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by Ann Seidman

Crystal ball gazing is hardly the province of social scientists. The best one can do, in attempting to assess the prospects for real economic growth by the year 2000, is to examine the contradictory trends and struggles shaping the political economy of Africa and the world today, and suggest possible alternative outcomes. Even the probabilities are obscure.

What is clear is that, despite over ten years of independence for over 40 African countries, the majority of the peoples of Africa still confront the overriding problem of poverty. Living on a continent endowed with extensive valuable mineral agricultural resources, they still suffer from among the lowest per capita incomes and the highest martality rates in the world.

Social scientists can most effectively utilize their tools of analysis to expose the causes of this problem. Whether and how it is ultimately solved will depend on the outcome of the contradictory trends, especially the struggles of the continental and international class forces. This brief paper aims to outline the author's views as to the nature of the causes of poverty in Africa, and the relative strength of the contending forces and classes struggling to overcome it.

I

I have argued elsewhere at length that the underlying explanation for the persistence of poverty in Africa, despite the attainment of political independence in most of the continent, lies in the political-economic institutions inherited from almost a century of outright colonial rule. The transnational corporate interests controlling the 'commanding heights'* continue to dominate and shape the export enclaves of the typical African economy, leaving it externally

*Export-import trade, banks and financial institutions, and whatever basic industry exists.

dependent on the capitalist world commercial system; and draining out, in the form of profits, interest, dividends, high salaries, and terms-of-trade differences, most of the investable surpluses produced by low-paid African workers and peasants.

Since the attainment of political independence in most African countries, a newly emergent class -- sometimes called the 'bureaucratic bourgeoisie' or, alternatively, ' the managerial bourgeoisie' -- has utilized the existing or somewhat modified state machinery to enrich its members. Typically, this class has been forced to rely on transnational corporate interests and their home governments for financial, technological, and, in some cases, even military assistance. Accepting the conventional 'western' wisdom that foreign capital is essential for development, African governments have vied with eachother to create the most 'hospitable investment climate'. In the end they have bargained away most if not all the potential national benefits proposed investments might have achieved in exchange for prestige, high salaries, personal fringe benefits, or, in some cases, outright bribes for the ruling elites. The primary benficiaries of this kind of 'growth without development' have been the transnational corporations who have secured for themselves continuing supplies of valuable agricultural and mineral raw materials; markets for their surpluses of machinery and equipment, as well as manufactured parts and materials; and a flow of profits.

The winner of this invidious competition has not been any of the newly independent countries of Africa. Statistical data reveals that by far the largest transnational corporate investments in Africa over the last 15 years have been made in South Africa. There the white minority has successfully evolved a state capitalism based on a handful of oligopolistic mining finance houses and the direct use of explicitly discriminatory laws to coerce the African majority into the status of an impoverished working class, denied any vestige of constitutional rights. In this context, transnational corporations have

multiplied their investments, contributing to the creation of the most advanced, vertically integrated manufacturing sector on the continent.[4] U.S. transnational manufacturing corporations, for example, have invested four out of five dollars they have invested in all of Africa in the factories of South Africa.

The South African economy illustrates in major respects the potential outcome of the distorted pattern of development likely to result from competitive efforts to attract transnational corporate investment -- if, indeed, any development takes place at all. South African racism has provided a particular form of ideological legitimization for a small group of 'haves' (the white mine, farm and factory owners together with a limited white labor aristocracy) to exercise their control of state power to raise their own incomes and living standards, while condemning the majority of the working class and peasants (all black) to gross impoverishment.[5] What more efficient way of maintaining a low-cost labor force and avoiding urban unemployment and tensions than by restricting 80% of the population to 13% of the land area (so-called 'Bantustans') from which adults may leave only to obtain jobs from the minority which has a monopoly over the nation's productive sectors? Let the rural 'homelands' pay for the 'care' of the young, the unemployed, the women, the old. If malnutrition, disease and death reduce their number, that is not the concern of the affluent minority, or the transnational corporations which have financed and provided the technology for the phenomenal growth of their industries.

There are those who insist that justice and equity require no more than to eliminate the racist features of South Africa, leaving its basic economic structure, with its (illusory) free market forces, in tact, and the benefits of South African development will accrue to all its inhabitants.[6] In other words, a few lucky Blacks will be included among the wealthy 'haves.' This is the pattern of 'moderate' change which United Nations Ambassador Andrew Young and Robert Oppenheimer have joined together to urge,[7] in opposition to the fundamental political

economic reconstruction proposed by the armed liberation movements in southern Africa.

More than a decade of experience in the politically independent countries of Africa has shown that any so-called 'development strategy' based on attempts to attract further transnational corporate investment in the context of already lop-sided, externally dependent economies, perpetuates the conditions which have condemned the vast majority of Africans to continuing poverty. Malnutrition, even outright starvation, stalks the continent, as more and more of the best agricultural land, irrigation, fertilzers, marketing facilities, and extension agencies are devoted to expanding exports to the uncertain fluctuating world markets dominated by transnational trading and processing companies.[8] Unemployment mounts in unsanitary, overcroweded urban squatter compounds as young men and women flee spreading rural underdevelopment. Their hopes for jobs are dashed as whatever limited funds available are invested in capital-intensive, last-stage processing and assembly plants to produce luxury and semi-luxury items from imported parts and materials for the lucky few with cash to buy them.[9] As world prices for national mineral or agricultural exports fall, government after government has had to borrow from transnational banks and international agencies to cover growing expenditures. Domestic inflationary forces have been fed by rising world prices of the imported goods and materials on which the economy has become increasingly dependent. Overseas borrowing has still further aggravated national external dependency, adding growing payments of interest as well as principal to future balance of payments burdens.[10]

In the last three years, the weaknesses of this pattern of development have been sharply exposed as the world capitalist system has once again plunged into a general crisis. It is now evident that the monetary crisis of the late 'sixties was only the beginning of a more encompassing set of economic difficulties enmeshing the political economies of the entire developed capitalist world.[11] In the under-

developed countries of Africa, as well as throughout the rest of the Third World, fluctuating exchange rates, rising costs and growing inflation have wreaked havoc as unemployment and declining growth rates have reduced markets in Europe and the United States. Rendered increasingly dependent on imports and expanding sales abroad, country after country has been confronted by sky-rocketing inflation and mounting unemployment, accompanied by expanding internal and external debt, just fo finance current expenditures.

Even South Africa has become deeply immersed in an economic, as well as a political crisis. It has been estimated that unemployment among Africans has reached 15 to 20% of the labor force. Inflation is well into the two-digit numbers, slashing real incomes of those who still have jobs. Rising military costs, required to suppress growing opposition, has led to cuts in other government expenditures and contributed to heavy balance of payments deficits. Although transnational banks have multiplied their loans to South Africa to over $9 billion, (probably closer to $12 billion, exceeding total investments of transnational corporations there)[12], South Africa's domestic economy shows few signs of returning to the high rates of growth of the 1960s. Even two devaluations, designed in South Africa as elsewhere to throw the burden of 'readjustment' on the African wage earners, have not restored prosperity.

There is no easy answer to the question posed at the outset of this paper: "What does all this mean for Africa in the year 2000?" It is clear that, unless something happens to alter the underlying factors causing the problems inherent in the gloomy picture painted above, the masses of the population of Africa -- by 2000 there will probably be almost 800 million inhabitants[13] --will, if anything, be more impoverished than today. This will remain true even if white minority rule is eliminated in southern Africa, as long as the basic distorted political economic structure remains in tact.

II

But there are trends and movements on the continent that may lead to a more effective pattern of real economic growth. Tanzania's TANU, having taken over the commanding heights of the economy in 1967, has for more than a decade been involved in a 'silent class struggle' to build a transition to President Nyerere's brand of ujamaa social ownership of the means of production.[14] Algeria is investing the vast (though temporary) surpluses accumulated from the sale of its oil at OPEC prices, in building what its leaders prclaim as a socialist economy with a relatively capital-intensive technological base.[15] Mozambique, Guinea Bissau, and Angola, having won independence after a decade of guerilla warfare, have declared as their aim the restructuring of their economies along Marxist-Leninist lines[16]

The presence of socialist-orineted governments in a third of the world, despite their serious ideological differences and conflicts (one can only deplore the unfortunate results of the carryover of these conflicts into Africa!), offers African countries embarking on the path of restructuring their ecomomies real alternatives to transnational corporations for technological and financial assistance. This was illustrated by China's financing of the Tazara railroad after Western governments refused to assist. It was exemplified, too, when Cuban and Soviet aid enabled the new government of Angola to push back the 1975 South African invasion, and then provided essential technical personnel to train Angolans to replace the Portuguese who had left precipitously. But in the last analysis, the African countries must work out and implement their own plans and strategies to attain self-reliant development.

The transition period, in all these countries, will inevitably be fraught with contradictions and setbacks, even if the declared goals are ultimately attained. It is easy for armchair theorists (and social scientists are, admittedly, almost all found in that category) to voice their opinions of these contradictory phenomena, but it is difficult to determine the probable outcomes

with any certainty. Some critics, for example, argue that enforced ujamaa-ization has rendered Tanzania's political leadership incapable of maintaining mass support, and has strengthened class elements seeking to block further socialist reconstruction of the economy. Others insist that the resulting fundamental changes in rural institutions and attitudes may , over time, lead to increasingly successful socialization of agricultural productive activity.

In Algeria, the creation of large-scale, capital-intensive industries, some commentators maintain, has facilitated the emergence of a group of technical experts who control critical decision-making, blocking the growth of effective participation by less skilled workers and traditional peasants. Others hold that the leadership is working to create new participatory institutions and, over time, the contradictions inherent in the industrial program will be resolved as workers acquire more skills and take an increasingly active role in managing the growing socialized sector.

Mozambique, Angola, and Guinea Bissau have only just taken the initial steps in restructuring their political economies in the last two years. Guinea Bissau faces serious constraints because of the tiny size of its land area and population, though initially in some ways this may facilitate attainment of the national unity necessary to implement its program and attain real economic growth. Mozambique and Angola, on the other hand, not only confront the difficult problems of reconstruction, but also border on and are necessarily continuously involved in the on-going struggles for liberation in the rest of southern Africa. The white minority regimes, allied with transnational corporate interests which are sometimes backed by their home governments, have engineered and will undoubtedly continue to employ a range of techniques to destabilize and if possible topple these new governments. Occasionally, these concealed maneuvers have emerged into the open, as when the Rhodesian military attack villages deep inside Mozambique, and South African troops openly aid UNITA's efforts to disrupt reconstruction in southern Angola.

Given the inevitablility of a "two-steps-forward, one-step-back" kind of progress, these nations -- if they succeed in pursuing their declared goals -- may by the end of the century have implemented a series of carefully designed physical and financial plans in the context of long term development strategies to provide increasingly productive employment opportunties and rising living standards for the masses of their inhabitants in the context of increasingly integrated, balanced, and self-reliant economies. An essential prerequisite to their success is that the leading political party succeeds in building on the unity and increasing participation of the working people and peasantry in the control of the nation's productive facilities and the planning processes.[17]

Effective regional integration, involving a high degree of political economic coordination, including joint state ownership of the commanding heights of the participating economies, could greatly speed this process of reconstruction and attainment of real economic growth.[18] (This kind of regional integration should be distinguished, however, from the unplanned common market type, which permits transnational corporate investments to foster uneven development at the expense of the majority of the peoples of the regions, as occurred in those established in Southern Africa, the Federation of Rhodesias and Nyasaland, and East Africa; and probably will occur in West Africa as the common market there is presently constituted.[19]) Tanzania and Mozambique, for example, have agreed to attempt to formulate and implement complementary industrial strategies. If this initiative is seriously pursued, and accompanied by the necessary institutional changes, the merger of their markets and available investment funds could enable them, over time, to take advantage of significant economies of scale in basic industries like iron and steel, centred on Tanzania's known iron and coal deposits, located near the Tanzara railway; and a hydro-electric grid radiating out from Mozambique's giant Cabora-Bassa Dam, linked to the proposed Stigler Gorge project. These potentials would be enormously enhanced by incorporation of Zambia, making it possible to link up also with Angola, and a liberated Zimbabwe. The five countries, working together could implement joint development plans capable of revolutionizing the

the productive capacity and living standards throughout the region.

The total liberation of the white-minority ruled nations of Namibia, Zimbabwe and South Africa would clearly qualitatively alter the possibilities for restructuring the regional southern African political economy. The three countries, between them, have extensive mineral and agricultural resources. More important, South Africa and Zimbabwe, together, - as a result of historical investments enabling them to attain the status of dominant regional imperialist subcenters -- have the largest industrial sector in Africa. Planned integration of their productive capacity and investable surpluses into regional strategies could greatly accelerate industrial and agricultural growth throughout the entire region.

With full-scale guerilla warfare in Zimbabwe and Namibia, and extensive urban up-risings in South Africa, the liberation of these countries may occur much sooner than social scientists would have predicted five years ago. The real question now is whether or not a fundamental reconstruction of these countries' politcial economies will take place when the white minority regimes are at last ousted. The biggest danger is that transnational corporate interests, supported by their home governments, will manipulate negotiations and intervene politically and even militarily to perpetuate the underlying exploitative structure behind a facade of rule by one or another type of black elite.

III

In sum, the prospects for real economic growth in Africa by the year 2000 will be determined by the outcome of contradictory forces and class struggles. If the emergent 'bureaucratic bourgeoisies', heavily reliant on transnsnational corporate involvement, perpetuate the inherited pattern of lop-sided, externally dependent growth, it seems probable that the masses of the African people will remain impoverished and increasingly oppressed.

If, on the other hand, the wage earners, unemployed, and peasantry, together with committed intellectuals, unite to control the machinery of state and the commanding heights of their national economies, they may be able to implement

plans for political economic reconstruction to provide productive employment opportunities and rising living standards for all. Invevitably, even for countries already embarked on this route, there will be difficulties and setbacks. Their prospects would be enhanced if they could integrate their economies on a regional and, ultimately, continental basis, but this, too, depends on their political unity and strength.

The full liberation and restructuring of the southern African nations, particularly if their relatively industrialized economies were united with those of neighboring countries in the context of a longterm planned regional development strategy, could go a long way in contributing to real economic growth to meet the needs of the people throughout the region and even the entire continent. Given the extensive involvement of the U.S. and other transnational corporate interests in maintaining the political economic status quo in southern Africa, it remains to be seen whether the liberation forces, together with their allies on the continent as well as elsewhere, can realize these potentials.

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