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THE THIRD WORLD FORUM  
AND THE NEW INTERNATIONAL ECONOMIC ORDER

A NOTE ON "EURAFRICA"

BY

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The problem of economic relations between the European Economic Community and Africa is almost a closed book in Europe, and in Africa, despite interminable negotiations on the issue, the general public - and even supposedly "well-informed" circles - seem equally in the dark, as to what is involved. And yet this is an issue which may well determine the fate of the continent for a long time to come.

The big powers have certainly understood this and Europe, particularly France, continues to wage a tireless battle to secure African "association" with the EEC while the United States has declared its open hostility to any form of Eurafrikan association. Britain, for her part, has refrained on this as on other matters, from taking a clear stand - to say the least.

What is at stake? Nothing short of one of the major battles between the big powers, whose outcome will decide the structure of international power: of a world system under the joint hegemony of two super-powers (the U.S.A. and the USSR); a world in which the decision-making game would have three players (U.S.A., U.S.S.R. and China); or a world in which five blocs would "counterbalance each other", that is, the three just mentioned plus "united" Europe and Japan. But none of these three possibilities gives credence to the idea that Africa, the Middle East, Southern Asia or Latin America could constitute autonomous and important enough centres of decision to have any impact on the relations between the "two", "three" or "five."

Of course, the questions far exceeds the petty framework of the Yaoundé Conventions, which provide for preferences for a few African products (non-competitive with European agricultural products) as well as a few commercial advantages for the European partners. But these "mutual advantages" - such as the "establishment rights" offered to European capital - are almost negligible. In our view, Africa has never closed her doors to capital from other sources (particularly American) and the European negotiators have never lost sight of the fact that these rights are therefore

synonymous with an open door policy. The African states are, in any case, quite free to limit their scope...on condition that they apply strictly equal terms to each of their European "partners" and in no circumstances less favourable treatment than is given to possible third parties (American or Japanese). In other words, the African states could act in such a way that this "association" becomes a hollow shell, since they have almost unrestricted sovereignty in the matter. Not does this sovereignty impose greater limits on the relations between African states, who are not all bound to have an identical attitude to their European partners. The preferences actually granted by some may be reduced to almost nothing by others, just as the door opened by some may be slammed shut by the rest.

So why so much heated discussion? What does it matter to Africa whether she is associated or not? Why does Europe cling so tenaciously to this symbol and why does America reject it with such virulence? For the very good reason that they are both quite clear that the stakes are far higher than the mere commercial advantages covered by the "agreements." The real question is whether the African governments are going to adopt a "pro-European" policy (irrespective of its actual content) and hence an "anti-American" one, or the reverse. The signature of the agreement, or refusal to do so, thus becomes a political act, and the texts have been cleverly drawn up to cover only purely secondary issues, making no mention of the more important ones which will inevitably arise as Africa "develops." In this way, everyone can maintain the flexibility of position required by international uncertainty.

In the competition between the "great" powers, Europe suffered from a marked inferiority to the United States, and "united" Europe has not overcome this inferiority which is not simply due to a difference in per capita gross domestic product. America's advance over Europe and Japan, in almost all industries, at the end of the Second World War, measured in terms of the ratio between differences in levels of productivity and differences in wage levels, has been almost wiped out in a number of industries

by a much more rapid growth of productivity than the rate of increase in wages. Moreover, this is the decisive factor to which we have attributed the first signs of the present structural crisis: the upsetting of the American balance of payments and the subsequent crisis in the international monetary system. Europe's inferiority results primarily from her much greater dependence than the United States on imported raw materials, energy and agricultural products, as the recent oil crisis has clearly shown. But a Eurafrican association would make it possible to overcome this handicap.<sup>1</sup>

The prospects facing Africa should therefore be seen against this background, and the main question that should be asked is the following: Along what lines is the international division of labour likely to evolve in relation to the various strategies adopted by the big powers? What strategy can Africa work out in response to these possible developments? The association, after all, must be judged according to the role it allots to Africa in the international division of labour. The answers to these questions are not, however, to be found in the conventional literature, nor in the advice of experts wedded to the idea that development necessarily requires countries to integrate into the world system, adapting themselves to it in the process.

The history of under-development is precisely the history of the way in which the periphery has adapted to the changes and advances being made at the centre of the system. The "development" of the periphery has never enabled it to "catch up" with the centre because the latter's progress has always been accompanied by a new stage in the unequal international division of labour.

Taking the Third World as a whole, the features of earlier periods and subsequently of import substitution industrialisation to supply the local market (itself reflecting extreme inequalities in income distribution) have already been superceded, but this is not the case for the majority of African countries.

The next stage will be that of a speed-up in the industrialisation of the periphery to supply the centre with the goods produced by "classic" (sometimes a euphemism for polluting) industries relegated to the periphery while the key new industries whose role is to provide the basis for a new upturn in accumulation are concentrated in the centre.<sup>2</sup> But both these stages - the present and future ones - are firmly rooted in the system of unequal exchange.

In fact, the initiative for this new distribution of labour has already been taken by the multinational corporations, backed by the states they originate. A country can attract multinational capital if it can provide a large proletariat, technicians and even its own capital (to set up the required infrastructure and possibly finance the building of industrial plants as well). Very few African countries are in a position to meet these terms, since their economic and social structure still bears a firm colonial imprint. But conditions do exist in a few countries (Nigeria at the top of the list, Algeria, Egypt, perhaps Morocco and, tomorrow, Angola) which would enable them to play the role which has been attributed to other elsewhere, such as Mexico and Brazil in Latin America, Iran in the Middle East and India in southern Asia.

The model determining of labour, this role in the new unequal international division may be called one of "relay" state, or of "lumpen development," since these countries' exports of conventional industrial products are intended to cover the interest and royalty payments on the capital and technologies they have to import.

There also exists a third group of countries in Africa which can be described as "nationalist," who have proclaimed - or are currently proclaiming - their determination to develop along autonomous "socialist" lines. In some cases, they are expressing no more than a political intention, since nothing has been changed in their economic and social structure.

But others have gone some way to translating words into acts and in these countries, new embryo social formations are already beginning to contest the role allotted to their country, not only in the international division of labour inherited from an earlier phase but the new one which is gradually taking shape.

Certainly the prospect offered by this new division of labour is very far from bright, to say the least. For the "relay" countries, such a future can only hold out the promise of a kind of "lumpen development," the ultimate outcome being unemployment and growing destitution for the mass of the people; for the others, the prospect of being reduced to the status of "sub-colonies" and a further deterioration of their situation - a phenomenon already discernable in the Sahelian countries hard-hit by famine. So what does it really matter whether these dreary prospects material to the benefit of the United States or of Europe? What is the value of any short-term strategy which some African countries, accepting such a future role, might adopt in an effort to rake off a few immediate advantages, by exploiting Euro-American contradictions?

Where, however, a contradiction exists between the "nationalist" social formations and this prospect, a different strategy certainly can be envisaged. And it is precisely within the terms of such a strategy that we wish to focus attention on Euro-African relations.

The "oil crisis" and the attitude Algeria adopted towards it can teach us a great deal, in this respect.<sup>3</sup> When Algeria won her independence, she inherited an oil sector which had been developed by the French State as part of a long-term strategy of independence from the big American oil companies. The role of the French State and subsequently the role given to the State in independent Algeria were mainly responsible for the fact that Franco-Algerian economic relations were conducted at inter-State level. In the industrial field, the Algerian state has imposed tight controls to prevent the worst forms of plunder which the multinationals engage in elsewhere - even though serious inroads have yet to be made on the problem

of technological dependence and external markets. In the oil sector, the Franco-Algerian agreement of 1965, reached over the heads of the oil companies, enabled Algeria, in 1967, to ~~regain~~ almost total control over her natural resources.

The lessons to be learnt from this case are of utmost importance. It is true that Algeria sometimes played the card of French long-term interests, at others the opposing short-term interest of the oil firms, particularly the American ones. But what is interesting here is the fact that French capitalism, because it is in a weak position compared with its American competitor, has embarked on a long-term strategy which the multinationals (and the American State) do not accept. One must, of course, be aware of the limits and the contradictions inherent in Algeria's approach to the problem, but objectively, her strategy, although it does not pose any radical challenge to the international division of labour, is in conflict with the strategies of dominant capitalism on a world scale and has found an ally in this battle in French capitalism.

It is instructive to compare this strategy with that of a few other countries. Saudi Arabia and Iran, for example, have chosen to join forces with the oil companies of the Cartel. This has, of course, brought them definite benefits, but has at the same time enabled the companies to make huge profits. The strategy, worked out in convenience with the American Government, was aimed at weakening Europe and improving the position of the United States, and it could not, of course, fail to have a very harmful effect on the rest of the Third World countries. The countermove advocated by President Boumedienne of Algeria - inter-State agreements with the oil-producing countries without going through the companies - has not, of course, been adopted....

It must, however, be borne in mind that as long as dependence on foreign technology and external markets is not challenged, the transition to a self-reliant, socialist development can at best be a hazardous undertaking. In this respect, Egypt's experience is enlightening. Her entirely nationalised industry has a marked lead over that of all other African countries, but this nationalisation was not accompanied by a more radical policy as regards the destination and type of product, technology etc. and the resulting check to further progress has brought about the subjection of the Egyptian bourgeoisie to the dictates of world capitalism and particularly its American arm.

Hence it becomes clear that a "rapprochement" of the European, Arab and African worlds - what one might call a common strategic platform - requires that many prior conditions are fulfilled, and it is precisely their fulfillment which presents so many problems. It is not our intention to discuss here the specific conditions to be found in Europe which give credence to talk about a possible split between the social formations of Northern and Southern Europe. But it is nonetheless true that these conditions largely determine the strategies which different European countries may adopt towards the United States and hence towards Africa and the Middle East. On the African side, such a strategy requires, as we have seen, that political power should have a specific social content, which is not, to say the least, a general feature, either of the "wealthy" states (oil or other strategic commodity producers) or of the "poor" ones.



FOOTNOTES

- (1) For an analysis of the evolution of U.S.-European relations, examined from this point of view, see S. Amin: Le développement inégal, Minuit 1973, pp. 100 and Une crise structurelle, Minuit, 9, 1974.
- (2) S. Amin, Le modèle théorique de l'accumulation et de développement dans le monde contemporain, Tiers Monde, No. 52, 1972; Le développement inégal, op. cit. pp. 132-164; Une crise structurelle, art. cit. pp. 10-15; Eloge du Socialisme, L'Homme et la Société, No. 31-32, 1974.
- (3) See Inga Brandell: Algeria and the Multinational Corporations, IDEP-Dakar August 1974, CS/2562-4, duplicated document.