aux difficultés du moment, sans remettre fondamentalement et définitivement en cause l'option choisie ou si, au contraire, ce recours marque l'approfondissement du processus d'intégration à la division internationale du travail avec, au mieux, la perspective d'un développement extraverti.

Pour que le recours au FMI et aux emprunts extérieurs ait un caractère passager, il faut que l'application des mesures du PAS se solde, à moyen terme, par l'accroissement de la capacité interne de financement. Or les mesures préconisées, même si elles permettaient d'atteindre un certain niveau de croissance à moyen terme, n'offrent pas la garantie d'une croissance durable compte tenu du fait que la capacité de financement qu'elles contribueraient à dégager serait absorbée en grande partie par le service de la dette, car le rééchelonnement n'a fait que reporter les contraintes liées au paiement de celui-ci. Il resterait les recettes pétrolières pour épauler le PAS. Mais on sait maintenant à quels "mirages" le pétrole expose ceux qui tentent de bâtir leur développement sur son exploitation. De toute façon, les expériences d'ajustement structurel réalisées en Afrique subsaharienne n'incitent pas à l'optimisme puisque, pour l'ensemble des programmes financés par le FMI depuis 1980, les objectifs liés à la croissance n'ont été atteints que dans un cinquième des cas cf. Justin B. Zulu et Saleh M. nsouli, "Les programmes d'ajustement en Afrique". Finances et Développement, Mars 1984.

1 P. Moussa, "La bataille du Plan", Mweti, Spécial Plan quinquennal, page 5.

2 En fait, l'ouverture, plus précisément l'extraversion de l'économie du Congo est aussi vieille que la colonisation. Mais les déclarations officielles des dirigeants ont toujours mis en avant, depuis 1963, la nécessité d'une rupture avec le système capitaliste mondial et la construction d'une économie socialiste.

Par conséquent, loin de constituer un simple fait de conjoncture, le recours au FMI et aux emprunts extérieurs a de fortes chances de s'ériger en habitude comme le montre la signature régulière depuis plusieurs années d'accords de confirmation ou d'accords de facilité élargie par des pays comme le Zaïre, le Libéria et la Côte d'Ivoire. Le corollaire en serait une insertion accrue à la division internationale capitaliste du travail.

Mais au-delà des hypothèses, la réalité, à l'heure actuelle est l'exocentrage marquée par le fait que les centres de décision de l'économie du Congo sont entre les mains des bailleurs de fonds (Clubs de Paris et de Londres, FMI), car si les autorités congolaises veulent éviter, ou tout au moins, atténuer les effets pervers de la crise, elles doivent nécessairement agir dans la direction souhaitée par ces bailleurs. L'autocentrage a donc été perverti.

Conclusion

L'adoption quasi-généralisée des programmes d'ajustement structurel sous la forme soit d'accords de confirmation, soit d'accords élargis et les perspectives offertes par la mise en oeuvre de ces programmes, telles qu'elles sont apparues dans les analyses qui précèdent, suscitent quelques interrogations quant à la maîtrise du développement par les pays concernés.

Les problèmes qui poussent à l'adoption des programmes d'ajustement semblent découler de la mauvaise application d'un modèle de développement, le modèle extraverti. Le FMI intervient alors, soit comme "professeur" soit comme "gendarme", pour reprendre les termes de M.F. L'Hériteau¹. Dans le cas du Congo, la stratégie choisie par les autorités dès le début des années 80 a consisté à utiliser le caractère extraverti de l'économie (programme d'investissements fondés sur les recettes d'exportation du pétrole et les emprunts extérieurs) pour amorcer son recentrage par la "reconquête de l'espace national", c'est-à-dire en accordant la priorité aux infrastructures routières et ferroviaires. L'aggravation de l'extraversion qui résulte de l'application de cette stratégie manifeste l'existence d'une incohérence structurale entre l'objectif poursuivi et les moyens de cet objectif du fait notamment de l'absence de contrôle de l'Etat sur les ressources internes de financement. La situation des autres économies sous "ajustement structurel" pourrait être caractérisée de la même manière. Dans ces conditions, quelles possibilités ces économies ont-elles de se soustraire à l'emprise du capital financier international?

Les réponses intellectuelles à cette interrogation ne manquent pas. La mobilisation de l'épargne interne, l'affectation des fonds empruntés aux investissements directement productifs et à la satisfaction des besoins populaires, l'intégration régionale et l'autonomie collective sont souvent évoquées, en effet, comme moyens ou mécanismes de recentrage. Mais

1 M.F. L'Hériteau, *Le Fonds Monétaire International et les pays du Tiers Monde*, PUF, Paris, 1986.

n'est-ce pas justement la difficulté à mettre en pratique ces solutions, même par les pouvoirs dits révolutionnaires ou qui se considèrent comme tel qui pousse à recourir au capital financier international et au FMI?

Au-delà, à travers la pleine restauration du mécanisme des prix et le désengagement de l'Etat ou plutôt sa limitation aux fonctions gouvernementales élémentaires énoncées par Keynes (assurer l'ordre public et la fermeté de la monnaie, créer un environnement économique où l'épargne, la productivité et l'entreprise individuelles sont favorisées, établir et entretenir les infrastructures), n'est-ce pas la problématique de la rupture qui est en cause?

Enfin, on peut toujours rétorquer que c'est moins la stratégie de rupture qui est en cause que la nature des Etats devant la mettre en oeuvre. Mais existe-t-il un Etat dont les intérêts sont en parfaite cohérence avec ceux des communautés de base ? Et si la solution se trouvait du côté des producteurs directs, eux dont l'existence n'est prise en compte qu'à travers les effets des programmes d'ajustement et la capacité de l'Etat à contenir leur mécontentement?

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Summary

Given the conceptual scope of the structural adjustment programme and its ensuing policies, what development prospects are open to countries having to adopt such programmes ? In the majority of cases, the adoption and implementation of structural adjustment programmes gives rise to a number of questions related to the control of development by the countries concerned.

Congo is a good example in so far as it has attempted "to delink from the capitalist international division of labour and to build a self-reliant and self-sustained economy" but ended up submitting to the IMF demands precisely during the period intended for the implementation of the process of delinking.

Problems leading to the adoption of adjustment programmes seem to result from an inadequate implementation of the outward-oriented model of development. It is at this point that the IMF intervenes, either as a "lecturer" or a "gendarme". In the case of Congo, the strategy adopted by the authorities at the beginning of the 1980s consisted of using the outward-oriented nature of the economy (investments programmes based on oil export earnings and on foreign loans) to initiate economic adjustment through the "reconquest of national space" i.e. by giving priority to road and railway infrastructures. The worsening of the outward-oriented nature of the economy as a consequence of the implementation of such a strategy reflects the existence of a structural inconsistency between the stated objective and the means to attain it particularly the lack of control of internal financial resources by the State. This could apply to other economies bound by "structural adjustment" policies. Therefore, how can these economies withdraw from the influence of international finance capital?

Many intellectual answers have been given to this question. These include mobilization of domestic savings, allocation of borrowed funds to productive investments, the fulfillment of basic needs, regional integration and collective self-reliance. But the difficulty encountered in applying these solutions, even by the so-called revolutionary powers or by those who view themselves as such, might precisely account for the recourse to international finance capital and the IMF.

Furthermore, isn't the problematic of delinking faced with the reestablishment of the price mechanism and the disengagement of the State or rather its confinement to basic governmental functions defined by Keynes (to ensure public order and stability of the currency, to create an economic environment in which savings, private productivity and enterprise are enhanced, to build and maintain infrastructures) ?

In fact, one can still argue that strategy of delinking is less questionable than the nature of the states which have to implement it. But is there a State, whose interests are perfectly consistent with those of its citizens ? Maybe the solution is to be found among direct producers, who are only taken into account in relation to the impact of adjustment programmes and the ability of the State to repress their discontent.

Reflections on a Foreign Exchange Management and Allocation System for Independent Namibia

Ngila Mwase*

Introduction

As against countries like Mozambique, Angola and Zimbabwe which had before independence (some semblances of) Central Banks, colonized Namibia has no Central Bank and relies on the Reserve Bank of South Africa. Namibian independence should allow the establishment of a Central Bank in independent Namibia and the pursuance of monetary policies independent of Pretoria and responsive to the needs of the Namibian economy. Such a Namibian Central Bank should spearhead the generation and judicious use of foreign exchange. This relates to the modes operandi of its allocation to various bidders.

Independent Namibia could fix the exchange rate and allocate foreign exchange administratively. Alternatively she could, as is the case under the various foreign exchange auctioning systems adopted by a number of African countries, tie up such allocation with the setting of an exchange rate for the home currency. A third option of continued membership of the Pretoria-dominated Rand Monetary Area would seem to be politically or otherwise unsustainable.

This paper examines these options and recommends a particular administrative mechanism for the allocation of foreign exchange. This is done in the context of the mineral economy of Namibia and the development strategies articulated by the liberation movement - the South West Africa Peoples Organization (SWAPO).

The Economy of Namibia

Namibia has a dual economy comprising an impoverished African subsistence sector and a white-owned and manned modern sector. The latter

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is dominated by mining, agricultural and fishing activities. Modern sector exploitation of migrant labour¹ under the notorious contract labour system, is perhaps the only thread bringing together these sectors. The mining sector as Table 1 shows, contributes nearly 30 percent of GDP.

Namibia with a GDP of over R1,600-million in 1983 at current prices and 1.6 million people has one of the highest per capita incomes in Africa². However Namibia perfectly illustrates growth without development. Up to 40 percent of GDP is leaked overseas as profits, dividends, royalties, debt servicing, individual remittances and the surpluses of South African public corporations, e.g. the South African Transport Services (SATS). The GDP-GNP differential is one of the highest in the world. At least until 1980 when financial inflows to expand the economy particularly the mining sector was on, this gap was narrowing. Namibia has one of the world's most skewly distributed incomes. Black-white income ratios vary between 1:25 and 1:12 for rural and urban areas respectively. There is 6:1 income differential between the black "elite"³ and the poverty-stricken toiling masses. The average annual incomes for these groups are R20,000, R6,000 and R1,000 respectively⁴. Deepening poverty engulfs about 60% of Namibian households.

The economy is foreign trade oriented. In 1983 exports totalled R1,060 million of which minerals (uranium, diamonds, copper etc.) contributed R800 million (80%). Imports (of oil, mining equipment, machinery, food, etc.) totalled R1,170 million. Table 2 depicts Namibia's balance of payments position. Namibia exports are dominated by minerals, agricultural products and fish.

Namibia has often, thanks to mineral exports, registered token surpluses in the balance of current account (Table 2). However, Namibia exhibits an overall balance of payments deficit due to imbalances in the Capital Account arising from huge outflows of capital to meet huge import costs of food, military equipment, etc. The limited range of exports (outside the mineral component) and their sensitivity to instability in world market prices, market channels, politics, etc. is a limiting factor.

This has implications on Government revenue and expenditure, which comes from taxes, public corporation receipts and new loans. The latter-R120 million or 33% of the total in 1981/1982 came from abroad, especially South Africa. The rest consists of direct transfers from Pretoria, including R250 million customs and excise duties from the Southern African

¹ Number about 100,000 of which 70,000 or so, are from Northern Namibia. Roughly the same total is in exile mostly in Angola and Zambia.

² Namibia's 1984 GNP per capita income of US\$1,955 compared very favourably against Zambia's (US\$470), Botswana (US\$960), oil-rich Nigeria (US\$730), Kenya (US\$310), Tanzania (US\$210), Zaire (US\$140).

³ To build up a buffer between the white privileged group and the masses, and provide a pool of rich Africans from where future moderate leaders can be drawn, attempts are being made to create a black "elite" as a counter to SWAPO's more progressive thrust.

⁴ United Nations Institutes for Namibia (UNIN), Namibia: Perspectives for National Reconstruction and Development, London, Hutchinson, 1986.

Table 1: Gross Domestic Product by Sector, at current Prices, 1975-83a (R million)

	1975	1979	1980	1981b	1982b	1983b
Agricult. & Fishing	120.0	113.2	132.0	169.1	187.8	142.6
Mining & quarrying	174.2	584.3	630.0	454.4	465.1	473.3
Manufacturing	32.6	53.9	56.2	67.2	82.7	93.5
Electricity & Water	7.8	21.3	26.3	36.4	43.3	61.4
Construction (contractors)	33.4	48.9	50.6	67.3	69.6	64.5
Wholesale & retail trade, catering & accommodation	101.2	149.1	166.3	204.9	228.4	234.9
Transport & communications	38.0	71.8	76.7	78.3	83.8	97.3
Finance, insurance, real estate & business services	55.6	79.6	77.0	88.2	111.3	125.3
Community, social and personal services	10.1	16.5	18.6	24.1	29.7	34.5
General government	58.1	103.2	138.8	219.2	295.3 ±	339.8
Others	20.8	32.8	37.1	40.9	47.4	53.2
GDP at factor cost	644.7	1274.6	1409.9	1450.0	1644.4	1720.3

(a): Exclusive of Walvis Bay. (b): Provisional.

Source: Statistical/Economic Review, Department of Finance, Windhoek, 1984.

Table 2: Current Account of the Balance of Payments, 1975-83 (R million)

	1975	1977	1979	1981	1983
Merchandise exports	372.1	715.7	993.9	906.6	925.3
Merchandise imports	418.9	540.3	616.1	1019.5	76.6
Trade Balance	-46.8	175.4	377.8	-113.0	-15.3
Net payments for non-factor services	-56.1	-94.4	-114.4	-162.4	-185.2
Net exports of goods & non-factor services	-102.9	-81.0	263.4	-275.4	-236.5
Net factor payments	-63.6	-132.7	-193.6	-135.0	-108.9
Net transfer receipts	38.2	54.4	51.5	342.6	538.1
Current Account balance	-128.3	2.7	121.3	-67.8	182.7

Source: South West Africa/Namibia, Department of Finance, *Statistical/Economic Review*, SWA/Namibia, 1984 (Windhoek, SWA/Namibia Information Service, 1984), p.24.

Customs Union (SACU), of which Namibia is a member. Membership of SACU entails abolition of trade barriers within the Customs Union and the imposition of a common external tariff. Namibia is also a member of the Rand Monetary Area (RMA). It is therefore administered as an integral part of South Africa for purposes of tariffs, trade and exchange control regulations.

A Customs Union is by conventional theory beneficial if it is on balance "trade creating" and harmful, if it is "trade diverting". In SACU, trade creation benefits the exporters, primarily South Africa; trade diversion lowers welfare for Namibia and the other junior partners who are diverted from the more competitive world market to expensive substitutes from less efficient Custom Union partners¹.

Namibia provides an accessible, lucrative, "captive" market to South Africa, especially for capital goods and processed foodstuffs. Namibian producers face unequal competition and "dumping". Indeed the Administrator General in his 1981/1982 Budget contemplated taking "counter measures against the possibility of a form of dumping by South African concerns"².

An alternative trade and exchange disengagement strategy likely under a SWAPO-led Namibia which could either be "inward-looking" implying restructuring the economy to reduce dependency on the outside world and

¹ A recent UNDP study which is yet to be made public, but whose main points have appeared in press reports concludes that for a sizeable number of SADCC countries' imports, South Africa is not the cheapest source.

² SWA/Namibia, "Public Finances and the Business World in SWA/Namibia", The Department of Finance and SWA/Namibia Information Service, Windhoek, Mimeo.

boost local initiative and utilization of home-based resources and/or more equitable regional cooperation schemes such as the SADCC strategy or other South-South "collective self-reliance" initiatives, would have far-reaching consequences on foreign exchange generation, utilization and management¹. With her strong mineral-based export potential and therefore a potential surplus in foreign exchange reserves, independent Namibia will be in a better position to disengage from SACU and RMA and the excessive financial, trade, technological and entrepreneurial dependence on South Africa.

The SWAPO Development Strategy

As outlined in its Political Programme², SWAPO is committed to building in a free, democratic and united Namibia a classless, non-exploitative society fostering progress and social justice. This entails:

- (1) Public ownership and control of the "commanding heights" of the economy;
- (ii) General social equality aimed at inter-personal, inter-regional and rural-urban equity.
- iii) an integrated national economy with a proper balance between agriculture and industry;
- (iv) priority for agrarian transformation and rural development with special emphasis on peasants' cooperatives and state farms; and
- (v) a policy of self-reliance.

A detailed elaboration of these policies has appeared in a major UNIN study³, whose general thrust is within the broad confines of SWAPO thinking, and approximates the experiences of progressive African states.

The Management of Foreign Exchange Resources of Namibia

The availability of foreign exchange resources especially for economies excessively dependent on the world market and international finance capital like Namibia affects the pattern of economic activity. Scarcity of foreign exchange usually rationalizes import cuts. The ensuing "suppressed" or unsatisfied demand represents a marginal cost and an apparent welfare loss. Since foreign goods are bought by spending foreign currency, one could conveniently regard foreign currency, rather than the goods purchased, as inputs to a project. Conversely projects may produce exportables or import substitutes. In both cases the project can be regarded as a producer of

¹ Independent Namibia could join the SADCC and/or the Preferential Trade Area (PTA) of Eastern and Southern African States; and particularly the PTA Clearing House which offers some economies in the use of foreign exchange.

² SWAPO, *Political Programme*, Lusaka, 1976

³ UNIN... *op. cit.*

foreign exchange. Thus a demand curve can be regarded as a demand curve both for imports and for foreign exchange. The demand for foreign exchange does not show simply the marginal value of foreign exchange to its immediate users; it also shows, as Sugden and Williams have noted, the marginal social value of foreign exchange¹. Its allocation to those uses where its social value is greatest is of the utmost importance.

Judicious preservation and use of foreign exchange should not wait until extreme scarcity of foreign exchange has ensued, otherwise undue outside pressure to adopt devastating austerity programmes will be irresistible.

Significantly the UNIN study perceives a continued role for the private sector. Reckless nationalization of everything, big and small, as Pretoria has propagated is not envisaged. However to transit to economic independence and ensure "bread and butter" for all, the study advocates a sharp increase in State intervention in the economy. This could include extended state ownership and control of the "commanding heights" of the economy or such concerns as is commensurate to making all key decisions affecting the national economy, such as major financial and import-export institutions. Significant regulation of the private sector including its investment decisions and effective workers control in all economic sectors is recommended. And so too is decentralization initiatives to ensure effective peoples participation in decision-making.

Partly due to the historical land theft, the report advocates expropriation of some land, especially the unused land to meet the land hunger of the indigenous population. Due to labour exploitation and the gross racially-based income inequalities, it is argued, priority be accorded to equity issues. The report advocates economic restructuring and diversification measures to reduce the excessive reliance on minerals. It calls for regional cooperation initiatives particularly in the context of the SADCC. With the Zimbabwean experience, particularly the constitutional limitations imposed on the new Government by the independence package agreed at the 1979 Lancaster House Constitutional Conference in the background, the study warns against the dangers of constitutional limitations that could be imposed on the new Government in any negotiated settlement².

These economic development strategies will influence the kind of foreign exchange generation, management and allocation options adopted at independence.

For an economy so dependent on non-renewable mineral resources, such foreign exchange economization measures amidst economic diversification involving in particular agricultural and industrial development should be a

¹ Sugden R. and A. Williams, *The Principles of Practical Cost-Benefit Analysis*, London, Oxford University Press, 1978, p.101.

² See, Saul, John, "Zimbabwe: The Next Round", *Monthly Review* New York, Vol. 32, N4, Septembre 1980, p.9.

major policy objective. Non-adherence to such a policy goal in the immediate post-independence era in much of Africa is one reason for Africa's present economic malaise. For example most African Central banks set a statutory minimum target level of "a reserve of external assets at an aggregate amount of not less than the value of four months'imports..."¹. But now the foreign exchange reserves of many an African country can meet the import needs of only a few weeks, if not a few days only! In many cases not only did colonial patterns of imports, etc. continue, but lavish spending on "white elephant" projects ensued. Consumption of such invisible imports as unnecessary foreign travels, education allowances for overseas training in fields offered at home, is only now rather belatedly being shelved or abolished. Namibia as the "last colony" should by-pass some of these pitfalls.

Securing and Preserving the Foreign Exchange Resources of Namibia

An overall review of Namibia's financial situation to isolate South African capital inflow and investment in Namibia could be useful for the economic, financial and monetary adjustment programmes at independence. This could include a reappraisal of the reported subsidization of certain services², by the colonial authorities from the finances derived from territorial revenues or otherwise.

Until lately the South African corporate bodies operating in Namibia did not have separate accounts for the Namibian capital expenditure and their contribution to the gross earnings of the Corporations. Under normal circumstances the headquarters of a corporation would call for funds from whichever source had it and allocate it to whichever Region (i.e. territory) was in demand/need. This would have ensured a certain element of inter-regional (cross) subsidization absorbable into the entire system. But Namibia and South Africa are two separate territorial entities. Hence the need for separate accounts to show the actual and potential earnings of the corporations eg.SATS in each country both in local and foreign currency.

The distribution of assets and liabilities at independence will be difficult. Available data is unlikely to indicate the full foreign exchange burden to Namibia and South Africa. As the East African experience shows³ usually such data exclude invisibles and locally purchased importables. To determine earning capacity it will be necessary to establish the value of all assets, their location, serviceability and optimum utilization levels. In this regard book-value of assets is misleading because assets were at different stages of

¹ See, King J. R., *Stabilization Policy in an African Setting, Kenya 1963-1973*, London, Heinemann, 1979, p.63.

² Heavy subsidization of the ranches has been reported. See for example, Moorson Richard, *Transforming a Wasted Land*, A future for Namibia, Series No.2, CIIR, London, 1982.

³ Mwase, Ngila "Regional Economic Integration and the Unequal Sharing of Benefits: Background to the Disintegration and Collapse of the East Africa Community" *Africa Development*, Dakar, CODESRIA, Nos.1 & 2, 1979, pp.1-28.

depreciation. Earning capacity would also need to be related to demand by users of the services offered by the corporations.

In particular the organization and operation of the airways, especially in the past, will present a problem vis-a-vis the determination of how foreign exchange costs incurred by the Airways should be shared, since all foreign traffic which can generate foreign currency can and did originate or terminate in any of the two countries. Finding acceptable formulae for sharing the costs (and benefits) of the headquarters of these South African-based bodies will not be easy and "rules of thumb" may have to be employed. However, attempts at assets valuation and location, to at least determine "earning capacities" could be concurrently done with the envisaged review of Namibia's SACU position.

The Determination and Management of the Exchange Rate in Independent Namibia

There are essentially two exchange rate regimes: fixed and flexible/floating exchange rates. Auctioning is a variant of the latter. The options available to independent Namibia include:

(a) continuing with the SACU and RMA arrangements. For various economic, political, strategic etc. reasons this is not a viable option. For one, the new nation would effectively forfeit control of fiscal and monetary policy especially over indirect taxation. The SACU and RMA policies are dictated by Pretoria's socio-economic objectives which are opposed to SWAPO philosophy¹;

(b) "Floating" a Namibian currency, thereby allowing it to find its own level vis-a-vis other currencies. Conversely the available foreign exchange is sold freely on the money market with supply and demand determining the foreign exchange rates. Such market price allocation is seen by the IMF, etc. as a more efficient and fair allocative mechanism than administrative options;

(c) Using administrative, essentially Central Bank propelled allocation mechanism. This entails setting an official exchange rate whereby the local currency is fixed against the SDR and (therefore) with other hard currencies; and through the latter against most inconvertible currencies.

Given recent experiences with the floating option, especially the auctioning system variant, option (c) seems to be the least inappropriate for independent Namibia; followed by a non-auctioning, floating system.

Parallel Exchange Rates and the Auctioning of Foreign Exchange

In a number of African countries some devaluation was/is warranted with or without IMF conditions. Although there is a tendency for the parallel (or

¹ Under the RMA framework, Lesotho and Swaziland have their own currencies which are wholly backed up by the Rand which also circulates in these two countries. See, Collings, F.D. "The Rand and the Monetary Systems of Botswana, Lesotho and Swaziland", *Journal of Modern African Studies*, Cambridge, 1978, N16, pp. 97-121.

black) market rate for foreign exchange to be given undue weight in assessing the over-valuation of currencies and therefore the rationale for devaluation, the wide differences between the official exchange rate and the parallel market rate would call for some devaluation. Table 3 depicts these differentials.

As shown in Table 3, there are huge percentage differences between the official and parallel exchange rates (15% to over 4,000%). Such differences

Table 3: Official and Parallel Currency Exchange Rates for Selected African Countries to US \$, 19 September 1986

Country	Official	Parallel	% difference
Nigeria naira	1.33	5.00	276
Sierra Leone leone	29.00	40.00	38
Somalia shilling	36.00	160.00	344
South Africa rand	2.39	2.76	15
Sudan pound	2.45	4.10	67
Tanzania shilling	43.30	120.00	177
Uganda shilling	1,388.80	7,000.00	405
Zambia kwacha	6.89	10.00	45
Ghana cedi	90.00	214.00	138

Source: Adopted from *Africa Analysis*, London, 19 September 1986, p.12.

are used especially by the IMF to rationalize massive currency devaluations.

Countries like Lesotho which depend on remittances from emigrant workers for about 50% of their foreign exchange earnings have no or virtually no currency black markets¹.

The auctioning of scarce foreign exchange in a number of African countries depreciated the home currency exchange rate to alarming artificial

Table 4: Average Exchange Rates Between a Number of Selected African Currencies and the US \$1

	1982	1983	1984	1985	1986	1987a
Somali shilling	-	15.788	20.019	39.487	84.00b	120.20
Malagasy francs	349.71	430.45	576.60	666.48	945.627	792.43
Ghanaian cedis	2.75	3.45	35.34	54.05	90.00	156.00
Uganda shillings	94.05	153.86	359.70	672.02	1,470.00	1,382.4

Source: Adopted from, *Africa South of the Sahara*, London, (various years).

Note: (a) As of April 1987; (b) January 1986.

¹ In 1985 there were a total of 110,000 Lesotho mine workers in South Africa.

rates (Table 4). This raised prices especially of imports, but also locally produced goods, by astronomical rates. When, as in Uganda in January 1985, the IMF funds had been exhausted, the resultant suspension of foreign exchange auctions led to acute shortages of commodities, amidst hyperinflation¹. The same effect was witnessed in Zambia when as a result of dwindling foreign exchange inflows from Zambia's creditors, successful auction bids could not be effected promptly; or indeed when the auction system was temporarily suspended to await protracted negotiations on the handling of the auctioning system. Serious and perpetual scarcity of foreign exchange makes an auctioning system virtually inapplicable.

In the case of Zambia the Kwacha (K) depreciated from a rate of K2.02 per US \$1 when the auctioning system was introduced in October 1985 to K21.01 per US \$1 struck at last but one auction in April 1987². Sierra Leone and Nigeria have also witnessed substantial depreciation of their currencies especially after the introduction of the auction system. In Sierra Leone a massive devaluation of the leone in February 1985 adjusted the exchange rate from Le 2.50 per US \$1 to Le 6.00 per US \$1. When this failed to, amongst others, contain the "black market" the currency was, with IMF insistence, floated in 1986. By April 1987, US \$1 was worth Le 52.115. In Nigeria US\$1 = 0.9996 naira in February 1986, it had by April 1987 fallen to US\$1 = \$3.738 naira following the introduction of foreign exchange auctioning system. So the foreign exchange auctioning system has exacerbated to alarming levels, the continued decline in the value of local currencies vis-a-vis the hard currencies.

Table 3 shows this depreciation for the Ghanaian cedi, Somali and Uganda shillings³ which have been auctioned and for Malagasy francs which have been devalued extensively. Both Somalia and Uganda have on some occasions upheld a two-tier exchange rate system.

Independent Namibia: Devaluation with or without Auctioning

The foreign exchange auctioning system introduced in Zambia⁴ and other African countries was/is aimed at:

- (a) introducing some degree of devaluation of local currency through the "back door";
- (b) through (a) above, to encourage exports and discourage imports;

¹ In 1985 Uganda witnessed an annual inflation rate of about 200 percent.

² In 1982 the Kwacha was a little bit stronger than the US\$. It was then fixed at a rate of K1 = US\$1.0773.

³ In the case of Uganda a low priority rate of US\$1 = Shs. 1,400 for basic consumer imports and a higher market rate at US\$1 = Shs5,000 for all other imports was introduced in May 1986.

⁴ For an extensive critique of the auctioning system see, Republic of Zambia, Report of the Tariff Commission of Inquiry, Lusaka Government Printer, September 1986, Vols. I and II and Kaunda, Kenneth, New Economic Recovery Programme Lusaka, Government Printer, May 1, 1987.

(c) to encourage the use of both locally produced goods and raw materials with high value added;

(d) to discourage sophisticated foreign technology and encourage the expansion of local technological capacity; and

(e) to end the corruption and inefficiency associated with the administrative mechanism - especially the rigid and cumbersome import licensing procedures and strict foreign exchange controls.

We comment on the above objectives with particular reference to independent Namibia.

On objective (a) we could note that devaluation weakens the credibility of Government and its handling of the economy. Foreign exchange auctioning reduces the embarrassment governments feel of devaluing their currencies by large proportions in one go. Furthermore although foreign exchange auctioning in the final analysis results in greater depreciation of the local currency than would otherwise have been the case¹, it at least in theory implies that the local currency could appreciate.

Resistance to IMF "conditionality" has been more pronounced vis-a-vis the politically sensitive issues of subsidies, if any; but also levels of devaluation. Huge devaluations in agricultural economies could, assuming that the ensuing increased payments in local currency were passed on to producers, imply increased agricultural producer prices; and therefore increased benefits to the majority of rural dwellers.

Such a strategy could however lead to undesirable inter-and intra-sectoral income redistribution, especially for Namibia which has a relatively large non-agricultural labour force. Subsidies particularly food ones are rejected by the IMF. For mineral-rich Namibia-type economies an undervalued local currency can boost the revenues (in local currency) of a mining parastatal necessary to sustain the mineral sector and earn a surplus for the Treasury. The needs of Zambia's mining conglomerate - ZCCM for example, have often guided exchange rate fixation in Zambia.

Short of whole or partial state acquisition of mining companies in Namibia or high taxation of profits, huge devaluations associated with foreign exchange auctioning would unduly benefit the mining and other export companies and therefore expediate repatriation of profits, dividends, royalties, etc. This would particularly be the case where they have access to foreign exchange outside the auction floor, e.g. through foreign exchange retention schemes, or where they can purchase foreign exchange through a more favourable "window", if any.

In practice objective (b) is not always attainable. The elasticities of demand and supply for both imports and exports; the importance of the

¹ Zambia rejected a 100 per cent IMF proposed devaluation of the Kwacha, only to witness a Kwacha depreciation of 950 percent over 19 months effective October 4, 1985 under the auction system.

market to competitors and prospects of retaliation, mere cost-push inflation including the possibility of local price increases through wage inflation, etc. may have negative effects. Certain production rigidities may also limit prospects for meeting the increased demand for exports upon devaluation. However short of devaluation of an overvalued currency the ensuing "cheap money" may increase demand for imports, which, unless blocked by other commercial policy options including non-tariff barriers, may be effected. This could lead to a worsening of the Balance of payment deficit on the Current Account. Presently the overvaluation of the Rand is not of that magnitude; although things are changing as Namibia and South Africa's economy slides further into recession. Namibia has virtually no infant import substitution industries threatened by cheaper imports which could be protected by massive devaluation; but according to SWAPO¹ and UNIN² the situation could change dramatically after independence.

Namibia's mineral extraction/processing is extremely capital-intensive. The cheaping of imported capital goods through an over-valued currency would further promote inappropriate production techniques. However without a capital goods sector, reorienting the Namibian economy from such imports will not be easy.

Most LDCs floating their currencies, e.g. Uganda and Zambia have waved price levels³. In a depressed economy with acute shortage of commodities, depressed and "purchasable" tax and police officials, it has been argued⁴, any policy of administered prices was bound to benefit not the government or the "infant" local manufacturer, but dishonest officials, smugglers, speculative hoarders and above all, the untaxable black market, - all this at the expense of the poor. On the other hand the "invisible hand of the market" associated with the auctioning system, concentrates wealth in the hands of the few through inflated prices. As shown in Table 4 foreign exchange auctioning, leads to excessive albeit artificial depreciation of local currency.

There was a tendency for the parallel (or black) market rate for foreign exchange to be given undue weight in assessing the over-valuation of local currency. It will not be possible to devalue a Namibian currency by a margin

¹ SWAPO... *op. cit.*

² UNIN... *op. cit.*

³ Usually guaranteed minimum prices for principle export crops have been offered. Governments have also set prices for petroleum products and public utilities, e.g. transport, electricity, water, posts and telecommunication services, periodically adjusting them to reflect changes in provision costs.

⁴ Obote, Milton, First Step to Recovery. Budget Speech, Kampala, June 1, 1981, p.4.

large enough to make all prospective purchasers of foreign exchange abandon the black market and go through official channels because of the nature of Namibian society. If the African experience is anything to go by, alien-oriented "ethnic" trading "castes" - some Indians in East Africa, some Lebanese in West Africa, etc., but also a few rich indigenous citizens have found "safe heavens" for their wealth in Europe and North America¹. Like-minded groups in independent Namibia might likewise illegally transfer part of their wealth to South Africa and the Metropoles. Already this is being done by conservative emigrant whites before they leave South Africa and Namibia for new homes in Australia, UK, etc.². In the immediate pre- and post-independence era Namibia will witness much black marketeering and currency trafficking. Foreign currency and drug (e.g. mandrax) trafficking is lucrative and in ascendancy in, and around Namibia. The capital flight objective which is a primary function of such illegal dealings, could take precedence over price considerations. In such situations the black market rate for foreign exchange is not a very good barometer to gauge the degree of currency over-valuation.

In determining an appropriate exchange rate, the Central Bank should use a basket of currencies reminiscent of those used by the IMF to strike the SDR value. These should be the currencies of Namibia's major trading partners³. The currencies of its neighbours should be in the basket of currencies. This should minimize exchange rate fluctuations particularly with her neighbours. The latter can be a market for Namibia's exports and a source of competition to infant Namibian industries. Currency realignments between neighbours should reduce incidences of currency trafficking and smuggling of commodities across national frontiers. If it is felt that the exchange rate should be adjusted periodically at frequent intervals, e.g. each time major foreign exchange allocations are made (could range from one to six months), it should not fluctuate by more than a stipulated margin below or above its previous value; unless there was a major devaluation (or revaluation).

Foreign Exchange Allocation System for Independent Namibia

As discussed above, the foreign exchange auctioning system is not a viable option for independent Namibia. Nor is the present excessively liberal system with its biased distribution of foreign exchange as an appropriate option. The bidding for foreign exchange could take the following format:

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- ¹ Idi Amin's expulsion of virtually all 80,000 Asians including 20,000 citizens in 1972/73 weakened such minority groups' confidence about their future in the new nations. And so too have incidents such as the recent disturbances in Madagascar.
 - ² In the absence of an outgoing Ian Smith-type white leadership remaining in Namibia at Independence to instil confidence on the "doubting Thomases", white emigration is at least initially likely to be proportionally larger than was the case in Zimbabwe.
 - ³ Currently these include USA, UK, France, W. Germany, Japan and South Africa.

(a) Foreign exchange bidders, essentially importers would submit their applications for foreign exchange to their commercial banks. In the case of parastatals a holding corporation should consolidate the data from its subsidiaries before submission to commercial banks. Likewise for commodities consigned to particular concerns individual importers may be asked to channel their applications through such consignees. The latter would then study the applications and recommend accordingly. To avoid long procedures Holding Corporations and the consignees may by-pass the commercial banks and forward these submissions directly to the Central Bank. Such applications would be accompanied by:

- (i) an import licence;
- (ii) detailed information on the production capacity, the foreign exchange generation or saving potential of those imports, etc.
- (iii) information on the appropriateness of the imports for economic diversification and restructuring effort;
- (iv) data on previous foreign exchange allocations and future requirements; and
- (v) tax payment receipts.

The data in (v) above, could verify the authenticity of much of the information in (i) - (iv) above¹. Falsification of such information should be punishable administratively or through heavy deterrent fine and/or prison terms.

(b) commercial banks would scrutinize and comment on such submissions and then forward them to the Central Bank.

(c) Given this information, and perhaps aided by a computer, the Central Bank would be able to identify the critical, essential and non-essential imports. Critical imports should be those most effective in the sustenance, diversification and restructuring of the Namibia economy. These would include oil, fertilizer, inputs for infrastructural facilities, eg. railway equipment, etc.

(d) the Central Bank after setting aside foreign exchange to meet Government commitments, debt servicing obligations, IATA bills, etc. would allocate the rest of the foreign exchange. Preference should be accorded to critical imports.

(e) the Central Bank would then inform successful bidders essentially through their respective commercial banks.

Given the scarcity of foreign exchange it may not be easy for consignees, commercial banks or even the Central Bank to be a honest broker in this

¹ An Inspectorate Unit or team comprising foreign exchange control, licencing, tax officials, etc. could perform this task.

regard. Hence the need for a committee or sub-committee approach to check favouritism¹.

Concluding Remarks

Whichever exchange rate regime is adopted, but particularly if it's "floating", should be part of a package encompassing the value of the local currency, domestic prices, Government finances and Budget deficit, incentives especially to producers of wealth, money and credit, balance of payments and the management of these and other socio-economic variables. A strict foreign exchange control system is advisable. Given the envisaged income redistribution in independent Namibia boosting up the purchasing power of large sections of the population, lack of controls may result in excessive luxurious consumer goods imports at the expense of capital and intermediate inputs with adverse long-term growth prospects. Foreign exchange rationing could be used by the Government to indirectly restructure and diversify the economy by restricting investments in particular sectors and sub-sectors. Ideological opposition to some activities and/or low priorities to them, etc. underline such foreign exchange allocation and therefore import curbs².

There is a need to adhere to agreed priorities in the allocation of foreign exchange. This could include easy factor payment remittances to encourage foreign investment; prevent the diversion of priority sector funds to direct consumption, low priority production or worse still (secret) bank accounts³ etc. The priority setting exercise should be guided by economic (production impact) analysis, supplemented by general guidelines on imports licensing, regulations governing travel, education, medical and payments for other invisible services, etc.

Such priorities should help formulate a foreign exchange plan which like a credit plan, would be part of the Annual Plan. It should be a comprehensive annual foreign exchange budget comprising of visible exports and imports, current account invisibles and transfer payments and capital

¹ Zambia is currently allocating foreign exchange through a Foreign Exchange Management Committee comprised of officials from the Central Bank, the central economic Ministries, e.g. the Treasury, Ministry of Commerce and Industries, and the Prime Minister's Office.

² For a discussion of such intervention with respect to the roads sub-sector in Tanzania, see Mwase, Ngila, "The Supply of Road Vehicles in Tanzania: the Problem of Suppressed Demand", *Journal of Transport Economics and Policy*, London, January 1983, Vol.XVII, N7, p.78.

³ To minimize such risks some countries have banned its nationals from operating bank accounts abroad (e.g. Nigeria) or allowing it subject to Central Bank blessing (e.g. Tanzania) and/or encouraging the opening of foreign exchange bank accounts at the Central Bank (Tanzania).

account items. Such a foreign exchange plan should be adhered to. Non-adherence to such plans underline divergences between the Government Budget estimates (Treasury) and actual foreign exchange allocations (Central Bank) experienced in Tanzania and elsewhere.

Despite the notoriety of the IMF's structural adjustment programmes, independent Namibia might still find it necessary to be an IMF member¹. She might benefit from some of the IMF's economic growth-oriented programmes. Moreover increasingly IMF/World Bank loans or their "zeal of approval" is a pre-requisite for securing funding from other creditors especially private commercial banks. Nevertheless independent Namibia must see the IMF for what it is - a front for (Western) international finance capital and a stumbling block for non-capitalist development paths as advocated by SWAPO.

Namibia should sharpen its technical capabilities particularly its negotiating abilities with international financial institutions such as the Bretton Woods institutions. Coming to terms on a sound footing with the external environment will depend on success in the mastery of the internal development dynamics. The African experience has lessons to offer in this regard, especially to Namibia - Africa's really "last colony".

¹ After some hesitation Marxist Mozambique has joined the IMF, likewise Marxist Angola has expressed its intention to do so. A number of COMECON countries are increasingly dealing with the Bretton Woods and other western-dominated financial and economic multilateral institutions.

Résumé

Dans le contexte de l'économie namibienne, et à la lumière de l'expérience africaine et de la stratégie de développement formulée par la SWAPO, l'article analyse les modalités de définition d'un taux de change, de répartition de devises étrangères et de leur gestion en Namibie indépendante.

Pour une économie aussi tributaire des ressources minières non renouvelables, la prise d'un train de mesures de réserve de devises étrangères et de diversification économique, en particulier dans le sens du développement agricole et industriel, devrait constituer un objectif politique prioritaire. Le malaise économique ressenti actuellement en Afrique provient en partie du fait que la plupart des pays africains n'ont pas privilégié la réalisation de cet objectif dans la période qui a suivi immédiatement l'indépendance.

L'auteur déconseille trop se fier aux taux de change parallèles pour apprécier le niveau de surévaluation de la monnaie dans des économies apparentées à celle de la Namibie. Faisant la part d'un taux de change flottant et particulièrement déterminé par les ventes aux enchères, l'étude recommande un mécanisme essentiellement administratif indépendant des accords actuels de la SACU et de la zone monétaire du Rand.

Il ne faut pas attendre d'arriver à une situation d'extrême pénurie de devises pour appliquer une politique judicieuse de réserve et de gestion de devises, autrement il devient impossible de résister à des pressions extérieures exagérées dont l'objet est l'adoption de programmes d'austérité dévastateurs.

L'Incidence de la Réforme du Système Monétaire International sur les Economies du Tiers-Monde : La Reconduction des Inégalités

Kasongo Munganga*

Introduction

Dans le cadre national, le phénomène "inflation" résultat d'un déséquilibre monétaire interne, aboutit à une redistribution du revenu national au profit de certains groupes sociaux. Il en est de même sur le plan mondial actuellement. L'inflation mondiale née des déséquilibres monétaires internationaux réalise une nouvelle redistribution des gains du commerce international. Elle s'effectue au détriment des pays en développement et en faveur des pays développés. Elle consiste à transmettre vers les pays de la périphérie les hausses de salaires, les pertes industrielles, les déficits de la Balance des paiements, les diverses conséquences négatives de la mauvaise conjoncture que subissent les économies dominantes¹. Cette transmission,

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1 Artus, J.R. - "Quelques réflexions sur les moyens de renforcer l'actuel système monétaire international : in Coulbois, p. Le système Monétaire International face aux déséquilibres. Economica, Paris 1982, p. 14. Bois Bourguinat, H. - Commentaires sur l'étude de J.R. Artus in Coulbois, p. op. cit. p. 41

assymétrique des relations d'influence économique entre les pays du Centre et les pays de la Périphérie.

Au cours de ce travail, nous analysons et apprécions les derniers amendements qui ont consacré la "réforme" du système monétaire international de Bretton Woods en crise. L'analyse nous montrera que cette réforme n'a en rien satisfait les revendications du Tiers Monde pour un ordre monétaire équitable et qu'elle continue à maintenir des inégalités génératrices de ce mal que des économistes du Tiers Monde appelle le "développement inégal"¹.

Rappel Des Systèmes Monétaires Internationaux Aux Xxe Siècle Avant Les Accords De Bretton Woods

"Le système monétaire international est l'ensemble des mécanismes et des institutions qui ont pour fonction de permettre à des agents économiques résidant dans des pays différents d'effectuer des paiements entre eux"

On peut distinguer trois systèmes principaux²

Le système d'étalon-or ou Gold Standard(GS)

C'est le système dans lequel les monnaies nationales sont définies par - et convertibles en - un certain poids d'or.

Le système de l'étalon de change - ou Gold exchange standards S (GES)

Pour ce système, on note deux caractéristiques principales³

(a) les unités monétaires nationales sont définies par rapport à une devise qui est elle-même au régime de l'étalon or (définie par et convertible en un certain poids d'or). Une monnaie, dite monnaie-clé, émise par un pays (pays centre) sert à la fois d'étalon et de monnaie internationale pour un ensemble de pays, dits pays satellites.

(b) chaque pays satellite assure la convertibilité de sa monnaie en la monnaie-clé qui joue le rôle de monnaie de réserve et d'intervention.

Sous sa forme pure, le GES suppose que les réserves officielles des pays satellites ne soient composées que d'avoirs en la monnaie du centre. Toutefois, rien s'oppose à ce que celle-ci soit également monnaie

1 Maktar Diouf - "Echange inégal et ordre économique international" - NEA - Dakar, Abidjan, 1977 p. 25 à 26. - ... Il est donc permis de soutenir que ce qui se détériore, ce ne sont pas les termes de l'échange de certains produits, mais les termes de l'échange de certains pays... Le scénario de l'échange inégal se déroule ainsi : les salaires étant plus bas dans les pays sous-développés, la masse de plus-values (expression de l'exploitation et aussi du profit) y est plus élevée. Cette masse de plus-values est incorporée dans la valeur des produits primaires exportés par les pays sous-développés. Le commerce international se traduit ainsi par un transfert des plus-values des pays sous-développés vers les pays développés". Voir aussi pp. 38, 60, 63 et 68.

2 Sandretto, R. - "Le pouvoir et la monnaie". Réflexions sur la crise monétaire internationale contemporaine". Economica, Paris 1983 p. 97.

3 Sandretto, R. - op. cit. pp. 92-94.

transnationale. Le système serait alors celui d'un étalon de change or transnational

- Le système d'étalon devise

Le système de l'étalon devise est semblable à celui du GES à une différence près qu'est la non convertibilité or de la monnaie du pays centre, soit que cette convertibilité soit purement et simplement supprimée, soit qu'elle ne soit plus assurée à prix fixe. Par extension on pourra assimiler au système d'étalon devise "X" un système dans lequel les monnaies satellites sont définies soit par rapport à l'or soit par rapport à la monnaie "X", mais concrètement liées à X.

Evolution du système de l'étalon-or

Le système de l'étalon or, à l'opposé du GES de Bretton WOODS, n'est pas le résultat d'une conférence internationale mais la conséquence de la disparition du bimétallisme or-argent, de l'abandon du monométallisme or.

Avant 1914 : règne de l'or ou du sterling ?

L'étalon or fut universellement adopté pendant la seconde moitié du XIXème siècle ; mais au début du XXème siècle le système prit une forme hybride en raison du rôle croissant de la livre sterling ; bien avant qu'il ne fût officiellement question du GES, la livre sterling était devenue une monnaie clé : la Grande Bretagne payait ses importations en sterling et le reste du monde accumulait les réserves officielles en cette monnaie. Londres était devenu le centre financier du monde, situation favorisée par la puissance économique et industrielle anglaise. La première guerre mondiale, 1914-1918, qui fit des USA le premier pays créancier du monde et la première puissance industrielle, mit fin au rôle prédominant du sterling.

L'entre deux guerres : le retour à l'or ? le GES de fait.

Dans l'entre-deux-guerres on peut avancer qu'il n'y a pas eu un système monétaire unique, mais des systèmes monétaires qui ont abouti à un "gold Exchange Standard" de fait qui sera officialisé après la deuxième guerre mondiale à Bretton Woods en 1944.

Après une courte période de flottement des monnaies, les pays adoptèrent le système de change fixe : la convertibilité or/dollar, suspendue en 1917, fut rétablie en 1919, celle du sterling en 1925. Conformément aux recommandations de la conférence de Gênes réunie en 1922, préconisant que le maintien de la valeur or des monnaies puisse être assuré par une réserve adéquate d'avoirs qui ne soient pas nécessairement de l'or, d'autres pays adoptèrent l'étalon de change or, rattachèrent leur monnaie au dollar ou au sterling, devises qu'ils inclurent dans leurs réserves officielles.¹ C'est le mouvement vers le GES.

Certains pays tentèrent sans succès de revenir à l'étalon or avec une version différente de celle d'avant 1914 : monnaie convertible uniquement en

1 Sandretto, R. - op. cit. p. 106

lingots d'or, absence de la libre frappe d'espèce d'or. C'est le mouvement vers l'étalon or-lingot : **Gold Bullion Standard**" mais ce dernier mouvement n'a guère duré.

Le système monétaire en vigueur était en fait celui de change or pour pallier à la carence d'or drainé vers les Etats-Unis. Seule la France était partisane du retour à l'étalon or pour lutter contre l'hégémonie monétaire anglaise.

La grande crise de 1929 engendra l'effondrement du système monétaire international par la méfiance envers les devises clés et l'apparition de zones monétaires qu'on aurait dû plutôt appeler "zones de change".

La deuxième guerre mondiale va davantage ruiner l'Europe et consacrer l'hégémonie américaine et le règne du dollar.

Les Accords de Bretton Woods (1-22 juillet 1944)

En 1944, les Etats-Unis, première puissance économique mondiale, font adopter officiellement le système de change or "GES" qui fonctionnait déjà en fait avant les Accords de Bretton Woods : c'est la substitution officielle du GES dominé par les USA au GS dominé par la Grande Bretagne.

Selon le GES, le dollar américain est la seule monnaie convertible en or au cours de 35 \$ l'once d'or (once d'or = 31,1 gr d'or fin). Les Etats-Unis détenant alors d'énormes stocks d'or, s'étaient engagés à assurer la convertibilité du dollar en or.

Signalons que le système monétaire international issu des Accords de Bretton Woods est le résultat d'un compromis entre le plan White (américain) d'intervention limitée, fondé sur les dépôts et le plan Keynes (anglais) fondé sur le crédit avec la création d'une monnaie internationale, le "bancor". C'est le plan White qui a eu la prépondérance et ses objectifs essentiels étaient : "éliminer les restrictions quantitatives sur devises, favoriser les échanges internationaux, équilibrer la balance des paiements¹.

Objectifs

Le système monétaire international issu des Accords de Bretton Woods visait trois objectifs fondamentaux :

- établir un système d'échanges internationaux en équilibre stable, grâce à un système de taux de change stables ;
- restaurer un libre et large commerce mondial;
- défendre et promouvoir l'expansion équilibrée du commerce et de la production ainsi qu'un niveau élevé d'emploi.

Ces trois impératifs sont concrétisés par diverses mesures juridiques constituant le "code de bonne conduite monétaire" à respecter par les pays membres du Fonds Monétaire International.

Ce qui est à retenir ici c'est que les Accords de Bretton Woods instituant le FMI, sont conçus dans l'esprit des Etats-Unis comme un moyen d'assurer

1 Siaens, A. - Monnaie et Finances, A. de Boeck Bruxelles 1981 p. 280.

la libéralisation du commerce mondial en aidant les pays en difficultés conjoncturelles et non structurelles. En d'autres termes et à titre d'exemple, les déficits permanents de Balance de paiements de certains pays récemment décolonisés nécessitant les transformations de structures socio-économiques ne trouvaient pas des mesures appropriées dans les statuts du FMI. D'ailleurs à cette époque les problèmes du sous-développement ne se posaient pas encore.

Le Fonds Monétaire International

Le FMI, organisme créé en 1944 pour gérer les Accords de Bretton Woods, est une société anonyme de droit américain dont le capital est constitué de quote-parts de pays membres.

La part relative attribuée à chaque pays est en principe fonction de son poids économique (Revenu national, exportation, etc.) et c'est elle qui détermine son importance dans la gestion et dans l'utilisation des ressources du Fonds.

Tableau 1: Pouvoir de décision au sein du FMI (fin 1970)

Pays	Quotas en millions (\$)	en % du total	Les groupes
USA	6 700	23,1 %	23,1 %
Royaume-Uni	2 800	9,65 %	
Rép. Féd. d'Allemagne	1 600	5,52 %	
Belgique	650	2,08%	28,44 %
France	1 500	5,17%	
Italie	1 000	3,44%	
Pays-Bas	300	2,41%	
Japon	1 200	5,17%	5,17 %
Principaux pays industrialisés	16 150	56,71 %	56,71 %
Autres pays (a)	12 850	43,29 %	43,29 %
Total général	29 000	100,00 %	100,00 %

Source: Salles, P.: Problèmes économiques généraux, Tome II, 3ème édition Dunod, Paris, 1975, p. 406; données tirées par l'auteur des document du FMI.

La gestion du FMI : pouvoir inégal

Les Etats-Unis détiennent près de 23 % des votes¹ en 1970 au sein du FMI. L'Europe des douze possède un pourcentage plus important lui permettant aussi, comme pour les Etats-Unis, l'usage du droit de véto. L'influence des pays en développement dans la prise des décisions au sein du FMI est négligeable, aucune révision fondamentale des statuts du FMI ou du

1 Salles, P. - Problèmes économiques généraux, Tome II 3ème édition, Dunod, Paris 1975 p. 406.

système monétaire international ne pouvant passer sans l'accord des Etats-Unis; de même tout pays du Tiers Monde en graves difficultés financières sollicitant des crédits non automatiques ou conditionnels du FMI, cherchera en coulisse d'obtenir le feu vert des USA pour avoir accès facile aux ressources du Fonds.

(a) dont six pays industrialisés qui font actuellement partie de la CEE ; dans les chiffres ci-dessus, le poids de l'Europe des douze est sous-estimé.

En regard de ce tableau, Salles pose une question au lecteur éventuel de son livre" si l'on observe que les décisions sont prises par référence aux quotas qui déterminent les droits de vote, que peut-on penser en ce qui concerne les pays du Tiers Monde ?"

Nous pensons que la réponse est facile à trouver.

Pour éviter de modifier sensiblement ce rapport de force, les répartitions des augmentations de quote-parts ne sont pas proportionnelles au poids économique des pays du Tiers Monde ; ainsi avec la montée en flèche des pays de l'OPEP, ils ont été invité à augmenter leurs contributions aux ressources du FMI sous forme de prêts et non de quote-parts.

Bref, les ajustements des dimensions du Fonds qui ont lieu tous les cinq ans ont un caractère inégalitaire et injuste, les Etats-Unis s'accrochant à leur "pouvoir de négociation dominant" ce qui fait qu'aucun relèvement de l'économie mondiale n'est concevable sans leur participation active.

Mécanismes en faveur des pays sous-développés¹

Il a été signalé plus haut qu'à son origine le FMI a été conçu pour l'essentiel en fonction des besoins des pays développés capitalistes (déficit conjoncturel et momentané de la balance des paiements) et non des pays sous-développés (déficit structurel, durable) ; les interventions du FMI sont donc plus efficaces dans le cas de pays développés.

Néanmoins au fil des temps, le FMI a pris certaines mesures favorisant plus particulièrement les pays en développement. Parmi ces mesures, on peut citer :

(1) Le financement compensatoire, pour atténuer les fluctuations des recettes d'exportations des PSD (création en 1963).

(2) Le financement de stocks régulateurs, pour stabiliser les prix mondiaux de produits de base des PSD par l'adaptation de l'offre à la demande.(création en 1969).

(3) Le Mécanisme pétrolier, mesure qui a fonctionné en 1974 et 1975 pour permettre aux pays sous-développés et aussi développés à faire face aux difficultés de la balance des paiements causées par la hausse du prix du pétrole (multiplié par 4 en 1973).

1 Samuelson, A. - Economie monétaire internationale , 3ème édition, Dalloz, Paris 1982, pp. 223-227.

(4) Le Fonds Fiduciaire destiné à accorder des crédits à des conditions avantageuses aux pays dont le revenu annuel par tête est inférieur à 300 DTS i.e. équivalent 300 \$ E.U. (création en 1975).

Tout en reconnaissant que l'objectif du FMI n'était pas le financement du développement et qu'il a été créé des organisations internationales spécialisées à cet effet, on regrettera cependant l'incompatibilité de certaines conditions du FMI dans l'octroi de crédit et certaines nécessités des politiques du développement des PSD.

Le dollar monnaie d'enrichissement sans cause des Etats-Unis

Le système d'étalon devise-or fonctionne à la grande satisfaction des Etats-Unis qui l'avaient créé (plan White); le dollar est pour les Autorités américaines "as good as gold" et même dit-on, c'est l'or qui est convertible en dollar. Une monnaie ainsi surestimée va jouer le rôle d'agent de l'expansion hégémonique de la première puissance du monde : l'injection massive et régulière de dollars américains en dehors des Etats-Unis va permettre aux Etats-Unis d'effectuer des investissements américains à l'étranger (ex. acheter telle entreprise dans un pays X avec des billets de banque sans plus aucun gage sur l'or), de financer la guerre du Vietnam, etc. Le reste du Monde accumule une masse de dollars qui sont des créances sur les Etats-Unis et lorsqu'ils voulurent retrouver ces créances par leur conversion en or, les Américains, insolubles, prirent deux types de mesures : les dévaluations du dollar par rapport à l'or, ce qui était une manière de diminuer leurs dettes extérieures (et donc des pertes pour les détenteurs de dollars) et finalement la non-convertibilité du dollar qui en fait constituait le refus des américains de payer leurs dettes (diminuées), du moins dans les conditions convenues universellement. Cela a fait dire à René Sandretto:

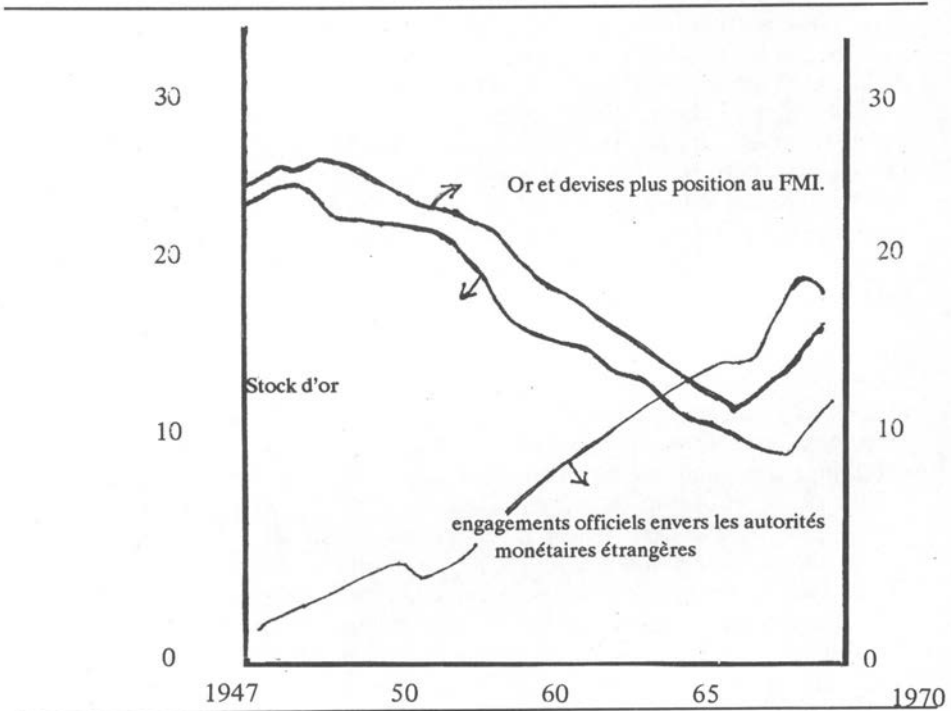
"Le système est tout d'abord injuste puisqu'il donne aux USA le singulier privilège de régler leur déficit de balance avec leur propre monnaie : ils n'ont pas à subir, comme les autres pays, la contrainte d'une politique déflationniste, à réduire leurs importations, leurs dépenses et leurs investissements à l'étranger pour rétablir leur équilibre externe ; or on a assisté dans l'après-guerre à un développement accéléré des investissements américains à l'étranger, à une extension sans précédent de leurs Firmes Transnationales (FTN) sur le reste du monde, au contrôle de plus en plus étendu du capital américain sur des entreprises étrangères, voire sur des secteurs entiers ; cette "expropriation" n'a rien coûté aux Etats-Unis puisqu'elle a été financée par le "crédit" que leur ont fait les pays hôtes à concurrence du montant des dollars qu'ils ont accumulé en réserve. Dans une assez large mesure, le pouvoir monétaire de l'écon-

*omie dominante (rôle du dollar dans le SMI) a ainsi été mis au service du renforcement de son pouvoir industriel"*¹

Ce coup fatal va sérieusement ébranler le SMI issu des Accords de Bretton Woods ; l'aggravation de la crise monétaire débouche sur ces amendements des Accords de Bretton Woods, constituant ce qu'on a appelé "la réforme du système monétaire international".

Avoirs et engagements officiels des Etats-Unis (en fin d'année, en milliards de dollars E.U.).

FIGURE



Source: Salles, P. "Problèmes économiques généraux" Dunod, Paris 1975, p. 439.

On remarque sur le tableau 2, la réduction relative des liquidités jusqu'en 1974, année où se développe l'économie d'endettement (c'est-à-dire de crédits sans dépôts, qui va engendrer la surabondance de liquidités et l'inflation².

1 Sandretto, R. op. cit. pp. 12 à 125.
2 Samuelson, A. op. cit. pp. 210 à 222.

Tableau 2: Liquidités et commerce mondial

Année	1951	1958	1960	1965	1968	1970	1974	1978	1980
Réserves en %									
Importations mondiales	67%	56,4	51	40,4	34,5	31,5	28,4	44,3	44,8

SOURCE: Sandretto, R. - "Le Pouvoir et la Monnaie", Réflexions sur la crise monétaire internationale contemporaine. Economica, Paris, 1983 P. 160.

Notons toutefois que l'économie d'endettement qui a généré la surabondance de moyens de paiements internationaux, n'a pas résolu les problèmes financiers du Tiers-Monde;

Si les banques occidentales étaient surliquides, les PVD par contre connaissaient une insuffisance de ressources, le recyclage des euro-dollars dont les pétrodollars étant dirigé notamment vers les zones en expansion rapide.

Crise et Réforme du Système Monétaire International

Reproches au système de Bretton Woods ou facteurs générateurs de la crise¹.

Le chapitre précédent, en essayant de rappeler les Accords de Bretton Woods a mis en lumière certains inconvénients de ce système. Nous mentionnons ici des facteurs de la crise allant au-delà des inconvénients.

La crise du système monétaire international, déjà latente depuis quelques années, a brutalement éclaté le 15 août 1971 lorsque le Président des Etats-Unis prit d'importantes mesures protectionnistes dont celle qui consacra l'inconvertibilité du dollar non seulement en or mais même dans les autres monnaies.

Les problèmes générateurs de la crise monétaire peuvent être ramenés à trois groupes.

Problème du montant et de la nature des liquidités internationales

Le développement du commerce international exige une expansion parallèle de moyens de paiement internationalement acceptables. Les deux types de liquidités internationales du SMI de Bretton Woods se sont essoufflés:

- L'or monétaire, concurrent du dollar, donc mal vu par la puissante Amérique, a vu son offre fléchir par le blocage de son prix de vente au cours de 35 % * E.U. l'once.

Il était la seule marchandise dont le prix de vente ne variait pas ; son expansion aurait d'ailleurs favorisé l'URSS, grand producteur d'or et puissance rivale des Etats-Unis.

- Le dollar par contre a suscité une méfiance générale à la suite de son injonction massive en dehors des Etats-Unis.

Il se posa donc les problèmes :

- de la détermination des besoins de liquidité internationale et plus précisément du niveau optimal de liquidités en considération des besoins d'ajustement des balances de paiements et du financement du développement;

- de la création de liquidités et de la confiance dans les réserves monétaires.

1 Sur les reproches au système de Bretton Woods, voir : - Sandretto, R. op. cit. pp 122 à 146 - Samuelson, A : op. cit. p. 4

A ce sujet Robert Triffin proposa que le développement du commerce international exigeait l'accroissement parallèle des moyens de règlement multilatéraux.

Sa proposition, comme nous allons le voir, aboutira à la création du fameux "Droits de tirage spéciaux" (1967) transformant ainsi le FMI d'un bureau de change en une véritable banque émettant la monnaie scripturale : les DTS ; elle sera également la base de la réforme du système monétaire international.

Le problème d'ajustement

La stabilisation des changes et l'équilibre de la balance des paiements exigent :

- que la création monétaire, interne ou internationale, réponde exactement à la demande de monnaie pour la réalisation d'échanges non inflationnistes et de mouvements de capitaux non destabilisants (même type de solution que dans le problème précédent).

- un système de changes comportant des mécanismes facilitant le réajustement.

D'aucuns pensaient qu'un système de changes fixes de Bretton Woods n'était pas compatible avec son objectif de stabilité de changes car entretenant des déséquilibres cambiaires

Les problèmes de développement

Dans quelle mesure le système monétaire international peut-il favoriser le développement du Tiers Monde ? On notera à ce sujet :

- le poids négligeable du Tiers Monde dans la gestion des ressources du FMI (pouvoir de gestion inégal)

- dans la répartition des ressources du Fonds, la grosse part des crédits est attribuée aux pays déjà riches (Partage des gains inégal).

- dans l'octroi des crédits aux pays sous-développés, la "lettre d'intention" comporte une ou plusieurs conditions inconciliables avec les exigences du développement des économies des pays encore sous-développés (cf la condition générale de libéralisation de l'économie s'opposant au besoin de protection des industries naissantes) dans les pays où l'industrialisation est encore "en gestation".

La réforme du SMI

Deux projets s'affrontent :

- le projet français de Jacques Rueff préconisant le retour à l'étalon-or : utiliser l'or comme moyen de paiement international, ce qui implique le relèvement de son prix de vente pour permettre à son offre de s'adapter à la demande. Comme dit précédemment, accepter un tel projet revenait pour les E.U. à favoriser l'or au détriment du dollar et à offrir un grand cadeau à leur rival l'URSS, gros producteur d'or : leur opposition fut catégorique.

- Le projet américain du Professeur Robert Triffin fut retenu ; il prévoit la démonétisation de l'or par la création de liquidités internationales non rattachées à l'or (DTS). Il est à signaler que le professeur Triffin et

probablement le professeur Lamfalussy par leur conception de la réforme sont dans la lignée de Keynes qui préconisait une Banque Mondiale émettant une monnaie mondiale de "bancor".

La démonétisation de l'or

L'or perd la position centrale qu'il occupait dans les statuts du Fonds par ces mesures :

- l'abolition du prix officiel
- la rupture du lien entre l'or et le DTS
- l'interdiction de rattacher une monnaie à l'or dans des arrangements de change futurs
- la suppression de l'obligation de paiement en or.

Le rôle des DTS : principal instrument de réserve

Le DTS est consacré le principal instrument de réserve du système monétaire international. A cette fin on encouragera la conclusion de transactions et les transferts en DTS entre

- membres du Fonds
- entre les membres et le Fonds
- entre organismes officiels.

Le régime des taux de change : libre choix

Avant les décisions de la Jamaïque, beaucoup de pays laissaient déjà flotter leurs monnaies. L'effet des nouveaux statuts est de légaliser ces arrangements en laissant les pays libres de choisir leur régime de change à condition que ce régime favorise la stabilité des changes.

Rapports du Fonds et le Tiers Monde : Statu-quo

Il a été affirmé que le rôle du Fonds n'est pas de transférer des ressources réelles pour le développement ; il consiste à surveiller le système monétaire international et à fournir aux membres une aide temporaire pour leur permettre de faire face à leurs problèmes de balance des paiements. C'est pourquoi le Fonds a toujours souligné trois aspects de sa politique en matière d'utilisation de ses ressources :

- la non-discrimination entre les membres
- la nature temporaire de cette utilisation
- la conditionnalité à laquelle elle est soumise.

Le Fonds continuera d'adopter la même attitude.

Appréciation de la réforme du SMI

Aspects positifs

Création d'un actif de réserve international.

La Communauté internationale a accueilli favorablement la création d'une liquidité internationale crédible et facilement adaptable aux besoins de

Tableau 3: Modification de la structure des réserves (1958-1981) en %

Composante C.I.	Indice														
	1958	1965	1968	1970	1973	1975	1976	1977	1978	1979	1980	1981	1981 base 100 = 1958	C.I. (1981 1958)	
C1-ECU	-	-	-	-	-	-	-	-	-	-	-	-	-	5	6,0
C2-OR	66	59,1	50,3	40,3	44,8	43,4	38,6	37,8	42,1	57,9	57,4	49	1178	47,6	
C3-Devises	30	83,3	41,3	48	48,1	49	52,7	55	52,5	33,2	32,3	39	2134	39,8	
C4-Disponibilités															
FMI	4	7,6	8,4	11,7	7,1	7,6	8,7	7,2	5,4	3,7	3,8	5,6	1733	5,7	
Dont D.T.S.	-	-	-	(3,4)	(4,2)	(3,1)	(2,9)	(2,2)	(1,9)	(1,9)	(1,6)	(2,5)	-	(2,5)	
T-Total	100	100	100	100	100	100	100	100	100	100	100	100	1480	100	

Source: Sandretto, R. - op. cit. p. 156

Ce tableau illustre l'évolution décroissante du DTS dans la constitution des réserves même après la soi-disant réforme de 1976. En outre, paradoxalement, malgré la mesure de démonétisation, le rôle de l'or augmente rapidement, et dans une moindre mesure celui des devises aussi.

l'économie mondiale. Le DTS est devenu une véritable monnaie jouissant de ses trois fonctions : instrument de compte, instrument de paiement, réserve de valeurs ; son institut d'émission est le FMI qui joue ainsi le rôle de banque mondiale. Toutefois, jusqu'à présent le DTS ne s'est pas imposé comme principal actif de réserve¹.

Facilités de stabilisation

La création du DTS et le libre choix du régime de change favorisent le processus d'ajustement des changes et des balances des paiements. Ce processus fonctionnait de moins en moins bien sous les Accords de Bretton Woods à cause de la rigidité des taux de change et de la variation d'offre d'or et du dollar américain sans rapport avec les besoins de l'économie internationale.

Le tableau 4 illustre l'évolution décroissante du DTS dans la constitution des réserves même après la soi-disant réforme de 1976. En outre, paradoxalement, malgré la mesure de démonétisation, le rôle de l'or augmente rapidement, et dans une moindre mesure celui des devises aussi.

Aspects négatifs (incidence de la réforme sur les économies des PSD)

La non-prise en considération des conséquences du sous-développement dans les conditions d'octroi des crédits de financement du commerce "Thèse du caractère structural du déficit".

En s'en tenant à ses trois règles en matière d'octroi de crédits (la non discrimination, les difficultés passa-gères, la conditionalité) le FMI est juridiquement habilité à rejeter les requêtes du pays sous-développé. A titre d'exemple, si un pays comme le Sénégal à qui l'arachide procure l'essentiel de ses recettes d'exportation, connaissait un déficit persistant (déséquilibre structurel) de sa balance des paiements imputable à la baisse de la demande mondiale de l'arachide au profit du soja américain, le FMI n'est pas autorisé à financer un tel déficit sur la période que nécessiterait la restructuration de la production et des exportations sénégalaises.

Maintien de la "conditionalité" incompatible avec le développement du Tiers Monde.

Toute tentative de développement sérieux d'un pays en développement entraîne généralement des difficultés de paiements extérieurs. Le recours aux ressources du Fonds donne l'occasion aux puissances dirigeantes d'intervenir pour imposer une "stabilisation" qui sacrifie les objectifs du développement aux exigences de la solvabilité à court terme, c'est-à-dire du maintien du statu-quo..

1 C'est le dollar même affaibli qui continue à jouer le rôle de principal actif de paiement et de réserve. - Boissieu, C. : Principe de politique économique, Economica, Paris 1980, p. 588 ; "Le système a continué à choisir comme principal référence le dollar, mais un dollar affaibli par sa variabilité".

Tableau 4: Soldes des paiements courants dans le Monde, 1980-1982

	Solde de la balance			Solde des transactions invisibles			Solde des transactions courantes		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
Pays par zones				en milliards de dollars EU					
Pays du groupe des Dix (a)	-47,4	-2,0	0,3	1,6	-1,5	-6,5	-45,8	-3,5	-6,2
Autres pays développés	-32,9	-36,5	-31,4	10,6	4,7	1,3	-22,5	-31,8	-30,1
Total des pays développés	-80	-38	-31	12	3	-5	-68	-35	-36
Pays de l'OEPEP	172	120	60	-8	-57	-63	114	63	-3
PVD non OEPEP	-56	-61	-43	-9	-18	-24	-65	-79	-67
Total des PVD	116	59	17	-67	-75	-87	49	-16	-70
Pays à planification centralisée	-6	1	8	-5	-6	-5	-11	-5	-3
TOTAL	30	22	-6	-60	-78	-97	-30	-56	-103

Source: Banque des règlements internationaux (BRI) - Rapports 1983, p.99.

(a) RFA, Canada, EU, France, Italie, Japon, Pays-Bas, Royaume-Uni, Suède, Suisse, UEBL...

Remarques: La situation des PVD se détériore, même celle de l'OEPEP : Les chiffres montrent la détérioration de façon quantitative, mais celle-ci est encore plus importante sur le plan relatif, c'est-à-dire en rapport avec les revenus nationaux et les exportations des PVD.

Tableau 5: Endettement extérieur des PVD (a) (en % des exportations des biens et services).

Année	1975	1976	1977	1978	1979	1980	1981	1982	1983
En cours de l'endettement (b)									
1. Endettement à C.T.	17,5	18,2	19,3	19,30	17,7	20,3	23,0	26,4	20,1
2. Endettement des L. T.									
2.1. envers Organismes officiels (c)	45,0	45,4	44,8	45,4	39,9	36,5	38,8	45,3	47,6
2.2. envers des créiteurs privés	59,9	61,9	62,8	65,5	61,6	56,1	63,1	71,6	76,7
2.3. Total	104,9	107,3	107,1	110,9	101,5	92,6	101,9	116,9	124,3
3. Endettement total (1 + 2.3)	122,4	125,5	126,4	130,2	119,2	112,9	124,9	143,3	144,4
p.m. Part dans l'endettement total (%)									
1. de l'endettement à C.T.									
2. de l'endettement à L. T.									
2.1. envers des organismes officiels (c)	36,8	36,2	35,4	34,9	33,5	32,3	31,1	31,6	33,0
2.2. envers des créiteurs privés	48,9	49,3	49,3	50,3	51,7	49,7	50,5	50,0	53,1
Charges de l'endettement									
1. Paiements d'intérêts	6,7	6,0	6,0	7,3	8,2	9,3	11,9	13,2	11,4
2. Amortissement	9,4	9,3	9,4	11,7	10,8	8,3	8,6	10,7	7,9
3. Charges totales (1 + 2) =	16,1	15,3	15,4	19,0	19,0	17,6	20,5	23,9	19,3

Tableau6: PVD non OPEP : Financement des déficits des paiements courants (estimations) 1980-1982

	1980	1981	1982
	en milliards de \$US		
Déficits des paiements courants	-65	-79	-67
Financement			
Investissements directs (nets)	8	11	10
Variation de l'endettement extérieur			
brut (hors FMI)	61	63	40
dont : à long terme	37	48	37
à court terme	24	15	3
(prêts bancaires)	(33)	(40)	(16)
Tirages nets sur le FMI	2	5	6
Total	71	79	55
Variations des avoirs extérieurs	6	0	-12
dont: réserves officielles	0	0	-9
autres avoirs	6	0	-3
(dépôts bancaires)	(2)	(4)	(0)

Source: Banque des Règlements Internationaux (BRI) - Rapports 1983 p. 106.

En outre la conditionnalité comporte :

(a) coût social excessif : l'ajustement prend la forme d'une réduction de la demande et par conséquent du revenu ou de la dévaluation qui réduit le revenu réel dans des pays déjà pauvres¹.

- Rôle modeste du FMI dans le financement des déficits des PVD;
- grand rôle joué par les banques à cet effet;
- accumulation des dettes extérieures dont le financement est assuré essentiellement par des banques privées aux conditions de prêt plus coûteuses et compromettant l'indépendance économique des PVD.

Malgré la réforme, le FMI joue un rôle dérisoire dans l'ajustement (direct) des balances des paiements des PVD. Il se contente d'inciter les financiers privés à intervenir si la lettre d'intention est signée.

(b) Coût politique excessif : le programme de stabilisation énergétique en appauvrissant la population engendre parfois des émeutes dans les rues et éventuellement la chute du gouvernement².

1 Fontenay, P. : "Politiques d'ajustement ; le cas du Portugal - in Coulbois, op. cit. p. 101.

2 Fontenay, P. op. cit. p. 103

Maintien du pouvoir de gestion inégal et du partage inégal des ressources du FMI.

Comme avant la réforme, les pays sous-développés n'ont pas voix au chapitre dans le domaine du système monétaire international ; ils y jouent le rôle de figurants.

En effet, le poids au sein du FMI de chaque pays est fonction de sa quote-part qui est versée aux 3/4 en monnaie nationale : or les quote-parts du Tiers Monde sont très faibles et de plus, leurs monnaies n'étant pas des moyens de paiement internationaux comme le sont les devises-clés (dollar et livre) ou les devises fortes (mark, yen, franc suisse, etc), les ressources effectivement utilisables par le Fonds sont inférieures à la somme de contribution du Tiers Monde.

C'est pourquoi, il n'est pas étonnant que la politique du FMI soit élaborée au sein d'un groupe restreint, le groupe des Dix. C'est ce même groupe qui profite des ressources du Fonds dont il est le distributeur réel. L'endettement extérieur des PVD en conséquence n'a fait que s'aggraver comme on le voit sur les tableaux ci-dessus.

Conclusion: reconduction des inégalités au détriment du Tiers-Monde

La réforme du système monétaire international n'a pratiquement résolu que des problèmes qui se posaient dans les pays industrialisés, laissant intacts les problèmes du Tiers Monde.

Les pays sous-développés ne doivent cependant pas se décourager car ce n'est que partie remise.

En effet, au-delà des facteurs monétaires apparents que nous avons mentionnés, il y a eu aussi le facteur politique, c'est-à-dire le déclin relatif des Etats-Unis, qui ont provoqué la crise et conduit à la réforme du système international de Bretton Woods. De même, avec le temps, la remontée relative du Tiers Monde sur l'échiquier international provoquera une nouvelle crise et une réforme prenant en compte ses besoins spécifiques primordiaux.

Une telle réforme comporte des normes de "bonne conduite" favorables au développement des PVD, à titre d'exemple :

- lier la création de DTS aux besoins du développement des PVD par¹.
- allocation directe de DTS par le FMI aux organismes de développement des PVD.

1 Voir à ce sujet : - Samuelson, A. op. cit. p. 24 ; - Salin, P. : Economie internationale Tome I ; Economie Financière - A. Colin, Paris 1974, p. 220 "Un autre plan vise à modifier le mécanisme de distribution des DTS de manière que les pays sous-développés en bénéficient davantage. En effet, il semble injuste à beaucoup que la répartition des DTS soit faite en fonction des quotas du FMI, c'est-à-dire à peu près en fonction de la richesse des nations, et que le gain provenant de la création d'une monnaie internationale ne soit pas réparti en fonction d'un critère plus "juste".

- Transfert par les pays à revenus élevés aux organismes de développement d'une partie de DTS alloués ou de la contre-valeur en devises.

- allocation des crédits plus que proportionnelle aux quote-parts en faveur des PVD.

- Eviter pour les PVD, les incidences négatives du flottement des monnaies des pays industrialisés par un flottement contrôlé car le flottement incontrôlé accroît le risque : incertitude sur les échelons (freinés), aggravation de la dette extérieure.

Ce n'est que de cette façon, paraphrasant Manuel Guitian, que nous pourrions affirmer que les PVD vont rendre supportable le principe de la "conditionnalité" dont la question n'est pas de savoir si l'ajustement sera effectué, car il le sera, mais plutôt s'il le sera de façon efficace, c'est-à-dire sans porter un préjudice injustifié au bien être social¹

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1 Guitian, M. - "Politiques relatives à l'accès aux ressources du Fonds, Examen de la conditionnalité ; in Coulbois, P., op. cit. p. 87.

Summary

At the national level, the phenomenon of "inflation" originated from domestic monetary imbalances, and results in the reallocation of the national income to the benefit of some social groups. Similarly, on the global scale, world inflation generated by international monetary disequilibrium generates a new redistribution of international trade gains, to the developed countries at the expense of developing countries. This takes the form of transfer towards peripheral countries of salary rises, industrial losses, deficits in the balance of payments, various negative consequences of the conjunctural crisis, occurring in the dominant economies.

This transfer to the Third World does not exclude the possibility of a "positive" impact which, if it occurs, would be inferior to the former because of the unequal relations between countries in the center and those in the periphery.

The analyses of the article focuses on the most recent changes which led to the "reform" of the international monetary system created in Bretton Woods and now afflicted by the crisis. It is argued that the reform has brought insignificant changes in relation to the claims of the Third World for an equitable monetary order, and continues to maintain disparities which generate the disorder described by Third World economists as "unequal development".

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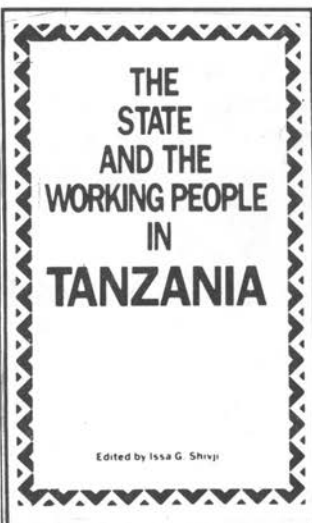
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