Commentary: Bringing Imperialism Back In

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In a previous commentary (ROAPE 76, 1998:173-7) we criticised the prevailing ideology of 'globalisation' for its insistence that successful national economic development was possible only insofar as it conformed to the logic and determination of global markets and that the only realistic role available to states was to facilitate the process of internationalisation. The dissemination of this doctrine via the international media, academic writing, and the policy statements and practice of the richest states and the international financial institutions, has been uncompromising: governments which hoped to increase the living standards and life-prospects of their people could do so only by conforming to the imperatives of rational global market behaviour and, particularly, the profit expectations of international business. There simply was no alternative. If nation-states were not to invite economic disaster on themselves, they had to ensure that growth and social investment plans did not reduce profit incentives to the point where it resulted in capital taking flight to relocate itself in more benign environments. In rejecting this dogma, we were concerned by its almost complete indifference to the human costs which the process imposed on Africa as a whole, and on its most vulnerable and needy inhabitants in particular. Poverty and underdevelopment (the shortage of skills, the lack of external economies, the weakness of local markets and political instability) made the continent relatively unattractive to foreign capital, anyway - even when social spending was reduced to virtually zero and monopoly profits guaranteed. The most developed sectors of most African economies rested on the extraction of absolute rather than relative surplus value, on the application of large quantities of unskilled or semi-skilled labour to production. By insisting that global markets were the only game in town, and that nation-states were redundant unless their governments aligned the local economy to the needs of those markets, the globalisation ideology essentially confined most of Africa to a niche as impoverished primary export producers serving wealthy consumers in Europe and America, in effect to 'a future in which not even bare survival is assured' and they are the 'supernumeraries of the human race' (Leys, 1994:34).

Little wonder that people talk of the recolonisation of Africa. The message has been no more palatable for the overbearing insistence by donor experts that eventually the market would provide, that the bwanas knew best. For us, this doctrine of despair, and the 25 years of policy failures that have gone with it, do not provide an effective blueprint or morally defensible agenda from which to tackle crisis in Africa. In the earlier commentary, we referred to research which indicated that globalisation was not so far advanced, nor states so powerless, as to rule out effective local action promoting local initiatives aimed at local objectives. If globalisation (and their own
manifest failures) precluded the old statist strategies there was nevertheless a whole range of important tasks that governments could and needed to undertake to provide strategic direction for development. Yet to leave it at that, as we necessarily did at the time, is to leave unresolved a false antithesis between 'markets' and 'states', one which asserts an inevitable antagonism between them irrespective of specific historical experience, abstracted from the process of capitalist accumulation itself. One side holds up the superiority of perfect markets against the brutalities and coercion of real states; the other extols the virtues of nature of an idealised democratic state over the inequalities and injustices of actual markets. Neither has time for the uneven development of capitalist accumulation in Africa and the structures of imperialism which grip Africa in the vice of debt peonage.

In an important recent contribution, Radice has argued that there is a need to understand 'globalisation' as a process in capitalist history, a need to 'bring capitalism back in' to the analysis (1999:12-15). His argument directly and indirectly raises important issues for any examination of the African crisis. At any given conjuncture, the form and role of states and the structure and arrangement of markets reflects the particular character of capital accumulation and the relationship of class and other social interests to that process of accumulation. How the state 'deals with' the market is a consequence and reflection of internal configurations of power and, most importantly at present, of international demands and pressures. Radice suggests that many critics of 'globalisation' resort to ahistorical abstractions in arguing that it is possible somehow to increase 'state capacity' or to 'govern the market' through the action of 'developmental' states and the like. These arguments rest on assumptions of state autonomy and a separation of market and state which are simply assumed and generally untenable. If states are not located in the context of accumulation processes, of class interests and, yes, of international economic power, they remain mere idealisations. The weakness of the state in developing countries cannot simply be a question of 'increasing capacity' or 'choosing the right policies'. It is first and foremost a question of what the state represents and what constellation of forces shape its actions and capacity to act. Moreover, the capacity of states in developing countries has been shaped also by the imperialist relations in which they have been embedded, in various forms, since at least the late nineteenth century. Most immediately, the development of export-oriented industrialisation policies in response to rising external debts 'provided the right circumstances for a major economic, political and ideological offensive aimed at "opening up" the markets and resources of the Third World again to foreign capital' (Ibid. 20). An analysis of the African crisis must rest on the evidence of the impact of three centuries of internationalisation, on the role played by international capital and colonial and post-colonial states in structuring markets and regulating resources, on the way in which capitalist accumulation (and the class interests that variously underpin and contest it) have defined and redefined the nature of state and of market and of state-market relations.

However necessary such an analytic approach might be, it has few intellectual admirers at present. In part this is a consequence of the Cold War. The collapse of the Soviet empire 'was readily accepted as evidence of the failure of Marxism' (Ibid.12) and the triumph of liberalim. For reasons that are not clear, the historical materialist analysis of capitalism was deemed to be negated by the failure of Stalinism. In its wake has come a return to modernisation theory within political science, despite the unanswered criticism which discredited some of its core arguments in the seventies. In part, it is a consequence of efforts by governments in the West to restructure the crisis economies of East and South and the relatively large research funds available to
academics prepared to advise on the project. That, coupled with research assessment evaluation, has made critical research outside this mainstream a lonely undertaking. And, in part, it is a reflection of changing intellectual fashion, of modern notions of inequality and exploitation being displaced by postmodernist concerns with ‘difference’ and moral relativism. As Joachim Hirsch (1999:278) puts it:

The postmodern has abandoned class. Class theory is no longer ‘chic’, to say nothing of class politics. The dominant social theories now accept as fact what democratic theory once treated as fiction: an individualised ‘civil society’ where social inequalities are seen [as] not so much a problem as a structural necessity and as providing the basic incentive to compete in a society primarily oriented to ‘success’ in the global market. The prevailing academic interpretations of our era certainly contradict the reality of a capitalism in which national and international inequalities become ever more conspicuous, in which neo-liberal strategies of crisis management have not only deepened existing forms of exploitation but generated new ones ...

This ‘individualised fiction’ suits the current imperial project – the reconstruction of command and underdeveloped economies within a global liberal hegemony – admirably. The ability to accept as ‘fact’ that inequality and exploitation constitute individual incentives to compete implies also that the ‘realities of capitalism’ can be dismissed as a ‘fiction’. At the level of ideology, almost anything goes. We can be against poverty and committed to its eradication even when there are more impoverished people than there have ever been. We can be for investment in education and human development even when fewer children have access to schooling in much of Africa than was the case just twenty years ago. We can offer South Africans a place in trials of a drug which might suppress the development of AIDS and then deny them that drug on grounds of cost when the trials are over. We can be for democracy and against corruption and for the election of a not-so-democratic new President of Nigeria in an election full of irregularities. We can hold conferences on debt forgiveness which result in the continuation of debt peonage.

The recent G8 meeting in Cologne to discuss debt ‘forgiveness’ illustrates the process very well. The British Prime Minister, Tony Blair, observed that the recent US$100bn pledge of debt relief marked the ‘start of the process of ending economic marginalisation for developing nations’. Yet, welcome as it is, the G8 deal in fact is likely to consolidate the subordination of African development to the needs of ‘globalisation’. The G8 deal for the world’s poorest countries is to cut the $71 billion poor country debt stock remaining after traditional relief arrangements by $27 billion. The cash value of the debt would be reduced by a further $20 billion through the forgiveness of aid related loans. Recognising that the highly indebted poor countries initiative by the IFIs has been inadequate, the intention is to reduce debt-to-export ratios from 200 per cent or more to a paltry 150 per cent. The plan aims to promote more rapid debt relief by reducing the six year policy reform period provided that significant policy targets are met early. The intention is to cover the IFI financial cost of these reforms by selling up to 10 per cent of the IMF’s $27 billion gold reserves and to reinvest the proceeds. This still depends on the approval of the US Congress, which has been reluctant to sell the 10 million or so troy ounces of gold reserves needed for reinvestment, and on agreement to maintain bilateral government contributions to ensure the multilateral agencies continue to cover their operating costs. The World Bank President has expressed himself as ‘very happy’ about the G8 deal, although the Bank has expressed caution about funding it and about its effectiveness in delivering poverty alleviation (www.worldbank.org).
For all the enthusiasm invested in the Cologne announcement, the debt burden will remain massive and destructive. Jubilee 2000 and other commentators have already noted that poor countries will continue to spend more on debt servicing than on health and education. In addition, there are many uncertainties about the role of private capital in aid relief and of the degree to which it will depend on private charity. The British Chancellor, Gordon Brown, in an eve-of-budget speech to Jubilee 2000 in March 1999, called for British people to contribute more to developing country debt relief. In Cologne, he indicated the need for multinational companies trading in developing countries to cover funds not found by the IFIs. This signals an opportunity for foreign capital to make deals with host countries regarding trade liberalisation but it also leaves open the possibility that the funds announced will not be realised. Moreover, since the deal depends entirely on African countries meeting the conditions demanded by the IFIs (and they have not been able to meet them over the last 10 years, for the most part) it does not signal freedom from external regulation. Debtor countries are being offered parole, not liberty.

The problem of separating fact from fiction arises also with regard to IMF optimism that, as the new millennium approaches, Africa has a ‘window of opportunity’ and strong prospects for growth (even if the cynical might say that such bouts of optimism – and a corresponding absence of sustained economic development – can be traced back to the late 1940s). In May 1999, the Deputy Managing Director of the IMF, Alassane Ouattara, speaking in Mauritius about structural adjustment in sub-Saharan Africa, suggested that Africa was emerging from two decades of economic stagnation (www.imf.org). Average real growth he argued (excluding Nigeria and South Africa) rose from about 1 per cent in 1992-94 to around 5 per cent during 1995-98. There were also improvements in real incomes and a fall in inflation. While admitting that the 1998-99 figures were less impressive, he remained optimistic about the prospects for 2000. This optimism was premised on Africa’s greater integration into the world economy, the freeing of economies from government control and the greater opportunity this gave for private sector initiatives. In other words, he asserted, it was a vindication of liberal restructuring; the key to Africa’s recovery was greater integration into the world economy that actually caused its crisis originally. This characterisation is curious, not only because of suspicions (on the basis of previous experience) about the nature of the IMF evidence but also because Africa is variously characterised as having escaped the worst effects of recent crises in Asia precisely because it is ‘not fully integrated into the global economy’ and yet, now, is held to be reaping ‘the benefits of globalisation’.

The contradictions in such arguments and ‘evidence’ reflects the fact that they exist and operate within a terrain which requires constant political justification of policy, of spending, of the efficacy of agencies for which budgets must be met. It is difficult to evaluate them within the constraints of ideological formulae about the relative merits of states and markets. The experience of the last 25 years has been that the announcements of success are invariably premature and the pronouncements of an end to poverty wildly exaggerated. Debt, poverty and illiteracy have increased rather than declined. Only instability and war have done well. History shows us that being wrong will not be enough to make vested interests change policy, precisely because the policy is in their interests. The mantra of the market will be sustained, not because it produces development, ends debt or abolishes poverty, but because it justifies the attempt to impose a particular hegemony on much of the world. The rest of us, however, have an obligation to examine this process beyond the limits imposed by government funding and research contracts, to examine processes of accumulation.
and the interests that underpin them and sustain these policies. We have a need to bring imperialism back into the study of globalisation.

References

