THE CRISIS OF THE NEW INTERNATIONAL DIVISION OF LABOUR, AUTHORITARIANISM AND THE TRANSITION TO FREE-MARKET ECONOMIES IN AFRICA

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It is easy enough to agree that Africa is in crisis. The problem however is to grasp the specific character of this crisis and the political movement which it is calling forth. Structurally, the constitutive elements of this crisis are as follows:

a) an underproductive semi-industrial sector organically linked to and replicating imports;

b) stagnation of domestic agriculture, reflected in growing food imports;

c) a typically perverse combination of high domestic demand and agricultural stagnation and industrial recession, coupled with a balance of payments crisis - denoting an industrial structure incapable of responding to growth in domestic demand except via the balance of payments;

d) a foreign trade regime marked by the maintenance on the one hand of a simple primary export structure and the increasing domination of a single export commodity, and on the other by the reconstitution of imports towards capital goods, raw and intermediate inputs and food;

e) increasingly acute fiscal problems of the state (expressed in deficit-financing) following a period of state-led accumulation based on the taxation of foreign trade and of agricultural and mineral exports in particular;

f) domestic inflation derived from c and e); and finally

g) a large and increasingly unmanageable external debt.

To these elements must be added their political and social dimensions, such as the extensive interventions, regimentation and social controls associated with the "development initiatives" of the African state: decay of the once-vibrant countryside and destitution of the peasantry; growth in the surplus population and enforced idling of large sectors of the population; and a corresponding expansion of informal economies and "bazaar" activities, etc. Finally, linked to this crisis is the generalization in Africa of a particular set of corrective policies, the "adjustment programmes" associated with the international lender agencies.

The elements delineated above define a particular form of crisis, arising from the partial reconstitution of the world market and the emergence of a "new" international division of labour, characterized by semi-industrialization in the peripheral countries. It is necessary to stress that although the type of development associated with these structures typically commences from a colonial economic base, it is not reducible to this point of origin, neither does it constitute its inevitable or even logical product[1]. On the contrary it constitutes a distinctive new economic conjuncture. And indeed a glance at its principal elements should suffice to demonstrate the distance between contemporary African economies and the colonial "economies of innocence" with their limited public sector, absence of semi-industrialism and of debt and balance of payments complications, and low inflation rates. These differences should probably not be overdrawn; there are strong structural continuities, largely of a negative character, such as the backward nature of agriculture, the lack of articulation between industry and agriculture (now "domesticated" as a feature of the local economy) and between the structure of demand and the domestic resource base, and structural impulses to continuous expansion of the idle population. Nevertheless what we have here is neither simply "neo-colonialism" nor "stagnation", the latter concept in particular tending to disguise or understate the sheer extent of structural transformation which has been attempted in the African economies. (On the other hand that concept is probably useful as applied to sectoral composition of GDP, which has remained relatively unchanged over time in most African economies, in defiance of the mass and rationale of investment).

In my view the present economic crisis in Africa should be situated in the contradictions of the "new international division of labour" (NIDL) and the internationalisation within the African economies of the form of the reorganised world market. This is not therefore to attribute an "external" origin to this crisis, since in any case the initial impulse for these transformations on the world market originated to a large extent from within the African and other underdeveloped economies, and were associated specifically with "independence". Neither is it to suggest that every element in the present crisis can be attributed to such a structure, or to imply a uniform level of development or success of this structure in all African economies. It is also necessary to emphasize the differences in the political practices and ideologies underpinning these structural changes. Nevertheless in the end one must agree with the World Bank regarding the "extraordinary degree of similarity throughout the (African) region in the nature of the policy problems that have arisen, such as in rural development, trade and industrialisation, and in the national responses to them" (World Bank 1981, p. 1.2).

In relation to Africa the emergence of the new international division of labour (NIDL) involved the following:

(a) The particular effectivity of the political?, related to changes in the global balance of political power, in the restructuring of the world market. In other words the changes affecting Africa's place in the world market were to only a limited extent the product of the economic logic of capital, in spite of the many favourable new conditions that emerged for multinational corporate investment in the area of semi-industrialisation. The crucial condition was rather political; the political autonomy associated with decolonisation, and the widespread use of tariffs and other instruments of state policy, induced strong changes in the nature of the market, particularly as far as new patterns of corporate activity were concerned[2]. However unlike the case in export platforms which were primarily a means to enhance competitive ability on highly competitive international markets (thus making cost reduction crucial), the multinationals involved in import- substituting industry (ISI) produced for captive markets under restrictive regimes with direct and indirect administrative pricing, and thus had no incentive to cut costs, to revolutionize production techniques, or to introduce appropriate products. Hence their activities entrenched certain inherently regressive features;

(b) The political and economic ideologies that fostered these transformations were strongly interventionist and incipiently authoritarian. But they also emphasized a certain element of redistributionism, expressed in varieties of "socialist" and "non-capitalist" ideologies. While these ideologies were frequently mere instruments of legitimation, welfare spending and various types of social subsidies nevertheless did form a large proportion of budgetary expenditure in most African countries. The expression of redistribution at the political level was the prevalence of clientage and corporatist networks and practices. The result was the emergence of broad coalitions of diverse social interests with a direct interest in the economic practices of the state;

(c) Although the (redefined) division of labour that emerged was "new" in the sense that it introduced previously absent element into the productive structure of the underdeveloped countries, and "international" in the sense that it occurred within the framework of a fragmentation of social labour on a global scale (much of it via the large international corporation), seen from another point of view, it was far from being "international". On the contrary it was riddled with barriers and national/regional particularisms. Since the genesis of the NIDL lies, as far as most of the underdeveloped countries were concerned, in politically-inspired restrictions, its advent constituted less a "freeing" or expansion of the world market than an intensification and diversification of restrictive trade practices. From this point of view decolonisation did not lead to the deepening of the world market in the manner anticipated.

While this "rupture" with the world market was a necessary precondition for local industrialisation, the inflationary and "unbalanced" growth strategies involved meant that local production costs were inevitably higher and did not reflect "market efficiencies". At the same time however the notion of "market efficiency" did not have much meaning in this situation since the objective was the restructuring of the market itself, both domestically and globally. The cost discrepancies between the two market levels even aided the process of semi- industrialisation since it was realised as an effective subsidy on domestic industry, and was tolerable (at least in the short term) as long as the objective was that of establishing an integrated national economy rather than one merely integrated via the operations of large global corporations. The basic contradiction however was that while these strategies insisted on unilateral restructuring of world market "rules" to the advantage of the local economy, they remained extensively dependent on the world market for means of production while at the same time discouraging exports. This situation sooner or later provokes a balance of payments and debt crisis.

In theory at least there are several options in responding to such a crisis. One is by acting progressively to eliminate the "structural dependence of reproduction" implicit in ISI by developing the domestic intermediate and capital goods sectors. A second approach, in theory not inconsistent with the first but in practice difficult to reconcile with it, is to close the gap between local and international production costs through currency devaluation, abolition of fiscal and trade barriers, and reductions in labour costs- in effect the reabsorption of the domestic into the world market. This is the approach favoured by the international lender agencies. Although the formal objective of this approach is to stimulate competition and hence efficiency, in the circumstances of the weaker industrializing countries it is associated in practice with several biases: against self-reliance; against industry and in favour of primary (particularly agricultural) exports; and finally against domestic (particularly state) capital and in favour of foreign capital.

(d) Unlike Latin America the crisis associated with the NIDL and ISI in Africa is not indicated by a "deepening" of the structure and the inauguration of more complex phases of production (capital and intermediate goods) (O'Donnell, 1978, Hutchful, 1984). Unlike Brazil and those other Latin American countries where the initial phases of ISI led to specular expansion in industrial output, in Africa this did not occur and only a few countries have successfully executed the preliminary stages of ISI; none can be described in any serious sense as being in transition to a more complex intermediate stage. Far from being a victim of its own successes, the crisis of ISI in Africa manifests itself as a profound retrogression and collapse of the productive structure. The striking legacy of ISI policies is the extent to which they have provoked the degeneration of agriculture and the exhaustion of state-led accumulation without, at the same time, successfully consolidating even the primary stages of industrialisation. It is in this problematic transition that Africa's "structural crisis" may be situated.

An obvious connection can be drawn between the various elements of the crisis - severe inflation, unemployment, balance of payments problems etc. - generated by this specific structure and the militarisation of the state apparatus in Africa. But I think the present problem goes much beyond that. The new directions of authoritarianism emerging in Africa must be linked at least as much to the proposed solutions to the crisis. The various donor and lending agencies and Western governments are making no secret of their view that extensive reorganisation of Africa's productive structure and corresponding social-political conditions is required to deal with the present crisis. Schultz, the American Secretary of State, has demanded a "total restructuring of African economies" while stressing the "importance of establishing a stable political climate" [New York Times, May 29, 1986]. Hans-Dietrich Genscher, Federal German Foreign Minister, has also invited African leaders to "undertake fundamental changes". These demands for change however narrow down to a demand for the restoration of free-market economies. This position is repeated endlessly by the international lender agencies. In this regard Schulz has praised the "new willingness" of African leaders to "employ market-oriented measures in dealing with their economic difficulties" (ibid). The argument in this paper is that the extensive restructuring required to restore African economies to the mechanism of the market after a period of interventionist development strategies will inevitably generate severe political difficulties which can only be contained through authoritarian politics. These difficulties can only be enhanced by the specific power relations conditioning the present process of reform in Africa.

Indeed these authoritarian possibilities are not denied by the principal advocates of market solutions. On the contrary it is fairly readily recognised that the (re) institution of market mechanisms in Africa will require exceptional political conditions. In a recent article The Economist has admitted that turning to the market will require "extraordinary political nerve" on the part of African leaders [June 26, 1984: p.40]. The World Bank also implicitly recognises this in the critical emphasis that it places on "political will" for the success of adjustment programs. For instance an African government which accepted a very large devaluation of its currency and adopted very abrupt market policies was praised for its "great political courage". (It is worthy of note that the government in question was a military government; the move nevertheless almost precipitated its overthrow).

These comments allude to the political context of the crisis within which "economic reform" must take place in Africa (and indeed in the underdeveloped capitalist countries as a whole) in the present phase, and require to be elucidated in the context of a broad theoretical understanding of the relationship between the capitalist state and crisis. The need for periodic reorganisation of the social conditions of production is not peculiar to Africa but general to capitalism as such. This reorganisation is required to eliminate the barriers to accumulation that rise out of and are endemic to the process of capitalistic production itself, and which express themselves in falling rate of profit and in structural tendencies toward stagnation and crisis. [Hirsch, 1978] This reorganisation occurs, in the first instance, at the immediate level of production where the individual capitalist or firm restructures his or its operations, eliminating excess labour and waste, introducing new, more efficient machinery and methods of management. A similar process of reorganisation also takes place however at the "macro" level of the general social and other factors that condition accumulation, initiated not by the individual firm but by the state as the "collective capitalist". This consists in the intervention of the capitalist state in the market place, in the mode of deployment of its monetary and fiscal powers, in its education and research functions etc., as well as in its mediation of the struggles arising out of the reorganisations of the immediate level of production, i.e. class struggles.

While this process and the corresponding state functions are endemic in capitalist society as such, in the underdevelopped capitalist economies it occurs and - particularly in the present context - must occur under fundamentally different conditions [Hutchful, 1986]. In the advanced ("autocentric") capitalist economies reorganisation takes the form principally of further technological transformations in the labour process, with the "technology industries" constituting the principal site of adjustment, and a corresponding rise in relative surplus value ("productivity").

But the (arguably) decisive element is not located at this level, but rather at the level of "politics". Here it occurs under "hegemonic" political conditions and is mediated by and within the institutions of parliamentary democracy and suffrage. This allows the working classes institutional representation of their interests and imposes political limits on the reorganisations at the economic level. A "purely economic rationality" therefore cannot be realised. This mediation on the one hand perpetuates the crisis at the economic level and prevents (on the side of both the state and the individual capitalist) the formulation of adequate responses to the problems of accumulation; on the other hand however by giving determinancy to the class struggle it deters the emergence of extreme political conditions. Thus the key to the reorganisation process is precisely the mode of articulation of its economic and political moments[3]. While placing political limits on the bourgeoisie, the hegemonic ideology yet reassures its economic dominance - and even gives the working classes a certain measure of self-interest in "economic reform" - through the fundamental notion that the "most favourable condition for wage labour is the most rapid expansion of productive capital". [Marx}

On yet another level the process of reorganisation involves a certain ordering of the hierarchy of interests of the competing bourgeoisies on national and international markets, so that while the common interest of all bourgeois fractions in expanded reproduction is reflected in this process, primacy is given (except in moments of acute crisis or dislocation) to the particular interests of the national bourgeoisie. Nevertheless Hirsch [1978] has correctly emphasized the "crisis-ridden conditions" under which the reorganisation functions instigated by the recurrent difficulties must be performed - particularly in the present anarchic world market conditions. This need not imply the cataclysmic "end" of capitalism, for indeed it is also these crises and the countervailing transformations to which they give rise that constitute the systemic dynamic of capital.

Several reasons may be advanced to explain why this process of reorganisation in the peripheral economies must follow a fundamentally different trajectory. These include the impossibility (owing to the very different economic structure) of the type of technological transformations which characterize the mature capitalist economies, and the need therefore for direct and often brutal reduction in the effective wage rate; the weakness of the "normal" instruments (fiscal, monetary etc.) of state intervention associated with recessionary phases, partly because of the lower capacity and efficiency of the state organs and partly the inherent limits of these traditional instruments in economies characterized by large "bazaar" sectors and informal transactions. Particular significance must however be placed in the present context on the prevalence of monetarist ideologies: first on the assumptions of monetarism, which conceives of the "market" in abstraction from its political determinations and renounces any role for political class struggle - or any political considerations for that matter - in its conception of economic process and reform; secondly, on the sources of these monetarist ideologies, which are due entirely to the growing influence of the international lender agencies (the IMF and the World Bank) and the foreign banks. This popularisation of monetarism is indicative not only of the direction of economic- level transformations but also constitutes the determinant political-ideological context for "economic reform" in Africa.

In particular, the following must be emphasized:

(a) the almost exclusive dominance of the interests of the international bourgeoisies, particularly the financial fractions, and the subordination of the interests of the domestic bourgeoisie in the reform programmes of the international lender agencies.

(b) the strict separation between the economic and the political in this process, in a dual sense: first between the interests dominant at the economic level of political management; and secondly, in the form of (neo-classical) ideologies that assume the autonomy of the market and deny reality to politics and the class struggle;

(c) finally, the bureaucratised social engineering, as deliberate as it is extensive, and the total exclusion of the large masses of the people in this process, in spite of the very great sacrifices that are being imposed. On no other continent have foreign technical personnel so completely and unquestioningly assumed control of crucial aspects of national planning and administrative processes.

The Economic Critique

The quintessential critique of African development policies is offered by the World Bank [World Bank 1981, 1983]. According to the World Bank, Africa's economic difficulties are due principally to two factors. First, trade and exchange rate policy: overvaluation of national currencies and restrictive trade policies have led to overprotection and inefficiency of domestic industry and at the same time discriminates against agriculture and exports. Second, excessive state intervention and reliance on administrative controls and prices, rather than market mechanisms, have adversely affected incentives, particularly in agriculture. The solution advocated in both instances is greater reliance on market mechanisms. In turn this requires (1) appropriate exchange rate policies (devaluation), which will eliminate the need for cumbersome and inefficient direct controls and stimulate competition; (2) appropriate incentive structures for private enterprise; and (3) a shift in priorities toward agriculture and exports. Although the rationalisation of ISI and the development of industrial export are considered theoretically possible, in my view the emphasis of the Bank on "comparative advantage" reveals a basic anti industrialisation bias.

It is necessary to indicate briefly why these market- oriented reforms are likely to require an authoritarian political framework. The key issue is the abrupt realignment of domestic and international prices which is attempted through a mix of exchange reform, wage reductions, and other fiscal and monetary instruments. These in turn are meant to provide the conditions for abolishing tariff and quantitative barriers and rolling back state controls. The substitution of market mechanisms for direct controls and administrative prices via exchange reform deliberately shifts the weight of incentives from import-substituting industrialists, wage - workers, salary earners and speculators in favour of agricultural and (in theory) industrial exporters and foreign investors. Devaluation (which is usually massive[4]) functions as a sudden - and substantial - across-the-board wage decrease. At the same time lifting price and distribution controls in the market place tends to have a spectacular upward effect on prices. This realignment should be seen in the context of a de-emphasis in production for domestic needs and consumption in favour once again of export promotion.

Secondly, the shift to export-orientation in turn requires an appropriate wage policy - usually a downward adjustment in wages - in order to establish international competitiveness. This is particularly the case if the export products are expected to compete with those produced by other low-wage areas. (An example of this is provided by the World Bank: according to the Bank African wages are much too high to be competitive on export markets. The choice of countries in this comparison by the World Bank (Pakistan and Bangladesh) was in itself significant. African wages were claimed to be on the average 50% and 100% higher respectively than Pakistan and Bangladesh, two of the countries with the most miserable wage rates in the world.

Thirdly, liberalizing agricultural markets, on which the World Bank lays particular emphasis, has, whatever its merits, potentially profound consequences for the economic base of the state and state bourgeoisies. Since the bulk of state revenue in Africa is derived from taxation of peasant export produce, the abolition of agricultural marketing boards, which is favoured by the World Bank as the ideal solution may indeed "free" peasant initiative and help re-invigorate the countryside, but would also entail serious short-term consequences for the fiscal position of governments[5].

Finally, the standard demands for leaner government, for reduction of state spending on welfare and subsidies and the insistence that essential services and goods reflect "economic costs" - these require an end to the "redistributionist" political practices that had mediated the gap between rich and poor.

With its comprehensive attack on the whole edifice of ISI policies and on the direct and indirect beneficiaries of these policies it is not surprising that this process of restructuring provokes a broad "coalition of resistance" by interests tied to these policies - domestic industrialists, urban wage workers, civil servants etc. - precisely the most politically articulate spectrum of the population. Nigeria and the Sudan are good examples of such broad-based resistance. If these measures are to have any serious possibility of success then they require an authoritarian form of regime with the capacity to resist these pressures. The high correlation between the economic reform programmes and military governments appears suggestive in this respect. In addition to the restructuring of the relations between the state and society (emergence of a less accessible, more repressive polity) there is a radical shift of emphasis within the state apparatus itself away from the representational/legislative organs with their legitimating and mediating roles and toward the bureaucratic--executive organs, whose operations are characterized above all by the complete exclusion of any form of population participation.

In the longer view, it is also worthwhile to recall that historically the process of constituting the "market" as an autonomous level in the first instance has always involved a considerable degree of violence. Its fundamental condition was the freeing of productive labour from its conditions and the commodification of both free labour and means of production. Once this "separation" is effected the market through the normal operation of the law of value reproduces both wage labour and capital, and the social relations between them, as "natural", "eternal" relations. The initial act of separation however is itself a forcible process and is executed only through the deployment of state power; it is in this that the centrality of the state in the transition to the "free market" is paradoxically founded. Nevertheless its result is the displacement of the element of compulsion from the political level as such to the market i.e. to the private owner of the means of production. The privatisation of compulsion [Meiskins-Wood, 1981] simultaneously permits the state to disassociate itself from the immediate level of production and ascend from being the private organ of the feudal aristocracy to its new status as a "public" authority. This process incorporates a double mystifying function: that of disguising the element of compulsion on the market, as well as the state's complicity in structuring the historical conditions for the emergence of the market.

Without the unconditional dependence of the labourer on the market, which is at the same time the source of all labour discipline, this privatisation of coercion crucial to the autonomisation of the market as a distinct realm of social relations cannot be realized. The full rationalisation of capitalistic conditions becomes possible only on the basis of the destruction of the escape-route of the labourer to his primary means of production: land. One may suggest that it is precisely this "separation" which has yet to be fully accomplished in the African countries[6], where both peasant and wage-worker relate conditionally to the market and dream of a return to conditions of self-mastery. The Bank appreciates the effect of this at the level of wages (it is one of the reasons advanced for higher wages in Africa than Pakistan or Bangladesh) but misses the general problem posed by this for the emergence of a market in its "free", specifically capitalistic form. In particular it fails to see the contradiction between its support for small holder agriculture and the advocacy of the paramount interests of the market place; consequently it simultaneously romanticizes the peasant small holding and castigates its proclivity for subsistence and self- reliance.

Further it is necessary to realize that unlike the original "expulsion" of the (feudal) state from the process of production, the freeing of the market from political intervention at this juncture in the development of capitalism involves a quite different order of significance, particularly in the peripheral formations. The "re-entry" of the state into the conditions of production at a certain stage in the historical development of capitalism, and the form of that intervention (whether Keynesian or social democratic), reflected fundamental contradictions and was the product of specific historical struggles and a particular correlation of political class forces. Therefore it cannot be reversed without intervening decisively in political class relations[7] (precisely why monetarism, the most overtly anti-political of all capitalist ideologies, is also the most severely disruptive of political relations). In the post- colonial situation the correlation of political forces expressed itself in (a) the prevalence of interventionist statist and "non- capitalist" ideologies and (b) conviction regarding the necessity of state regulation (protectionism) to mitigate the law of uneven development on the world market as a precondition for national development. Here it is the absence of the state, not its presence, that is equated with repressive socio-economic conditions. For precisely this reason efforts (particularly from outside) to restructure the relationship of the state to production tend to provoke substantial ideological opposition[8].

In reality there is little new about these prescriptions advocating the eternal wisdom of "market economics". The IMF and the World Bank have been proposing similar positions to African governments for years. What has altered radically however is the political context; economic debilitation - and herein lies the principal utility of the present crisis - has produced in African leaders an uncharacteristic (if probably temporary) congeniality for market economies. The crisis has produced an environment favourable to a "belated push" in the direction of market economies, partly by eroding the capacity of

African governments for self-reliance and exercise of political autonomy[9], and partly by discrediting interventionist policies. The change in the ideological climate is particularly noteworthy, with the return to fashion of previously discredited neo- classical modes of analysis which stress allocative efficiency, "comparative advantage" and the primacy of the market. However this "belated push" in the direction of market forces after a period of interventionist policies can only be accomplished by repressive regimes, particularly in the presence of strong ideological and political challenge[10]. It is therefore not altogether surprising that free-market prescriptions, while formally ignoring politics, should place hidden stress on the role of the state.

The Political Critique

This becomes obvious when we turn once again to the views of the World Bank. In spite of its extended economic analysis, the fundamental critique of the African condition by the World Bank is political. In the final analysis the "state" in Africa is seen as the problem. Given the political determination of the changes in the nature of the world market of which the Bank's position constitutes a critique, it is not surprising that the principal blame for its failure should be laid at the door of the "policy and administrative framework", the code adopted by the Bank to refer to the African state and its economic practices and policies. On the one level this includes the complex of fiscal, exchange rate and other measures associated directly or indirectly with ISI, which follows logically from the market emphasis. But the attack is also much broader, and encompasses what is seen as the general debilitation or "decline in the capacities" of the African state as a developmental medium. This "critique" is not exclusive to the World Bank. A number of recent academic works even more bluntly identify the state as the site of the irrationalities responsible for African retrogression [Sandbrook, 1985, Price, 1983]. This academic critique, which is derived from a particular reading of the Brazilian and South-East Asian "miracles", locates the state as the crucial variable in the contemporary transitions to capitalism (the so-called "newly industrializing countries"). Its thesis is that the African state is incapable, for various reasons, of ensuring the rational management and stability required for capitalist transformation. While the neo-classical paradigm of the World Bank does not recognize politics - so that the state can be introduced into the analysis only by way of metaphor - this academic critique on the other hand comes close to fetishising the state and does not share the enthusiasm for the abstract "market". From their separate origins however they both argue the necessity of a "strong state" and the strengthening of the "capacity" of the state, while conceiving the state in complete abstraction from its social content.

Two aspects of the attack on the state require comment. The first is that the focus on the state constitutes, in the World Bank Literature, really an implicit attack on the "dominance of the political" which characterized independence, and the economic practices associated with the redefined balance of global political power. The second is that "the state" is seen simultaneously by the World Bank as the problem and the solution. Thus the views of the World Bank on the state are characterized by a peculiar ambivalence, advocating in general its withdrawal from the market and yet in other instances its creative intervention into the conditions of production. This apparent confusion is due to the failure of the Bank to distinguish between two historically distinct phases of the relationship of the state to the market under capitalism: a first stage during which, as we have seen, the intervention of the state is required in order to constitute the "market" in its specifically capitalist form, as an autonomous level. The completion of this process permits the state to effect the second stage, an apparent "withdrawal" from the immediate conditions of production. In the original development of capitalism these constituted distinct and separate historical times; in the circumstances of the peripheral countries however they are "telescoped" into a single historical time. That is: market ideologies established their dominance before the sufficient conditions have evolved for constituting the "market" as a separate and autonomous level in these formations. This is due to the articulation within a single world market of developed capitalist economies (i.e. those in which the autonomisation of the market is already a fact) and underdeveloped ones, as well as the effect of the hegemonic ideology on the world market (that of "free trade").

This historical and structural asymmetry is basic to the confusions of the World Bank on the relationship between the "political" and the "economic" in capitalistic production, a confusion particularly apparent in the way in which the problem of agriculture is raised. The peasantry in Africa has reacted to long-term exploitation by withdrawal from the market (particularly export markets) and return to subsistence production and redistributive mechanisms, with the corresponding effects of demonetarisation, shrinkage of the traded goods sector, and withdrawal from rural and urban wage relations. The World Bank views this withdrawal from market relations as a crucial element in the crisis of African agriculture, and blames it on state intervention in agricultural markets. In its view state agricultural price policies and the activities of the marketing boards in particular, had adversely affected the "farmer's motivation to produce" for the market: it is argued that "the crop marketing agencies are the main point of contact between peasants, the money economy, and the state bureaucracy. Unless the marketing transactions are done fairly and efficiently, there are high risks of peasant disaffection from both the bureaucracy and the money economy" [World Bank, 1981, p.5.11]. The ideal solution is seen to lie in the liberalisation and privatisation of agricultural production and markets, with the role of the state being confined to extension and other support functions.

However this argument is preceded by and appears to contradict an earlier one in which state action is seen as crucial in the emergence and structuring of agricultural markets, and specifically in drawing the cultivator from the sphere of subsistence household production into the sphere of commodity relations. Employing its usual dualistic framework the Bank identifies subsistent production with backwardness and production for the market with "development" and a "modern economy". It argues that in the past "the dominance of subsistence production presented special obstacles to agricultural development" in Africa; thus at independence "most Africans were outside the modern economy", and "farmers had to be induced to produce for the market" [ibid, p.2.5.]. Naturally much of this function of enticing the cultivator into the marketplace was expected to be performed by the state, specifically through the development of an "incentives structure", defined as "all those aspects of the farmer's environment which affect his willingness to produce and sell". Although the Bank sees itself as acting in this respect in the interests of the peasant small-holder, this should not be confused with a defense of the self-sufficient household economy (on the contrary), or for that matter of the "small-holder" against the well-known effects of the marketplace.

This ambivalence toward the state is general to the World Bank position, and surfaces most clearly in the contradiction between, on the one hand, the strident demands for the withdrawal of African states for the market, and on the other extensive actions obviously required of the state in order to "free" and develop market institutions. The key to the transformations sought by the World Bank in the African economies is the state - partly because of the nature of the historical situation, but more broadly because of the processes involved in creating in the first place the social presuppositions of the market[11]. From this viewpoint the crucial significance attached to the "policy and administrative framework" contrasts oddly with the emphasis placed elsewhere on the "market".

Conclusion

The argument proposed here is that both the content of the prevailing "economic reform" programmes in Africa and the specific political power relations that govern this process of "reform" - the disarticulation between economic reform and class struggle - endow the process of reform with a particular (and inevitable) repressiveness. Consequently then the ideal vehicle is the military regime, the archetypal "bankers" regime". The militarisation of the state apparatus in Africa in the present situation is associated with the ascendancy, conditioned by crisis, of market ideologies and the delayed re-integration of African economies into the world market. This authoritarian parentage should not however blind us to the nature of the project; the dissolution of the national market obliges - and is meant to oblige - the African countries to "adopt, on pain of extinction, the bourgeois mode of production", [Marx] The key to these transformations is of course the international debt[12].

In a suggestive article, The Economist[13] has observed that "None of the [African] governments pursuing the new policies has yet been overturned in a coup, though several attempts have been made". Even ignoring Sudan, where Nimery's government was overthrown in April 1986 after adoption of IMF policies, a different reading of the evidence is possible. Militarisation (or re-militarisation) of the state may rather precede the adoption of these policies and hence constitute their political condition. Ghana (1981), Nigeria (1983) and Guinea (1985) are important examples of this (despite the differences internal to the military regimes) and possible pointers to the future[14].

If there has not been a more widespread displacement of civilian regimes, it is because the regimes already in place, both civilian and military, were already sufficiently repressive to guarantee, with relatively minor modifications, the appropriate political framework. What should be stressed, however, is the changing historical and economic basis for authoritarianism, which should be seen principally, in the present conjuncture, as the political vehicles for the extensive reorganisation through crisis of the social conditions of production in Africa and of belated transition to market economies[15].

Note to Workshop Participants at Dalhouse

The objective of this paper was to argue that the present crisis in African economies was to an extent the product of the changing position of these economies in the international division of labour, and of policies (frequently misconceived) aimed at effecting such changes. It need to be stated that the solution to past policy errors does not lie in returning these economies to agricultural exports, which would be the effect of arguments derived from "comparative advantage". This paper also restates an earlier thesis [Hutchful, 1986] as to why under the present circumstances the democratisation of reform is not possible. The basic lessons may be stated bluntly: without a measure of democratisation and popular commitment the present reform programmes in Africa will simply not prove sustainable. The first route to democratisation is to accord "politics" its rightful place in the reform programmes, in other words to "rearticulate" politics and economics. A crucial element in this is to make Finance Ministers (and the planning process as a whole) more accountable to their national constituencies, and to confront - rather than ignore - the serious questions of national sovereignty that are raised by the Bank's reform programmes in their present form. The second is the recognition that democratisation is not possible without orienting economic reform toward the fulfilment of basic needs. This requires a basic re- orientation in the objectives of the present programmes, involving a shift, not necessarily from the emphasis on the profit motive - desirable as this would be in my own view - but rather from growth strategies based on production for external markets to growth predicated on the development of internal mass markets and satisfaction of popular needs.

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1. This implies then that neither dependency theory nor the "basic constraints" approach can adequately conceptualise or explain this crisis.

2. For an extended analysis of the significance of political independence in this respect, see Bill Warren, "Imperialism and Capitalist Industrialisation", New Left Review, 81, 1974. The United Africa Company (UAC) described independence as the "greatest challenge" to foreign firms operating in Africa, a challenge to which the company responded by moving progressively from commercial to semi-industrial activity.

3. However in situations of severe or exceptional crisis reactionary governments may arise, which are quite prepared to diminish or even cast off altogether these political/democratic constraints in order to impose the purely economic rationality of "growth" policies. Such is the case with the recent emergence of right-wing governments armed with monetarist ideologies in the Western democracies, and at the extreme, of fascist governments.

4. For instance since April 1983 Ghana's currency (the cedi) has been devalued by 96 % in terms of the U.S. dollar. The first devaluation in 1983 was estimated to have reduced real wages by almost 50 %. The Guinean currency has been devalued by 92 % since 1985.

5. Nigeria has recently abolished agricultural marketing boards. The circumstances here however are clearly peculiar, since agricultural export produce has played a severely reduced role in government finances since the 1970s, having been almost completely displaced by oil (98% of federal revenue in 1984).

6. In some respects it could even be argued that both the economic and the political-ideological conditions of semi- industrialisation have tended not to eliminate but rather to consolidate petty-commodity forms and the "multiform" character of the economy.

7. In the periphery these political relations should not be confused with "national" boundaries since they are in fact co- extensive with the world market, involving "foreign" capitalists and "national" wage-labour and politico-administrative and other functionaries. Hence a significant shift in these relations - precisely what is occurring in the "reform programmes" of the lender agencies - may provoke fears of "neo-colonialism" and "recolonisation" and be resisted at that level.

8. This is particularly clear in the bitter opposition to "privatisation" in almost all African countries undergoing adjustment programmes.

9. An indication of the termination of the conditions of autonomy is the sputtering of the many "revolutions" launched on the continent in the seventies and early eighties.

10. An earlier statement of this position, developed with a somewhat different emphasis and in the context of the experiences of Indonesia, Argentina, and Turkey, appears in Hutchful [1986]. Hirschman [1979] considers more explicitly the relationship between orthodox economic policies and authoritarianism in Latin America in the 1970s, in his critique of John Sheahan's "Market- Oriented Economic Policies and Political Repression in Latin America", Economic Development and Cultural Change, vol. XXViii, 2, 1980 (a paper that unfortunately came too late to my attention to influence my own analysis). Hirschman disputes the connection explored by Sheahan, quoting the experiences of Colombia, where a gradual process of adjustment made it possible to escape such authoritarian results. However Colombia's experiences cannot be generalized, since a major characteristic of most recent adjustment programmes is precisely the attempt to equalize domestic and international prices over the very short term. Hirschman himself conceptualises the problem rather in terms of what he describes as the alternation between "reform" and "entrepreneurial" functions in Latin America. It may be pointed out in any case that his periods of the "entrepreneurial function", which coincide with authoritarian political rule, take the form most frequently of a return to orthodox economic policies.

11. In any case this ambivalence is based on a misperception. While state action may help to "free" the market (defined as the immediate area of exchange relationship), the strong contradictions associated with this process as well as with the normal operations of the "free" market require - not a liquidation of the state's presence - but rather its displacement and consolidation at other social levels. Intriguingly, realization of the need for strong state action in the initial construction of the market was basic to classical liberalism but has been lost on their neo-classical progeny.

12. According to The Economist (June 28, 1986), "Debt is enforcing the belated but necessary reform of Africa's economic policies". Since the African debts (like the even larger ones of Latin America) are admitted to be unpayable, obviously then "debt-related policies" must be related to something else other than debt-repayment. Two "real" objectives come to mind: first the insistence on unserviceable debts constitutes a precautionary claim of African's potential future surplus; and second (and most important) the debt provides the appropriate political conditions for these market-oriented reforms.

13. "Black Africa's Future: Can it go Capitalist?" June 28, 1986. The Economist is not the only organ extolling the "sensible economic policies" now being followed by Third World governments, cf. also *Time Magazine*, July 20, 1986.

14. For Ghana and Nigeria, see my paper, "With or Without the Fund? Recent Adjustment Programmes in Ghana and Nigeria", University of Toronto (mimeo), April 1986.

15. It may be objected that precisely the most important new development in the political

character of militarism in Africa is its anti-authoritarian, populist and even "progressive" direction, exemplified by Ghana and Burkina Faso. In my recent paper, "New Elements in the Political Theory and Practice of Militarism in Africa *International Journal* (forthcoming: October 1986) I have tried to insist on the complex character of these regimes and the extremely unstable class "conjunctures" they initially represent, which makes them both fairly autonomous in the short run and essentially unpredictable in the final directions which they will take. The case of Ghana demonstrates how this unstable conjuncture may be resolved in favour of precisely the kind of transformations under discussion here.

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SUMMARY

Selon la thèse qui fait l'objet du présent document, la crise que traversent actuellement les économies africaines est dans une certaine mesure la conséquence de la mutation subie par ces économies au sein de la division internationale du travail, et des politiques (souvent mal conçues) visant à amener ces changements.

L'argument avancé ici voudrait qu'aussi bien le contenu des programmes des "réformes économiques" en cours en Afrique, que le rapport de

forces politiques qui régit ce processus de "réformes" - la désarticulation entre réforme économique et lutte des classes - donnent une coloration répressive particulière (et inévitable) à ce processus de réformes. Ainsi, le régime militaire, archétype du régime de "banquiers" est le promoteur idéal de ces réformes. La militarisation de l'appareil de l'Etat dans le contexte africain actuel, va de pair avec la domination, favorisée par la crise, d'idéologies de marché et le retard de la réintégration des économies africaines sur le marché international. Toutefois il ne faudrait pas que ces origines autoritaires nous empêchent de voir la nature du projet; la dissolution du marché national oblige - et tel est en effet son objet - les pays africains "à adopter, sous peine d'extinction, le mode de production bourgeois" [Marx]. Il est évident que la dette internationale favorise ces transformations.

Dans un article évocateur, The Economist fait observer qu'"aucun des gouvernements (africains) qui appliquent ces nouvelles politiques n'a encore été renversé par un coup d'Etat, malgré plusieurs tentatives". Même en passant sous silence le cas du Soudan où le gouvernement de Nimeiry a été renversé en Avril 1986 après adoption des politiques du FMI, une interprétation différente des faits est possible. Il peut se faire que la venue (ou le retour) des militaires au pouvoir précède l'adoption de ces politiques et constitue donc le contexte politique de leur application. Le Ghana (1981), le Nigéria (1983) et la Guinée (1985) illustrent bien cette situation (en dépit des différences internes de ces régimes militaires) et peuvent servir d'exemples à l'avenir.

S'il n'y a pas eu davantage de régimes civils renversés, c'est parce que les régimes en place, tant civils que militaires, étaient déjà assez répressifs pour asseoir sans grands changements, un cadre politique approprié. Il faudrait cependant souligner la modification de la base historique et économique de l'autoritarisme, qui devrait être vu essentiellement dans le contexte actuel, comme l'instrument politique de la réorganisation massive, en période de crise, des conditions sociales de production en Afrique et de la transition tardive vers des économies de marché.

Il convient de souligner que la solution des erreurs politiques passées ne réside pas dans un retour de ces économies à l'exportation de produits agricoles comme le préconisent les théories issues de la thèse des "avantages comparés". Le présent document expose également une fois de plus les raisons pour lesquelles dans les circonstances actuelles, la démocratisation de la réforme n'est pas possible. L'on peut énoncer *sans ambages les leçons essentielles: si les programmes de réformes exécutés actuellement en Afrique ne sont pas assortis de mesures de démocratisation et n'encouragent pas l'engagement des populations, ils ne seront tout simplement pas viables. La première condition à remplir dans le processus de démocratisation, c'est de donner à la "politique" la place qui lui revient de droit dans les programmes de réformes, en d'autres termes de "réarticuler" la politique et l'économie. A cet effet, il convient avant tout de faire en sorte que les ministres des finances (et l'ensemble de l'appareil de planification) rendent davantage compte à leurs administrés et de faire face - et non d'ignorer - aux questions sérieures de souveraineté nationale qui sont posées par les programmes de réformes de la Banque mondiale dans leur forme actuelle. La deuxième condition à remplir dans cette voie est la reconnaissance qu'il n'est pas de démocratisation possible sans l'orientation de la réforme économique vers la satisfaction des besoins essentiels. Pour cela il importe de réorienter fondamentalement les objectifs des programmes actuels, de manière à reporter l'accent non de la recherche du profit - celle-ci étant à mon avis souhaitable, mais des stratégies de croissance visant à la production destinée au marché extérieur, à la croissance en vue du développement des marchés intérieurs et de la satisfaction des besoins des populations.*