Formation and Transformation of the Atlantic Economy into the Global Economy

Professor John Moyibi Amoda—Director of Lagos State University Centre for Development and Democratic Studies Ojo, Lagos State, Nigeria.

Presented to the Global Political Economy Commission at the 19th IPRA General Conference in Seoul, South Korea, 2002

PEACE EDUCATION BOOKS

PEB

Description: One global economy has existed since 1917, and Africa is one sector of that economy. The history of Africa's integration into that economy is one aspect of the history of the formation of the global economy. Before the so-called Atlantic Slave trade, Africa's relation to its neighbors near and far was one of trade; thus, Africa's relations was one of trade—as opposed to the coercive integration through conquest and colonization—that brings mutual benefits to the trading partners. For Africa, the replacement of surplus production trade—a society's surplus, which is trade by surplus production societies—by the supposed trans-Atlantic slave trade, was the beginning of Africa's coercive integration into the emerging transatlantic economy, which developed into the global economy.

Keywords: African pre-colonial societies, African Union, anti-nationalist globalization, anti-socialist globalization, Atlantic commerce, Atlantic slave trade, Bolshevik Revolution, capitalist development, coercive integration, colonial Africa, colonialism, comparative advantage, division of labor, empire system, Euro-American capitalist global empires, feudal economy, global capitalist economy, industrial revolution, market integration, political economy of Pre-colonial Africa, post-colonial Africa, pre-colonial Africa, primitive accumulation, prisoners-of-war, proxy war, socialist development, socialist economy, state-mediated integration, surplus production trade, third-world

Indices and synoptic concerns about Africa's status in the global economy

According to a graph published in the New International Journal, the cost of a bar of chocolate is parsed this way as

- overhead and other ingredients: 36.8% of the final price,'
- supermarket that sells the chocolate: 34.1%
- value-added tax: 14.8%
- fair trade manufacturer (tariff): 10.4%, and
- cocoa farmer: 3.9%.

> This calculation is based on the chocolate being manufactured by a company that subscribes to the Fair-Trade label, which means it has decided to buy cocoa direct from farmers from for example, the Kuapa Kookoo Cooperative of Ghana. The farmer getting only 3.9% of the price of a chocolate can expect even less from the conventional chocolate manufacturer who uses the tricks of the trade-speculation on the international commodity markets: keeping grinding low at crucial times to force down the price, and using artificial additive and cocoa butter substitute etc. Nevertheless, you only need to see a cocoa farmer at work to appreciate the difficulty of producing the beans that create such big profits for others.—Excerpt from: "Cameron Duodu's Opinion," in *New African,* p. 39, June, 2001 #397

Nigeria's debt structure as Africa's parable

In sequence, Nigeria

- borrowed $12 billion from the Paris Club
- repaid the sum of $17 billion
- still owed, according to its creditor, $21.25 billion.—Mallam Ciroma, Nigerian Federal Minister of Finance, in *Vanguard*, August 12, 2001

To them that have not that which they have will be added to them that have.

The Director of Research for the Association of African Universities, Akilaapa Sawyer notes that many of Africa's best are snapped up by foreign countries. The International Organization for Migration had noted that:

> The brain drain of skilled professionals from Africa makes economic growth and the alleviation of poverty almost impossible across the continent. Every year, 23,000 graduates leave Africa for opportunities overseas, mainly in Europe. The migration of skilled people has left 20,000 scientists and engineers in Africa, servicing a population of about 600 million. Emigration from South Africa alone is estimated to have cost the country $67.8 billion since 1997 and retarded economic growth.—*West Africa Commentary,* p. 6, of August 20-26, 2001

Comesa Summit to Boost Free Trade Zone Ends

Addressing some dozen heads of state and government from the 20-member bloc, called for

1. structural transformation of the economies of member states, and
2. coordination between the countries in the Common Market for Eastern and South Africa (COMESA). Our economies are small and specialized mono-economies. Many of our countries are dependent on foreign aid. Most of our environment entities have been established in a protected environment. I suggest that we devote more attention and resources to bring a meaningful structural transformation of our economies based on the realization of that precondition for the ultimate success of our agenda of economic integration.—Meles Zenawi, Prime Minister of Ethiopia in *Vanguard*, May 30, 2002

Salim Ahmed Salim about Africa's Present Socioeconomic Condition

It is important to acknowledge the fact that the recent history of many states has been characterized by deep socioeconomic crises arising from the ongoing wrong policies of

- maladministration
- mismanagement
- corruption
- excruciating debt burden, as well as
- the unfavorable global economic conditions.

Africa's economic performance continues to be appalling; the continent's GDP keeps going down; in this century, Africa had only 2% of the global GNP. Africa is faced with a development crisis of great danger. —Salim Ahmed Salim in *Vanguard,* June 3, 2002.

Zambia's President Pledges to Diversify Economy

On Monday, Zambia's President Levy Mwanawasa said he backed quick action to diversify its copper based economy in the wake of a decision by Anglo American to pull out of the troubled Zambian venture. "Our heavy dependence on copper has rendered our economy vulnerable. The dictates of global copper prices have affected us," Mwanawasa told an investor conference in the northern city of Kitwe, called to seek development options to copper.

The leading hard currency earner in this southern African country of 11 million people has, for several decades, been copper. However, low global prices have cast a shadow over the copper industry and, thus, Zambia's future. Anglo announced in January it would not invest in its Konkola Copper Mines beyond April. Anglo is in talks with the Zambian government on its withdrawal.

"We must move away from copper because we are endowed with numerous natural resources," Mwanasawa told nearly 300 delegates brought to Kitwe by the World Bank, adding that Anglo's decision presented Zambia with the stark reality that it needs to diversify its economy:

There is no reason that we should have such a mono-economy. The Kitwe conference examined viable projects in tourism, emerald mining, manufacturing, and industry that will be presented for funding to donors at the so-called Consultative Group meeting in southern Zambia, next month. World Bank Country Director for Zambia, Yaw Ansu, said that Zambia must look at the immediate repercussions of the Anglo pullout.—Zambia's President, Levy Mwanasawa in The Guardian, June 5, 2002.

Formation and Transfer of the Atlantic Economy into Global Economy

Executive Summary

Our thesis is that one global economy has existed since 1917, and Africa is one sector of that economy. The history of Africa's integration into that economy is one aspect of the history of the formation of the global economy.

Before the so-called Atlantic Slave trade, Africa's relation to its neighbors near and far was one of trade; thus, Africa's relations was one of trade—as opposed to the coercive integration through conquest and colonization—that brings mutual benefits to the trading partners. For Africa, the replacement of surplus production trade—a society's surplus, which is trade by surplus production societies (SPS)—by the supposed trans-Atlantic slave trade, was the beginning of Africa's coercive integration into the emerging transatlantic economy, which developed into the global economy.

The concept of the Atlantic slave trade needs deconstruction; first, it was not trade in slaves; it was trade in—captives taken in predatory wars; thus, it was not trade but a prolonged proxy war waged to satisfy external demand for slave labor. The *sellers* in Africa either had to engage in prisoner-taking wars as a matter of business or contract the waging of these wars to their agents. The buyers had to devise means of converting prisoners-of-war into slaves in their place of use and affect their ownership of such slaves through their resident states. Without the state, the secured exploitation of prisoners of war could not take place: it was in the interest of free people transformed into prisoners to organize for their freedom from captivity.

The trade in slaves was nothing but war against plundered communities, thus war by another name. Prisoners of war are not commodities; and, therefore, as conscious individuals with a stake in their freedom, they took steps to frustrate the policies of their captors and, thereby, make their captivity as brief as possible. To focus only on the captors—constituted of both sellers and buyers—and to deny the interests of the captives is to deny that the captors knew that their so-called slaves were, in fact, free men and women; therefore, they used chains to secure their control of the prisoners.

Thus, Africa's integration into the Atlantic economy—constituted of Europe and the Americas (colonial and post-colonial) was secured via war and not trade. In this Atlantic economy, Africa was to be transformed into a supplier of prisoners of war and, ergo, a region of prisoner-taking wars. From the 16th to the 19th century, this was Africa's instituted economy. Africa's transformation into a sector of the global economy began in this era of the trans-Atlantic slave trade.

The following excerpt from *Global Rift: the Third World Coming of Age* by L. S. Stavirianos elucidates the preceding statements. He contrasts the era of trans-Saharan trade engaged in by partners from surplus producing societies with the trans-Atlantic trade that resulted in the transformation of societies into mere sectors of prisoner-taking wars.

> In retrospect, the trans-Saharan trade benefited all parties involved: the Africans to the South, the Arabs to the North, and the Europeans across the Mediterranean. The same may be said about African trade across the Indian Ocean through intermediaries of coastal Arabs. These long-distanced trading operations were important, in particular for sub-Saharan Africa. External trade, as distinct from bartering, was invaluable in stimulating the production and accumulation of surplus for exchange purposes and to promote political centralization by providing local rulers with weapons, horses, copper, and iron. During the pre-Portugal period, African participated in long-distance trade as equals and utilized it to fulfill their own needs. Contemporary Arab accounts confirm the trade the autonomy of the African participants. All this changed with the fateful appearance of the Portuguese on the West coast of Africa in the mid-fifteenth century. This represented another step in the historic shift of the Europe economic center: from the Mediterranean Sea to the Atlantic Ocean. The ancient trade route across the Sahara was eventually "short-circuited," as was the trade route through Egypt and the Red Sea to India and the spice islands. A new era in world trade relations was ushered in—one in which the autonomy of all participants was no longer possible. In this era, Northwest Europe initiated, dominated, and manipulated global trade for its own purposes: Western commercial capitalism. The price was paid, not only by the serfs of Eastern Europe and the indigenous peoples of New World, but also by the Italian city-states in the Mediterranean, the Arabs of Southwest Asia, and sub-Saharan Africans.—L.S. Stavirianos in Global Rift: the Third World Coming of Age, pp 104-5. William Morrow and Company, NY 1981

Eric Williams, in his compendia style account of this era, published under the title *Capitalism and Slavery,* provided the detailed history of the formation of the trans-Atlantic economy; he showed the link between slavery based upon capitalism and the industrial revolution, which was brought forth by the primitive accumulation of the trans-Atlantic economy.

The industrial revolution made production the dynamic sector of the capitalist economy, and ushered in the era of capitalist empire. Non-European regions of the world became systematically incorporated into the capitalist empires of the rival European nation-states, which, in turn, were the means for the development of global capitalism. Through the formation of capitalist empire, the Atlantic economy was transformed into the global economy. The structure and functioning of this global economy has been documented in our book, *Global Constraints to Third World Economic Development: The African Instance*.

The structure of the global economy was the result of the division of labor instituted via capitalist *colonialism*. The operation of this economy reinforced this structure as the once autonomous surplus-producing regions were reconstituted into sectors that would specialize in production activities that contributed to the growth of the global economy.

The late 1940s ushered in the era of de-colonization of the global capitalist empire in its third world regions. De-colonization, as instituted, did not transform the economic structure of the global empire; the restructure of the economy through Bolshevik and Maoist socialist revolutions only made the regions under these socialist regimes a subsystem of the global economy. In the evaluation of these movements that transform—such as the Bolshevik Revolution and third-world de-colonization—the constraints to Africa's economic development become discernible.

We assert here that egalitarian development opportunities in the global economy are crafted through sovereignty movements. The 1917 czarist Russia was, by then, incorporated into the global economy as documented by Lenin in *The Development of Capitalism in Russia*. Stalin's achievement, however, resulted in the establishment of a socialist subsystem within the global economy. The cold war was nothing if not the struggle by the Bolshevik Party to transform the global economy using its socialist system as a beachhead against the Euro-American defense of the global economy.

Socialist development as a statecraft was confined to the Soviet-bloc and Maoist China. Its development potential was constrained by its global economy, which was both its context and hegemonic rival. As a subsystem, social structures had secured state structures to defend their sphere of interest. Nevertheless, as subsystem this autonomy was still constrained in terms of structure; hence, the cold war containment policy by the capitalist governments suppressed socialist development. In opposition, de-colonization by a policy of development has left the structure of the global economy unaltered and, thus, caused post-colonial countries to become factional components of the global economy. Nationalist development of the factional components of the global economy is a dependent development. The pressing issue about development statecraft is whether capitalist or socialist development is doable for the African factional components of the global economy.

In phrasing the issue in this way, we can diagnose the current globalization process as a post-colonial and post-cold war reconsolidating of the global economy as an anti-nationalist and anti-socialist movement. The challenge for the proponents of the New Partnership for African Development of affecting an African economic statecraft in the context of anti-nationalist and anti-socialist capitalist globalization. African Union, the New Partnership For African Development (NEPAD), and the Conference for Stability, Security, Development, and Cooperation in Africa (CSSDCA) must be appreciated in the context of this pressing issue. Their statecraft designs must be in a context within this process that mandates the liberal capitalist market as the political arena for implementing Africa development and governance strategies.

I Theoretical Comment

Rephrasing Africa's Development Requirement: a Methodological Clarification

Thematic quote

> The ability of the new rulers to manage economic development was doubtful, as well as their inclination to do so; nevertheless, those of us on the outside have readily assumed that Africa's ruling elites are bent on developing their countries. Our focus has been on the feasibility, success, or failure of African development projects, and, in particular, on how to improve them. However, what is the country that is being developed? Who is doing this developing and why? Consider, for example, Nigeria, which, still, is a contested terrain of conflicting identities even after three decades of independence and a still longer period of being one political entity. Perhaps some of Nigeria's elites think of themselves, largely, as Nigerians and place their Nigerian identity above all other identities. However, many more are ambivalent about what their primary identity should be; and, even more place their Nigerian identity below that of their local community, nation, or ethnic group. As in most African countries, the Nigerian state remains a battleground where individuals fight for whatever power or resource they can capture. In the struggle, people may treat public office as a resource to appropriate public funds. Such behavior has led to comments about public corruption, lack of accountability and absence of public-spiritedness in Africa judgments that miss the point.—Claude Ake in Development and Democracy in Africa pp 69-70

A document titled *Global Constraints to Third World Development: an African Instance* by John Moyibi Amoda, has been submitted for peer review. In the introduction titled, Rephrasing Africa's Development Requirement: a Methodological Clarification attempts have been made to address a query raised about the quality of the data used. As suggested, the current data will improve the case made in the *Global Constraints* … text. I show why this is not necessarily the case in this the data of the 1950 - 1970s, the era of agitation for national independence, are used to answer are five-fold:

1. What was the structure of the global economy toward the end of the colonial era?
2. What kind of change in this economy was produced by de-colonizing reforms of this global economy?
3. What is the structure of the economies of the postcolonial countries, in general, and of Africa in particular?
4. Do current data support the characterization of postcolonial countries as sectors of the global economic colonialism rather than as surplus product?
5. How will the structural constraints that impede Africa's development give way to a development-friendly environment?

In the introduction to which this preface is written, I assert that the methodological relevance of these five questions to the design of development strategies within the context of NEPAD; and, I show the theoretical significance for our assertion of Jalee's political economic analyses of the global economy. I believe that we must redefine the unit of analysis constraints and embark on the studies that will equip the new African Union to play a strategic role in realizing the bold aims of the architect of NEPAD.

Rephrasing Africa's Development Requirement: a Methodological Clarification

A proposition informs most of the concerns with conflict prevention, management, and resolution in Africa; and, it is that conflicts are the principal constraint to the ideology of developmental statecraft in Africa. A consequence of this proposition is its implication, namely: if Africa can tame its society and conflicts, which devour its economy, then the current constraints upon development would fall away in an environment that enables. What's more, the British Government via its Department For International Development (DFID) has taken this proposition a step further, namely: to devise, through study of conflict situations in its fields of operation, models of development that take into account the effects of conflict on its development initiatives with a view to reducing their impact on their programs. The World Bank and the DFID have joined forces to improve this strategy and to evangelize the adoption of this approach by development agencies. The same idea informs the link made between development and statecraft of democracy in Africa.

Once the conclusion that: a) the root cause of conflict is despotic control of power by African governments and, b) conflict is seen as the main constraint upon development, it follows that what reduces conflict, thus, increases the prospects of development. Therefore, the case is made that governance systems that are less despotic while more inclusive, transparent, and democratic would be less hostile to development than the prevailing and present authoritarian systems.

This argument provides the justification for donors making adoption of democratic governance a condition for the giving of economic assistance to African governments. Such incorporation of support for democratic governance into Africa's ideology of developmental statecraft is a major component of the strategies affirmed in NEPAD.

There are, however, grounds for more than a second look at this explanation for Africa's failure to develop, which is conflict. One major reason scientific explanations of Africa's failure with development is supportive of this caution. In the 1960s and 1970s explanations were mainly cultural; Africa's potential, which was supposed to be similar to those of other continents, was not actualized, as argument would have it, because the continent's lack of:

- modernity—defined as a cluster of values of the industrialized capitalist West
- nation-state societies—what with tribalism hindering the development of the nation-state defined as a structure of society political community, again, intrinsic to the industrial capitalist West
- democracy—Africa's seemed fertile for one-party dictatorships and military or praetorian bureaucratic authoritarianism while less supportive of Western ideals and that came with independence from colonial rule, and
- power—monopolized by a political class of patrimony and corruption backed by the West during the cold war because of their professed hostility to Bolshevik socialism.

With the end of the cold war, the hope was that there would be a democratic "aperture" to vote this class out of power in favor of more responsible representatives. A decade after the cold war, Africa is yet to find its way out of pervasive poverty, even though Africa's praetorian governments have been replaced by multi-party electoral governance systems. Against this background, it seems prudent to present a method for assessing the relevance of development statecraft in Africa's post cold war settings.

While we do not discount the effect development praxes, still of critical importance is to take into account past explanations of Africa's underdevelopment and non-development, when these explanations have been anchored in facts other than those of conflicts. This is even more the case when we believe a method for testing the validity of explanations of Africa's parlous history with development can be crafted. We have sought to do this in the study introduced here.

At issue: the Unit of Analysis

It is important that we be clear on how to go about effecting this reassessment of the prevailing explanatory traditions of Africa's socioeconomic conditions. In doing so, we must define the unit of analysis and be cognizant of the history of the formations whose change produced the countries that comprise present day Africa. Therefore, Africa's political history has the following eras: • pre-colonial, • colonial, • postcolonial.

If our concern is with the postcolonial, then we are concerned with Africa's socioeconomic change. Thus, this question needs to be asked: Into what structure was the body of Africa's pre-colonial societies transformed? To answer this is to know what comprises the colonial. Stated in this way, we are able to review, in theoretical form, how the colonial was formed through the transformation of the pre-colonial. Our concern is to reopen the case files of former and present explanations of the processes of transformation, in general, and of Africa's pre-colonial transformations in particular.

Toward this end, it is important to define the colonial because that differentiates the pre-colonial from the postcolonial. The perfection of the colonial occurred in the establishment and development of the capitalist global empires of the Euro-American West. The colonial defines the subject classes of the capitalist global empires and distinguishes these from the citizen-sovereign classes of the capitalist global empires. In other words, the colonial is the class of subjects of capitalist empires.

The formation of the history of African state power into eras is, thus in fact, the forming of eras of the transformation of African pre-colonial societies into sectors or parts of the Euro-American capitalist global empires. Thus, the unit of analysis of contemporary Africa's political economy is the capitalist global empire of which Africa was one of the colonial sectors. The formation of this empire spawned the eras of the pre-colonial, colonial, and the post colonial. The periods describe three class situations: the pre-colonial corresponds to the period when African societies were sovereign and interacted with the non-African world as equivalent sovereigns. For the purpose of this analysis, we can regard all of pre-16th century Africa as pre-colonial. The colonial describes the period in which those hitherto sovereign sectors were incorporated as subjects of capitalist imperial empires. The full establishment of the capitalist empire would coincide with the WWI: 1914-1918. The Bolshevik Revolution of 1917, for our purpose, marks the global beginning of anti-imperialist movements and, thus, the transition from the colonial to the postcolonial, which would, therefore, define the result of change of the capitalist empire. What changes did the anti-imperialist movements produce in the capitalist global empire? Were these changes—in the system that it reforms—of the capitalist global empire? On the other hand, were they changes to the capitalist global system and, thus, a transformation of the empires? In other words, we need to know if the anti-imperialist movements were changes-of the empire system or changes-in the empire system movements. The post-colonial, consisting of changes-in the empire system would be, in structure, different than the postcolonial resulting from changes-of the empire system movements. Which form of change accounts for the structure of Africa's postcolonial country formations?

In attempting to systematize the study a political economic statecraft in Africa, we see the historical accuracy of defining the unit of analysis as the capitalist global empires" British, French, Belgian, Anglo-American, etc, and in aggregate: the Euro-American global empire. This is a net gain in our methodology. In place of the colonial, which describes subject classes or populations, the correct focus is directed to the state system through which the subject conditions of Africa's pre-colonial societies were the Euro-American global empires.

Accountability for the nature of the transformation resulting from subjection of the hitherto sovereign of pre-colonial Africa makes it important to appreciate the difference between economic changes that inter-sovereign relations might experience and that typical of conquered/conqueror relations of power. Again, we go back to the pre-colonial, which of inter-sovereign relations of power that would become transformed into class relations of conquerors and conquered. What we seek to in this characterization of issues is to ask two questions:

1. What kinds of integration of economies or societies were and are possible in eras or inter-sovereign or inter-state relation of power?
2. What kinds of integration are characteristic of the transition from inter-sovereign relations to that of conqueror and conquered?

These questions are asked to assist us in giving content to the structure of state and society that we have described as the Euro-American capitalist global empires, the change in and/or of which have given rise to the postcolonial countries constituted of classes of former subjects, namely: the class of colonial subjects.

Market Integration versus State Mediated Integration

The two types of integration of importance to us amongst sovereigns are those produced by trade and those by war. Two types of ruling class interests are of significance to our analysis of the structure of Africa's postcolonial countries, namely: the *feudal* and the *capitalist*. Integration through trade and conquest typify Africa's pre-colonial relations to the non-African world in general and to Europe in particular; and, empire building in the era of Africa's pre-colonial was largely feudal. Thus, the emergence of the colonial is a feature of the change of the ruling class involved in European empire building, the change from the feudal to the capitalist ruling class. The course of change of the pre-colonial to the colonial in Africa is what we seek to explicate. This course involves the change of 1) the modes of integrating Africa to the outside world from trade to war, and 2) the ruling class interest in empire building from the feudal to the capitalist.

From this perspective, it is easier to see why the colonial has a structure different than the pre-colonial. Integration by trade in the service of feudal empire building would result in the colonial that is of the same economic structure as the pre-colonial. On the other hand, integration by war in the service of capitalist empire building results in the colonial that would be a sector of the capitalist imperialist economy. Africa's problem with developmental statecraft inheres in this fact,

namely: that Africa's postcolonial countries are still sectors of the capitalist imperialist economy. The countries are a result of the kind of change-in-the-capitalist empire state and economy that has not altered their imperialist economic function and structure. This conclusion is what we have sought to show via the detailed use of the works of Pierre Jalee: an analysis of the consequence of the change-in-the-system of global capitalist economy formed by Euro-America capitalist empire builders. The data of Jalee from the 1950s and 1960s help us to see the type of change to which the Euro-American global capitalist empire was subjected in producing countries of the third world with the kind of economic profiles reflected in Jalee's regional comparisons of economic production and trade and wealth distribution in the global economy. Jalee's work has the apropos methodology because his research describes the world economy as the capitalist global economy under revolutionary and developmental pressures to reform. The Bolshevik revolution, while establishing Bolshevik socialism in the Soviet Union, did not result in the global overthrow of the capitalist economy fashioned through capitalist global empire building. It did result, however, in a socialist subsystem within this global capitalist economy consisting of countries in which similar Bolshevik socialist revolutions had been instituted and whose security was organized via the WARSAW Alliance. The result of Bolshevik global state power, whose focus on global state-power resulted in the cold war, I describe as subsystem because the content of economic activities of Bolshevik socialism were the same in both the Euro-American capitalist empire and the Bolshevik socialist system; the difference between the two was in the power interests of the respective ruling classes.

A Bolshevik subsystem was however not the aim of the Bolshevik Socialist Parties but was rather the replacement of global capitalism with Bolshevik socialism. The Bolshevik subsystem organized as a distinct production and trade alliance differentiates from what Jalee calls the *third world*, which consisted of Africa, the Americas, Asia, and the Middle East (Southwest Asia). This third world is the result of a de-colonization, which forms the change-in-the-system in contradistinction to Bolshevik socialism organized for change-of-the-system. De-colonization, while it results in change at level of the government and governance constitutions of global capitalist empire, it leaves unchanged the global capitalist economy and, with it, the operations of sectors of the colonial province of the capitalist empire economy. Our assertion, based on the statistical evidence of the third world of the cold war era, is that the developmental statecraft designed to achieve economic parity between the third world and the Euro-American capitalist societies would stay constrained by the very functioning of the global capitalist economy. That is because the third world postcolonial countries are, in fact, sectors of the global economy. We assert that this, the so-called normal functioning of this economy, results in the disparity of wealth and income between the capitalist economy and the developmental third world sectors of that economy.

The Function of Trade

A sector is a part of the whole, and the disparity that the developmental ideology of the third world is organized to eliminate cannot be achieved by a statecraft design premised on trade. Within an economy, trade does not result in its reform; it reinforces the division of labor within that economy. Reform of the economy is a prerequisite for egalitarian development between unequal sectors of the same economy. This policy argument is defeated where and when it can be shown that internal economic trade between unequal sectors of the same economy results in the egalitarian reform of the economy. This has not been the case, thus far, in any of the third world.

In the economic analysis of the *Global Constraints* … text, the fact of disparity in wealth, production, and exchange is demonstrated, repeatedly. So, too, is the futility of seeking economic parity between the wealthy and the poor of this global economy via aid or income redistribution. Without an egalitarian reform of the economy, the results of foreign aid and any measure of income redistribution through trade would, in the end, reinforce the repressive economy. Trade, which is the main form of integration between parts of the global economy, has not reformed the global economy. When disparity between the developed industrialized West and countries in Asia or Latin America has decreased, reform of the global economy does occur. What we need to understand is the coincidence of state power interests of the capitalist West and emerging capitalist class of Asia and Latin America that has made, in a strategic sense, profitable for some reform of the global economy to be affected in these third world zones of global capitalism. The implication of our case is that the principal constraint to development in Africa is, in fact, political. Since the formation of the global economy, two principal choices exist in which to reform an economy: (1. trade and/or war, and (2. state power interest—feudalism or capitalism. Our statement of this thesis, in historical terms, follows:

Fig. 1 Types of Empire States, Types of Integration

Types of Empire States — Types of Integration

	Trade	Conquest
Feudal state	A	B
Capitalist state	C	D

Thus, the graph specifies these four types of integration:

A. Feudal trade B. Feudal conquest C. Capitalist trade D. Capitalist conquest.

Africa's colonial condition could not be produced by types: A, B, or C integration; it was possible only via type D, which reconstitutes Africa's pre-colonial societies as sectors of the capitalist global economy. The capitalist colonial is not an equivalent or parallel economy to the capitalist

but instead part of that economy wherein basic change in the economic well-being of countries still depends upon the reform of the capitalist global economy. Some historical facts about Africa's pre-colonial political economy will give the schema a clear theoretical perspective.

The Political Economy of Pre-colonial Africa

Garraty and Gay in their *Columbia History of the World* summarized the basis of the wealth of the empire of pre-colonial Ghana and the empire of Kush in the following:

> The reason that states grew up in some areas rather than in others seems, in most cases, connected with the demands of long-distance trade. Of this, the empire of Ghana is a clear example. Extending at the height of its power from the upper reaches of the Senegal River to the northern curve of the Niger Bend, Ghana arose in circa the 4th century AD, began to decline at the close of the 11th century, and finally disappeared from history. Ghana's ruler, the *Kayamaga:* the King of Gold was reputed to be the richest, most powerful monarch in all the Bilad as Sudan (land of the blacks). Yet, Ghana had few natural resources of its own; its wealth derived from the tax it was able to impose on the trade across the Sahara. By means of that, the gold, slaves, and kola nuts of West Africa were exchanged for North African manufactures, horses, foodstuffs, and salt. —John A. Garraty and Peter Gay (eds.) *The Columbia History of the World*, Harper and Row, New York, 1981 p.. 301

The facts to be noted about Ghana are the effects of its power on the societies producing the goods traded. The rulers of Ghana taxed merchants traveling the trade routes they controlled. They were uninterested in the production of those goods or in altering the relations of production in the societies whose goods were exported or imported. The trade relations between the merchants did not alter the political status of the societies whose goods they traded. The integration produced through commerce was affected through the merchants. The above was usually the case in commercial relations within the feudal inter-state system.

> Another sub-Saharan kingdom well known to the ancient world was the state of Kush, in Nubia. Like Ghana, Kush owed its prosperity to trade. Its ivory, ebony, gum, hides, ostrich plumes, and slaves were carried down the Nile to Egypt then across the Red Sea to Arabia and Mesopotamia. Kush was a cultural and political dependency of Egypt, though in circa 1000 BC, its rulers broke away from the *suzerainty* [suzerain: dominant state controlling the foreign relations of a *vassal* state, but allowing internal sovereignty in its internal affairs] of the pharaohs. Especially after the transfer of the capital from Napata to Meroe in circa 540 BC, Kush developed its own distinct African culture. Axum, a state of Northeastern Ethiopia, conquered Meroe in the 4th century AD. Under the influence of missionaries from Syria, the rulers of Axum adopted the Monophysite Christian faith, thus, laying the foundation of the kingdom, which was to become modern Ethiopia. The scriptures that the Ethiopian Church use today were translated from Greek into Ge 'ez, the language spoken as long ago as the 6th century.—Garraty and Peter Gay, Ibid, p.. 301

Kush is of theoretical relevance for our methodological argument. Over Kush, Egypt, a feudalistic empire state, exercised suzerainty. The Kush dependency, nevertheless, left its economy unaltered, because feudal empire building policy is the establishment of suzerainty over conquered societies. Egypt was the suzerain over a tributary state of Egypt. The political and cultural dependency upon Egypt left the Kush economy and social class intact. The economy of pre-suzerain Kush was the same as that of the suzerain Kush, which was also, upon the independence of Kush from Egypt, its post-suzerain economy. This contrasts the capitalist empire state, which is not an empire of suzerains: tributaries with distinct economies and a cognizance of their suzerains through the payment of tributes and other obligations that do not alter their socioeconomic recovery of independence for vassal-states that do alter their socioeconomic structure. What was produced and traded under vassalage and traded upon the independence of Kush did not alter its long-distance trade or its economy when Kush underwent several cultural transformations, first as an independent Kush, then as a vassal of Axum.

Understanding Trade

We can elucidate the facts about the history of trade and the theory underlying it as: the exchange of commodities between trade produce the subjugation of: 1) the buyer to the seller or 2) seller to the buyer; if this could be the case, then Europe would have been subordinated to its Asian suppliers of spices, tea, and cotton goods.

Trade functions to make available to buyers who cannot produce or can at a cost far in excess to the cost-insurance-freight-plus profit sale price. The structure of trade varies with the skill-level of merchants but the above is the economic function of trade. This logic is explicated in *comparative advantage* situations in which both buyer and seller can produce the goods traded while enjoying in the production of some of the goods at a comparative advantage in cost efficiency. It makes good commercial sense for producer 'A' to buy from the more efficient producer 'B' if its producing cost is in significant excess of the sellers cost of production: insurance and freight charges, and profit. This is the logic of comparative advantage trade: goods bought at prices lower than they can be produced by the buyer, thus, making the goods available with a net saving of resources that would have been consumed in less efficient production. The condition in which this logic is set aside, confirms it, that is, conditions of strategic importance, where production at cost higher than what is locally produced can be bought, is required by reason of state or political purposes. Comparative advantage trade sustained over a period of time results in market-mediated specialization or complementary division of labor; the more efficient producer make available that which it produces cheaper and, thus, each trading partner specializes in its areas of strength—this is the market-mediated specialization and, in fact, the definition of comparative advantage. Markets

integrating producers of commodities, that is, comparative advantage markets (CAM), do not undermine the autonomy and well being of partners; it enhances both. The CAM does not reduce producers to subordinates but enhances their autonomy and sovereignty. The CAM mediates economies and, in this way, one can talk of integration of producers' economies with a comparative advantage market of commodities. This holds true for comparative advantage trade under feudalism and capitalism. L.S. Stavrianos provides us historical perspective for differentiating between comparative advantage trade and what we may describe as conqueror—conquered trade. Stavrianos compares Africa's Pre-Portuguese era trade with Europe with Africa's Portuguese era trade. The former was egalitarian; the latter was not.

> In retrospect, it is clear that the trans-Saharan trade benefited all parties involved—the Africans to the South, the Arabs to the North, and the Southern European across the Mediterranean. The same may be said of the East African trade conducted across the Indian Ocean through coastal Arabs intermediaries. These long-distance trading operations were particularly important for sub-Saharan Africa … During the pre-Portuguese era, Africans participated in long distance trade as equals and utilized it to satisfy their owns needs. Contemporary Arab accounts attest to the egalitarian nature of the trade and to the autonomy of the African participants. All this was altered by the fateful appearance of the Portugal coast of Africa in the mid-15th century.
>
> This represented another step in the European economic center from the Mediterranean Sea to the Atlantic Ocean. The ancient trade route, across the Sahara was eventually "short-circuited," as was the even more ancient trade route through Egypt and the Red Sea to India and the Spice Islands. A new era in world trade relationships began, one in which the autonomy of all participants was no longer possible. In this era, Northwest Europe initiated, dominated, and manipulated global trade for its own purposes: Western commercial capitalism. The price was paid, not only by the serfs of Eastern Europe and the indigenous peoples of New World, but also by the Italian city-states in the Mediterranean, the Arabs of Southwest Asia, and sub-Saharan Africans.—L.S. Stavirianos in *Global Rift: Third World Coming of Age*, pp 104-5. William Morrow and Company, NY 1981

Stavrianos enables us to contrast comparative advantage trade to what he calls Western commercial capitalism. We assert that Western commercial capitalism in which Northwest Europe dominated and manipulated global trade for its own purposes was and is not trade amongst autonomous agents, but more the transactions between conquerors and the conquered; or, transactions were the exchange, ultimately, to be decided by the stronger military. The pre-Portuguese in Africa was one of comparative advantage trade. The Portuguese introduced a force-based trading system.

Deconstruction of the Atlantic Slave Trade

The deconstruction of the Atlantic slave trade helps to make the case. Eyewitness accounts were explicit in their description of the so-called slaves; in fact, no slaves left Africa for the Americas—those sent to the Americas were prisoners-of-war: free men captured in war, put in chains, and transformed into slaves in the Americas. Prisoners were moved to the Americas where attempts were made to mutate them into slaves. If prisoners of war were shipped to the Americas, the means of their procurement in Africa was not trade but prisoner-taking wars. The Portuguese colonial era introduced the phase of integration of Africa into the capitalist economy by means of prisoner taking wars. This was the global significance of the misnamed Atlantic slave trade.

The following eyewitness account of the methods for meeting demands for slave labor in the New World of the Americas and the Caribbean is illustrative of the military character of the institution of a so-called market in slaves.

> The Moors, who inhabit the countries north of the Senegal River, have a most horrible reputation for their wars of robbery. They cross the river and, attacking the Negroes, carry off many of them. Many make a living from such attacks. The French, to encourage them in this, make annual presents to the Moorish kings. The presents are given under two conditions, that: 1) their subjects shall not carry any of their guns to the English, and 2) they shall be ready, on all occasion, to furnish slaves. To help them fulfill this second condition, the French never fail to supply them with ammunition, guns, and other instruments of war. To confirm what I have now said, I shall put down the following example: The King of Almammy had, in the year 1787, very much to his honor, enacted a law forbidding any slave to be marched through his territories. At this time, several French vessels lay at anchor in the Senegal, waiting for slaves. The route of the black traders, because of the king's law, was blocked; thus, the slaves had to be carried to other parts. The French, unable to fill their ships, thus, protested to the king. However, the king was unwilling to listen and, thus, he returned his presents, which had been sent to him by the Senegal Company of which I myself was witness. At the same time, the king declared the all the riches of that kingdom would make him change his mind. In this situation, the French were obliged to turn to their old friends, the Moors. They set off raiding to surprise the innocent Negroes and to bring them to the horror of war. Many unfortunate prisoners were sent in for some time, thereafter. I was once curious enough to wish to see those that had just arrived. I applied to the director of the company, who conducted me to the slave prisons. There I saw the unfortunate captives chained together—one foot to another foot.—C.B. Wadstrom, *Observation on the Slave Trade,* D.A. Sparman and Captain Arrbenins, London, 1789

From this process of procuring the commodities of slave to be traded, we see an apparent trade as commerce in captives who their captors—both buyers and sellers—hoped to convert into the

enslaved. The so-called Atlantic commerce was not slave trade; if indeed it was commerce, but rather a trade in captives wherein trade meant the transaction of transferring the custody of captives from one set of captives in the role of sellers and another set of captors in the role of buyers. From the point of the prisoners-of-war, the effect of the mock-trade was their transformation from free men to captives taken in a war of plunder and their transport to foreign lands to be pressed into labor for their captors.

The charade of Atlantic slave trade was an international system of predatory war waged in Africa for the development of the Americas and the Caribbean. The supply of prisoners of war was a response to European demand. The conduct of the French company in the Senegal River showed that the suppliers were proxies of the French acting in the proxy wars waged solely to meet the demand for captives to be shipped to the New World. One interest—the regular and sufficient supply of African captives for pressing them into slave labor in the Americas and the Caribbean—linked the European financiers, states, the companies engaged in the commerce with the buyers of the transported captives from Africa. These actors were all united by their commitment to the policy of developing the Americas and the Caribbean, in part, on the bases of the labor of African captives. They were also committed to the process of securing these captives as evident in France's response to the law enacted by the king of Almammy.

The Atlantic slave trade: AST was not the origin of wars of plunder for prisoners to be sold into slavery. Nevertheless, by its scope, duration, and global impact on Europe, the New World, and Africa, the AST did initiate the incorporation of sub-Sahara Africa as an economic sector into what became the Atlantic economy. It encompassed Western Europe, the Americas, the Caribbean, and sub-Saharan Africa, the latter of which is Africa's integration into this Atlantic economy was not by trade but by war. Often, the sellers were captors of free men and women in wars waged for that purpose. Such wars were, indeed, wars of plunders, that is, predatory wars. European demand for captives, determined the course and duration of these wars and the destination of the captives. African supply was the response to the external demand. The arenas for the trade in captives were fortresses and ships manufactured to ensure the secured transportation of free men and women in chains. The following account of the buying of captives is evidence of the fact that war, not surplus production, or comparative advantage market induced specialization was the production base of this so-called trade. William Bosman in *A New and Accurate Prescription of Guinea*, London, 1705, wrote:

> Most of the slaves that are offered to us are prisoners of war, which were sold by the victors as their booty. When these slaves come to Fida, they are put in prison all together. When we are ready to buy them, they are all brought out together in a large plain where our surgeons examine them thoroughly: even to the smallest detail. All the slaves are forced to stand naked for the examination, both men

> and women; no distinction is made for the sake of modesty. Those, which are approved as good, are set on one side; and the lame or faulty are set on the other as invalids. The invalids are those over 35 years old, or those who are maimed in the arms, legs, hands, or feet or who have lost a tooth, are gray-haired, have films over their eyes or afflicted with several other diseases. The invalids and the maimed being thrown out, as I have told you, the remainder are numbered and it is recorded who delivered them. In the meantime, a burning iron with the mark or name of the companies lies in the fire, ready to put our marks on the slave's breast. This is done so we may distinguish our slaves from slaves belonging to the English, French, or others (who also mark their slaves). This also prevents the Negroes from exchanging bad slaves for goods ones of which they are adept. I doubt not that this trade seems very barbarous to you, but since it is followed by mere necessity, it must continue. But we still take all possible care not to burn too hard, especially the women, who are more tender than the men.—William Bosman, *A New and Accurate Prescription of the Coast of Guinea,* London, 1705

The above participants in this trade are participants in wars of plunder. The sellers know that the commodity is: captives committed to their freedom. Therefore, while bringing them to the slave mart, these prisoners are bound in chains. While waiting for the sale, these prisoners of war are chained foot to foot. The buyers take custody of their supposed commodities again branded and in chains; "these" are transported in ships fitted for carrying cargos of rebels: men and women who all along bemoan their fate; their buyers in the Americas and the Caribbean retain the chains while taking custody of them. The governments of the companies both in Europe and in the New World take supportive measures both of law and arms to ensure the success of their slave based development agenda for the New World.

This instance shows the beginning of Africa's integration—by a process of war—into the Atlantic economy, which would become the basis of both the industrial revolution and global capitalism. In it, we see its implication for the economies in the zone of Western commercial capitalist prisoner-taking wars. These wars were initiated, dominated, and manipulated by Western commercial capitalism for its own purposes. The result for sub-Saharan Africa is the transformation of the economies targeted for plunder into slave producing zones. These zones became sectors of the Atlantic economy. Their role, while the trans-Atlantic slave trade occurred, was to be the supplier of prisoners-of-war; in their arena, this economic activity subordinated all other activities to its logic. The sale of the instruments of war, especially ammunitions and guns to be used only to ensure sufficient and regular supply of prisoners-of-war, became the strategic commerce. Western Europe provided the finance, security, and technology and controlled all the phases of these predatory wars. The prisoners-of-war were distributed according to demand and were, thus, not emigrants or immigrants but those reduced to the enslaved and incorporated as labor in the Atlantic economic regions of the Americas and the Caribbean.

When the next phase—the transformation of the Atlantic economy into the global economy—commenced, the further seizure of Africa into this global economy by colonization would be economic integration, through wars of annexation. Thus, the transformation of the mercantilist Atlantic economy into the global economy was achieved via the capitalist state by a program of global annexation of colonies. L.S. Stavrianos, in *The World Since 1500 A Global History* wrote:

> The century and a half between 1763 and 1914 stands out in the course of world history as the period of European domination over a large part of the globe. In 1763, Europe was still far from being the master of the world. It had only coastal footholds in Africa and in Asia. However, by 1914 the European power had annexed the whole of Africa, and they had established their control over Asia, either directly, as in India and South-East Asia, or indirectly, as in the Chinese and Ottoman empires. The unprecedented expansion of Europe was made possible by the continuation and acceleration of the modernization process. This process was set in motion earlier by the Renaissance, Reformation, technological development, capitalist enterprise, state building, and overseas expansion. —L.S. Stavrianos, *The World Since 1500 A Global History*, Prentice Hal!: Englewood Cliffs, NJ p. 462

Whatever the contributions were of such factors as the renaissance and reformation to Europe's expansion, the European capitalist states were the critical instrument by which hitherto sovereign states were annexed and controlled, directly or not. The resultant capitalist global empire made possible the global development of Euro-American capitalist economy.

Trade and State in the Building of an Empire

The state, not trade (and by implication, comparative advantage market) is the strategic instrument in empire building. The state's role in capitalist empire building is different from its role in feudalist empire building in which the state is used to establish the suzerainty of the empire building party over conquered societies. The vassal components of the feudalist empire maintain their political economic structure albeit in subordinate condition. This is why on their attainment of independence or takeover by another state that had conquered their former suzerain, the political and socioeconomic structure of the vassal state remains the same. This is why in the three political situations of the vassal, namely, the pre-vassal, the vassal, and post-vassal situations, no change in the economy of the vassal occurs.

This is not the case under capitalist empire building. The state is not only used to affect the conquest and annexation of the conquered polities to empire building. It is used also to suppress the revolts of the subjugated, as their economies are changed into sectors of the capitalist economy expanded and developed through such an agenda of transformation. When, for instance, it was decided that cocoa or cotton cultivation would be introduced into a colony through native labor and changing the pre-colonial use of the land, the predictable resistance of colonial subjects to that policy had to be dealt with by colonial administrations through the instrument that is the state. Some initiatives involved the state power to effect the economic restructure of the colonies, a reform impossible by the use of comparative advantage integration of autonomous trading partners. Some schemes included the:

- planting cocoa where it had not been cultivated before,
- digging for gold where it had never been an economic pursuit, and
- laying of railway lines or building of roads through colonial labor.

Capitalist empire building made possible the absorption of pre-colonial economies by the capitalist economy and through the capitalist state; their alteration into sectors of the expanded or imperialist capitalist economy was implemented. Capitalist empire building resulted in the incorporation of the pre-colonial economies as sectors of the capitalist imperialist economy; many economies, capitalist and pre-capitalist were transformed into one expanding capitalist economy. Capitalist empire building results in structural change of economies, unlike feudalist empire building, which results at best in the coordination of the economies of vassals by the suzerains. This explains the: 1) structural discontinuity between the pre-colonial and the colonial eras, and 2) structural continuity between the colonial and the postcolonial. This is the effect of capitalist empire building.

The capitalist colonial and the postcolonial sectors have the same structure because the latter are sectors of the former; the postcolonial are sectors of the same capitalist imperialist economy under different political administrations. This point we make through the systematic use of Pierre Jalee's data. We note that the granting of independence to provinces of the European global capitalist empire is political change-of the empire. However, what kind of change is it? Is it the change-within the empire or a change-of-the-empire? A latter involves a change of the ruling class; a change-within the empire involves change of administrations of sectors of the empire. Is the granting of independence to provinces of the empire, a change of the ruling class or a change of administrations of sectors of the empire? The change of a ruling class mayor may not entail a change in the economy, however, a change in the administrations of sectors of the economy leaves the economy unchanged. The change of ruling class occurs through one of these four processes:

1. secession: the result of intra-ruling class division and the partition of the empire along the lines of division effected by war
2. revolution: the result of the overthrow of the ruling class replaced by the revolutionary class
3. absorption: the result of the conquest of the ruling class by an expansionist rival, and the incorporation of the conquered society as a province of the resulting new state, and
4. power sharing: a result of stalemate in revolutionary class struggle situations, which result in the creation of a new state jointly owned and controlled by a coalition of former rulers and former subjects.

The granting of independence resulting in change of administrations over provinces of the empire and sectors of the empire economy, does not involve change of the ruling class; it involves only change of government over segments of the imperial domain. Independence or what we may define as: Separation needs no change in the structure of the economy nor does it affect the imperialist ruling class. Thus, two aspects of the ancient regime remain the same: 1) the imperialist ruling class stays the ruling class in the metro-pole, and 2) the colonial economy stays the same, albeit, under different administrations.

Pierre Jalee's data enables us to show that this is the case. Since the emphasis is on type of political change that resulted in the formation of Africa's post colonial countries, data that corroborates that which is theoretically established enables us to see what remains unchanged when new systems of administrations of a reformed global imperialist state and economy are put in place.

Concerning the wholeness of the global imperialist capitalist economy in the postcolonial era or dispensation, the following story on Kenya's coffee export as of May 16, 2002 makes the point. Kenya's integration into the English global capitalist economy as producer of coffee remains unaltered to date, as it is for Ghana similarly integrated. As narrated in the Guardian, Thursday, May 16, 2002, the story follows:

> Kenya's coffee earnings fell sharply as exports nearly halved in the first five months of the current 2001/02 (Oct. - Feb.) crop year, piling misery onto peasant farmers suffering from the impact of low international prices, officials have said. Kenya exported 26,986 tons, or 283, 099 60 kg bags of coffee from October last year to February, compared to 32,571 tons shipped during the same period last year. The value of the exports also fell sharply during the same period to 2.2 billion shillings ($28.09 million) from 3.6 billion shillings the previous year (38.89% decline). "The prices have been down globally and we have not been left out," said Michad Otieno, as representative for the state-run Coffee Board of Kenya (CBK). The average: coffee price has fallen steadily from a peak of $124 per 50kg bag in October to $91 per 50kg lot at last week's auction as deliveries of the main crop draw to a close (a 26.61% decline). Germany was the top importer of Kenya's Coffee, purchasing 5,924 tons from October to February compared to 12.954 tons the previous year (54. 27% reduction in demand). Belgium, which brought 2.096 tons during the same period, was ranked second. Finland, the Netherlands, Britain, and Sweden each bought less than 1,000 tons. One specialty coffee exporter said that part of the reason that exports had fallen was that although domestic dealers bought coffee at the weekly auction, they have found it hard to sell to overseas buyers who consider Kenya's coffee expensive compared to other origins." It does not mean that when we buy at the auction we send it out immediately." He said,

"We normally keep it in our warehouses in Mombasa as we haggled with buyers. Unfortunately, the buyers are in charge." Some roasters have also reduced their appetite for Kenya's coffee because a steady decline in production has meant they cannot rely on it as an origin, he added. Kenyan coffee production fell to about 51,000 tons in the 2000/0I-crop year compared to 101,000 tons the previous year and CBK expects the current crop to come in at 52,000 tons (49.50% reduction).

The coffee industry, already weakened by capricious weather and mismanagement in the cooperative sector, is struggling to cope with low international prices_blamed on overproduction. Although Kenya produces some of the world's top quality beans, the quality has been waning as poor earnings take toll on farmers' ability to feed their families and pay school fees while maintaining good crop husbandry. Kenyan peasant farmers are hopeful that new reforms contained in laws enacted in April, which cut out intermediaries and opened up marketing of coffee to private players, could secure them higher income. The reforms also allow growers to elect new leaders to run the industry, taking the government out of the driving seat. Commodity experts say the reforms will help boost farmers' morale, though the main challenge is to improve quality. "The main point is farmers should concentrate on improving quality, that's all." Michael Mungai, the government's chief coffee tester told Reuters. "But, if Kenya continues to produce what we are producing, then things will move from bad to worse." The prospective new marketing agents are promising farmers that they will invest in value added ventures like roasting to boost grower's income."—*The Guardian*, May 16, 2002 p. 5I

The story is quoted in extension because it serves as a parable for the cash crop producing role assigned to the Kenyans as instituted by the colonial rule of the imperialist economy. What was then colonial export is now in the postcolonial era, Kenya's export. The global imperialist capitalist production of coffee was for the global market. Coffee was produced for the external consumers. During the colonial era, the colonial government did all that it could do to manage supply to improve its earnings from the taxes it collected from producers through commodity marketing boards. In the postcolonial era, the former managers of supply have become consumers and, thus, their interests have shifted to ensuring low prices for consumers. The onus for managing the production and sale of coffee now falls on the Kenyan government. Since it depends on the taxes on income on exports, governments like those of Kenya must sell what they produce, whether it is a bumper crop or low yield harvest. Therefore, it operates in a buyers market. To keep back some of the production during a bumper harvest, is to reduce the income both of the farmers and of government's treasury. All this follows from the fact that the coffee it exports is not surplus production coffee, but a commodity instituted in the colonial era—the result of the capitalist restructure of pre-colonial surplus production societies incorporated as the colonial province of Kenya assigned the function of producing coffee for the capitalist imperialist market. This is why the postcolonial commodity export market has been and remains a buyer's market. The long trend in the decline

of international prices recorded for coffee is true for other postcolonial primary commodity producers. Where the prices of exports are set by buyers and where sellers of imports were structured to enjoy the monopoly of production because of the colonial division of labor; Kenyan importers of manufactured goods buy in sellers' market when they import and sell in buyers' market when they export.

Kenya's terms of trade are a result of the structure of the colonial economy un-restructured as the postcolonial. The fact that Kenyan, not the British government, administers this trade does not help. The terms of Kenya's trade are an unfavorable structure. When Kenya produces coffee, it sells this coffee in a buyer's market and when it buys cars, it buys them in a seller's market; thus, it has a balance of payment difficulties. Getting less in spite of bumper harvest from its exports, and paying more for its imports, in spite of receiving less for its exports—is an unfavorable structure, too. Both terms of trade and balance of payments are of the same cause—Kenya operates within the economy constructed through state coercion, with its role in the economy prescribed—unlike what it was in the pre-colonial era where it was integrated into the world markets by comparative advantage market mediations.

We have used Kenya's coffee woes as a theoretical example and, thus, as a parable that represents Africa's colonial roles in the capitalist world economy. Everything, both internal and external has adverse affects upon Kenya's coffee producers. The 38.89% decline in the volume of export together with 26.61 % decline in the price of coffee coupled with 54.27% decline in the demand for its coffee by its best customer, Germany, means absolute decline in the income generated by coffee both for the growers and for the Kenya Government in the *20001/*02 period.

The Government official who recommends that Kenyan farmers improve on the quality of their coffee is expressing rational commonsense with less economic sense. The point is that where there is overproduction and buyers call the shots, or where there is less supply and buyers shift to other sources considered even cheaper than Kenya's coffee already adjudged over priced, better beans would not necessarily translate into better prices, better terms of trade, and a balance of trade. The last option, that is, the export of roasted beans will also not yield proportional increase in price because coffee is sold in buyers' market. Pierre Jalee's data of the 1950s and 1960s make this point. What made 1940 not different from 2002 for Kenya or Tanzania for that matter? The truth is that the colonial economy is the same as the postcolonial economy for Kenya. The roles assigned to Kenya in the colonial economy remains unchanged and the Kenyan Administrators of the Kenya Sector of the Colonial Economy are now facing the designers of this economy not as friends but as nationalistic rivals. May 16, 2002 is as current as we can be when this sentence is being written May 18, 2002. Jalee helps us show the functioning of the economy as a consequence of its structuring. To change the function we must restructure the postcolonial economy. The options in an unreformed postcolonial economy are few; hence, the return to roasted bean price cartels to control fluctuation in prices, diversification of buyers, import substitution, industrialization, (etc)—these are the possibilities that the unreformed postcolonial economy holds out for African primary producers for export.

Developmental Ideology and NEPAD

The manifesto of NEPAD—the New Partnership for African Development—begins with Africa's current economic conditions. NEPAD is designed to produce solutions to these conditions as itemized below:

> NEPAD is a pledge by African leaders based on a common vision and a firm, shared conviction, that they have a duty to;
>
> - eradicate poverty
> - place their individual and collective countries on a path of sustainable growth and development and,
> - participate, at the same time, in the world economy and body politics.
>
> The Program is anchored on the determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion within the globalization. The poverty and backwardness of Africa stand in stark contrast to the prosperity of the developed world. That Africa continues to be marginalized by the globalization process and the social exclusion of the vast majority of its peoples constitutes a serious threat to global stability. In Africa, 340 million people, or half the population, live on less than US $1 per day. The mortality rate of children under 5 years of age is 140 per 1000, and life expectancy at birth is only 54 years. Only 58 percent of the populations have access to safe water. The rate of illiteracy for people over 15 is 41 per cent. There are only 18 mainline telephones per 1000 people in Africa compared with 146 for the world as a whole and 567 for high-income countries... In part, Africa's inability to harness the process of globalization is a result of structural impediments to growth and development in the form of resource outflows and unfavorable terms of trade. At the same time, we recognize that failures of political and economic leadership in many African countries impede the effective mobilization and utilization of scarce resources into productive areas of activity in order to attract and facilitate domestic and foreign investment. The low level of economic activity means that the instruments necessary for the real injection of private funds and risk-taking are not available, and the result is a further decline.
>
> In this self-perpetuating cycle, Africa's capacity to participate in the globalization process is severely weakened, and, thus, further marginalizes. The increasing polarization of wealth and poverty is one of a number of processes that have accompanied globalization and which threaten it sustainability. The closing years of the last century saw a major financial collapse in much of the developing world,

> which not only threatened the stability of the global financial system, but also the global economy as a whole. One of the immediate effects of the financial crisis was the exacerbation of existing levels of deep structural poverty in which about half of the world population lives on less than US $2 per day, and a fifth on less than US $1 per day. NEPAD calls for the reversal of this abnormal situation by changing the relationship that underlines it. Africans are appealing neither for the further entrenchment of dependency through aid, nor for marginal concessions. We are convinced that an historic opportunity presents itself to end the scourge of under-development that afflicts Africa. The resources, including capital, technology, and human skills that are required to launch a global war on poverty and underdevelopment exist in abundance and are within our reach. What is required to mobilize these resources with the proper use of them is
>
> 1. bold and imaginative leadership with a genuine commitment to a sustained human development,
> 2. the eradication of poverty, as well as
> 3. a new global partnership based on shared responsibility and mutual interest. —NEPAD document for the Organization of African Unity

The unequal developments described by Pierre Jalee are on prominent display in the above recitation of Africa's afflictions. Unanimity also exists between NEPAD and Pierre Jalee on the structural nature of Africa's poverty and marginalized state. This explains why NEPAD sees no way out of this condition without "the change of the relationships that underpin it." The designers of NEPAD have phrased the problem, correctly. They urge us to

- extricate Africans from underdevelopment and exclusion,
- close the wealth and income gap in a world of evermore polarized wealth and poverty,
- introduce programs that alleviate the levels of deep structural poverty in which half of the world population lives, and
- prevent further dependency through aid and or marginal concession. The obstacles in the way of NEPAD are two-fold according to its architects:

a. structural impediments to growth and development in the form of resource outflows and unfavorable terms of trade, and

b. failures of political and economic leadership in many African countries that impede the manner in which scarce resources are mobilized and utilized into productive areas of activity to attract and facilitate domestic and foreign investment.

These two-fold issues are addressed in the definition of the global constraint to third world development. If NEPAD's restatement of these two problems defines Africa's agenda of developmental statecraft, then the criticisms leveled against our method should not be about how outmoded the data through which the tasks ahead are defined but perhaps that of rephrasing the issues raised in the two NEPAD questions. Professor Mike Obadan in his monograph on *The Nigerian Economy and the External Sector* provides corroboration of our analysis. Professor Obadan confirms the Jalee findings through the Nigerian case. These are Professor Obadan's findings:

> Over the years, the Nigerian economy, like other developing economies, has operated within a hostile international environment. Features of this environment include
>
> - worsening terms of trade,
> - increasing international protectionism and,
> - external debt burden.
>
> There has been the problem of the weak market for primary commodities, reflected in observed secular decline in the price of non-oil commodity exports, in particular, in the world market coupled with excess supplies of the commodities. The price index of Nigeria's *agricultural commodity export* had declined by an annual average of 7.0 percent between 1988 and 1992 (1985 = 100). The reduced demand for primary products for the industrialized countries because of very high rate of technological development, coupled with the decline in the rate of growth of their economies, has tended to result in their reduced demand for primary product exports.
>
> Even where these conditions are not present, the protectionist measures of the industrialized countries have constrained the accessibility of Nigeria's exports to their domestic markets. The protective measures have, in particular, been inhibitive to the growth of manufactures exports. The increase in protectionism in the developed countries in recent years has been quite significant (Anjara, et al, 1985). Increased restrictive policies on imports in the industrialized countries, in the form of tariff and non-tariff barriers, have continued to hamper the efforts of developing countries at specializing in production in accordance with their comparative advantage.
>
> The commodity problem is not restricted to agricultural commodities. The price of crude oil—upon which Nigeria depends for over 95 percent of foreign exchange earnings—has also been unstable. Over the 1980-93 period, the prices were lowest in 1986, 1988, and 1993. The price of Nigeria's crude oil fell continuously from $19.0 in December 1992 to $13.6 in December 1993, with destabilizing effect on the balance of payments and government finances. These prices as well as the production levels are determined exogenously within the framework of the Organization of Petroleum Exporting Countries (OPEC).
>
> The volatility of the world oil market adversely affects the nation's foreign exchange receipts and government's revenue. While the price of commodities in the world market has been low, the prices of Nigeria's imports have been quite high, thereby worsening the terms of trade. The fact that the international price of crude oil exports is determined through OPEC makes the terms of trade facing Nigeria more precarious. Nigeria's international terms of trade (1987 = 100) declined from 222.8 in

> 1981 to 91.6 in 1986 and 76.6 in 1988. Nigeria has not only had to contend with secular declines in the terms of trade and increasing protectionism but also with a very heavy external debt burden which became pronounced since the early 1980s. This debt burden has manifested in very heavy and worrisome debt service payments; and, by spending a large part of foreign exchange receipts on debt servicing, a country has little available for supporting investment in the domestic economy.
>
> This increased debt burden is, thus, detrimental to growth and development of the domestic economy... Foreign trade, of which merchandise exports and imports are significant components, has been of vital significance to the Nigerian economy. The country depends heavily on exports to earn foreign exchange, which finances the importation, of essential industrial raw materials, machinery and spare parts as well as transport and equipment for agricultural and industrial development."—Professor Mike Obadan, *The Nigerian Economy and the External Sector* - CASS Monograph, No. 8, Malthouse Press Limited, Ikeja, Lagos State, Nigerian pp 7-9

What we have quoted is descriptive of the sector structure and functioning of the global economy in Nigeria. It is the same for all of Africa's fifty-three countries. This is why what Professor Obadan describes is not the Nigerian economy but the sector of the global economy in Nigeria administered under the aegis of the Nigerian Government. This is why none of the prices of commodities that Nigeria exports or imports are determined from within Nigeria. What determines Nigeria's worsening terms of trade payment imbalance and debt burdens are the same for Kenya. What is administered within the country of Nigeria is not a Nigerian economy and, thus, the reason Nigeria's efforts at specializing in production in accordance with comparative advantage have been frustrated. Professor Obadan through more recent data on Nigeria corroborates Jalee's findings for the world of the 1950s and 1960s. What Professor Obadan has to say about the structure of Nigeria's exports further strengthens our argument:

> A feature of export trade that has been a source of major concern is its structure._The fluctuations in the quantum and values of exports over the years derive, largely from the fact that over ninety-five percent of the products exported are primary commodities: agricultural products and crude oil. The commodities are highly susceptible to external shocks emanating from recessions in industrial countries and declines in foreign demand. Agricultural products through 1969 dominated the export structure.—Obadan Ibid p. 10

The structure of the export trade is the same as the structure of colonial export trade. The difference between the colonial and the postcolonial is the fact that the colonizers have now become the importers of what they designed to meet their needs. Whether as designers or consumers they were and remain the buyers who determine the price of the colonially instituted exports. Concerning the import trade and change therein Professor Obadan observes as follows:

Over the years, some notable changes have taken place in imports as follows:

- There has been a decline in the share of consumer goods in total imports and a corresponding rise in the share of capital goods and raw materials. For example, the share of consumer goods has declined from 46.6 percent in 1964 to 28.9 percent in 1979; and to 22.1 percent in 1985 while that of capital goods and raw materials rose from 52.9 percent in 1964, to 68.7 percent in 1970 and 76.3 percent in 1985 (table 5).
- During the SAP, however, the percentage shares of consumer goods increased noticeably because of trade liberalization measures, which favored consumer goods importation. The main reason for the shift in favor of capital goods and raw materials has been the need for capital goods to meet the requirements of the various development plans and industrialization.
- The country does not produce capital goods and adequate raw materials. It had to increase their importation.
- With respect to the structure of consumer goods, imports of food have been an important item representing a percentage share in total imports of 13.3 in 1978, 16.3 in 1982, and 14.7 in 1984.
- Declines have characterized other non-durable items because of increased import substitution in certain manufacturing industries and increased application of tariffs and qualitative restriction of them."—Obadan Ibid, pp 15-16

This sentence: "the country does not produce capital goods and adequate raw materials; it had to increase their importation," describes the colonially instituted division of labor unchanged by the constitutional change in the status of Nigeria, from a colony to an independent country. Its colonial exports are still the bulk of its postcolonial exports. We are therefore in seeking to implement NEPAD compelled to embark on the restructure of the global capital economy as it is administered sectional in Africa in general and in Nigeria in this particular instance. For the problems that were identified in the 1960s and 1970s by Jalee are, not only still with us, but also have grown in complexity. For example, this capital poor continent of Africa still exports more of its capital than it attracts. Obadan quotes the following from Olisadebe (1993):

> The high service payment coupled with the low level of disbursement of loans has resulted in a paradoxical situation where there is substantial net transfer of scarce resources abroad by a country in dire need of external financing. Such net transfers averaged $204.00 million per year between 1986 and 1992. The transfers have severely constrained the ability of Government to develop the economy.—Obadan Ibid p. 27

Descriptions of constraints such as those presented above are explicitly made in the statistical analyses of the global economy by Pierre Jalee. Through Jalee, we have endeavored to contribute to the clarification of what Africa's development agenda should consist of and by what methods consensus on that agenda may be developed. The issues raised by this paper can be posed

as a question: Are the impediments to Africa's development structural? If they are, then which of these two must be reformed?

- The economies of the country, or
- The global economy through its functions administered as sectors in the ex-colonies. The choice of either of these two approaches depends on the efficacy and relevance of such initiatives as NEPAD and the economic cooperation and integration policies of the African Union.

Keywords: African pre-colonial societies, African Union, anti-nationalist globalization, anti-socialist globalization, Atlantic commerce, Atlantic slave trade, Bolshevik Revolution, capitalist development, coercive integration, colonial Africa, colonialism, comparative advantage, division of labor, empire system, Euro-American capitalist global empires, feudal economy, global capitalist economy, industrial revolution, market integration, political economy of Pre-colonial Africa, post-colonial Africa, pre-colonial Africa, primitive accumulation, prisoners-of-war, proxy war, socialist development, socialist economy, state-mediated integration, surplus production trade, third-world