

UNITED NATIONS  
AFRICAN INSTITUTE FOR ECONOMIC  
DEVELOPMENT AND PLANNING

DAKAR

FTM/23

3171

4

THE THIRD WORLD FORUM  
AND THE NEW INTERNATIONAL ECONOMIC ORDER

GENERAL CONCLUSION

BY

SAMIR AMIN

JANUARY, 1976.

GENERAL CONCLUSION

With this collective volume, the Third World Forum is making its contribution to the great debate which has now been opened on the economic and social prospects for the world as a whole in the medium and long run. Many of us feel that the failure of the model of dependent development has been obvious for a long time. Nevertheless, it was not until the world system of which this model formed a part entered a crisis that there was a general recognition of this failure and that the states of the Third World raised, at official diplomatic level, the question of a "new international economic order." But although the vast majority of mankind experienced nothing but poverty and degradation during the century and a half of prodigious development of capitalism, it was not this fact that started the debate on the medium and long-term prospects. It was rather the combination of the difficulties confronted by the West in its frantic plundering of the world's resources, the growing resistance of the Third World peoples and countries to that plunder and the disillusionment of the Western intellectuals and masses with the very purposes of their "consumer civilization" that triggered off the debate.

The club of Rome gave systematic expression to this Western-centred point of view. As is now well known, the club's concern was based on the argument that the natural resources of the globe were limited and that consequently it was not possible to prolong their exploitation indefinitely at the present pace. The scientific value of the argument and its underlying Malthusian assumptions is probably extremely weak, despite the "mathematical" terms in which it is formulated. Equally illusory are the political conclusions derived from it: "zero growth" is neither desirable nor possible. How could we, and why should we, halt the development of the productive forces of society? The issues raised here are vast, and the contradictions of the "stagnationist philophy" are many. Firstly - this is obvious - how can we want "progress to stop" when, for most people on this earth, the satisfaction of their basic needs requires the development of the productive forces which they set in motion? Secondly we cannot

isolate the issue from politics -- i.e. ignore the fact that the capitalist system (geared to profit) necessarily involves, willy-milly, a continuous accumulation of means of production on the one hand, and a particular form of this accumulation on the other hand, which is the source of the "wastage" against which the "environmentalists" protest. Lastly, should we not envisage, not a "halt to growth," but a different development model, controlled by a society freed from the blind laws of capitalist accumulation, which firstly requires the transformation of social relations (control of the means of production by society), and secondly will give a new impetus to the development of the productive forces? This new impetus will of course be qualitatively different from what we are at present experiencing. It will firstly be of universal benefit to all the peoples of the world, since it will presuppose the liquidation of imperialism. It will also benefit all the workers, since it will presuppose the gradual reduction of the division of labour, i.e. of the contradiction between the growing skills of a minority and the massive down-grading of those of the vast majority of producers which is typical of the present mode of accumulation.

It was not the purpose of our volume to make a systematic criticism of the method and outlook of the "Club of Rome" in all its aspects, even the fundamental ones mentioned here. Hence we did not set out to analyse systematically their nature and ideological content. The aim of the volume is more limited, although, we all think, of far-reaching import in the struggle to change the internal order of our societies as well as the international order. Having observed, both that the present order is contemptuous of the vital interests of the Third World peoples and that the solutions put forward from a Western-centred ideological viewpoint are equally naive and contradictory to those interests, we have been induced to formulate the basic principles of a revision of the internal order in the countries of the periphery, primary victims of the system, and of the international order which conditions the former.

We therefore took as our starting-point the "revolt of the periphery" - a justified and expected revolt and an essential positive factor in the "reshaping of the world." But there is no single possible outcome of this great battle of history. It will all depend on a three-fold set of confrontations: firstly the domestic confrontations in the Third World countries, secondly the international confrontations between North and South, the forms and goals of which will be largely conditioned by the former, and thirdly the confrontations between the great powers of the developed world and the strategies they adopt both as regards the "revolt of the South" and as regards the problems posed by the challenge to the "balance" (or imbalance) in their relations, particularly in the context of the present crisis of the whole system.

As a conclusion to this book we therefore wish to propose for reflexion three main alternative "scenarios" concerning the overall outcome of these battles, which seem to us "possible" ones. The first scenario would merely revive the old order with minor adjustments, the second would be based on a new unequal division of labour, and the third would feature the systematic strengthening of the tendency for the "periphery" to disengage.

The first "plot outline" assumes an extension of the typical trends of the last 25 years. The Third World would still be divided into dependent national economies with no integration between them; its development would remain based on raw materials exports and on import-substitution industry for the domestic market, the latter being dependent both as regards technology and as regards the consumption model it involves. However a revision upwards of the prices of many raw materials would be achieved, as it has been achieved for petroleum. But the Third World countries would still be forced to exploit their natural resources at a rate corresponding to the demand of the developed centres. In other words they would

not succeed in controlling these resources, i.e. above all they would not be free to exploit them only at the rate which suits them, both in order to meet their immediate import needs and to take account of their concern to have these resources available later when they need them.

Under these circumstances the raising of prices would entail a growing differentiation in the dependent world. The expansion of the domestic markets resulting from this improvement in the terms of trade would stimulate a new wave of import substitution industrialization. But this expansion of the domestic market would be very unequal as between countries: the best placed exporters would benefit more, but the major importers of food (the price rises of which would probably, as in the case of the other primary commodities benefit the United States) and of energy might well find their overall terms of trade deteriorating. Moreover the threshold scales needed for the establishment of import substitution industries depend on the economic size of the nations. Some Third World countries would therefore be unable to use their financial resources for their own development, even if it was dependent development. They would be induced to invest these resources in the developed world itself and to take over the "aid" to the poorest Third World countries through "international institutions" largely dominated by the centres. The current discussions on the "recycling" of petrodollars are along these lines. Thus we would have roughly speaking, three types of dependent countries that would emerge from these minor adjustments to the world system: the poor countries, doomed to stagnation and worsening conditions (the majority, no doubt); the rich "rentier" countries (living on their money income) but which are vulnerable and without political power; and lastly a happy few with a more broadly-based industrialization ranging as far as the capital goods industries needed to support their import-substitution consumer industry. But even the latter would still be dependent because of the centres' monopoly control of technology.

This picture of an uninviting future for the Third World should not be discarded from the "possibles." On the contrary, in the short run it is the most probable evolution of the "new international order." The inertia of the system makes it impossible to exclude the hypothesis of the "status quo." The system tends to perpetuate its own reproduction and only to accept minor adjustments, which it can absorb fairly readily.

The second scenario assumes that there is a clear trend towards a new international division of labour: the Third World would be industrializing in order to export to the developed world. Some "classical" industries, both of consumer and capital goods (iron and steel, chemicals etc.) would be relegated to the periphery which has cheaper labour. The centre would reserve for itself the new leading industries (atomic energy, space industries etc.) and the monopoly of technology, and by its exports would very largely cover the Third World's food deficit.

This type of industrialization would also be very unequally distributed among the various Third World countries. The best "candidates" for this role of "imperialist relays" are the countries where a whole set of favourable conditions are combined: an already advanced level of proletarianization (hence also of urban growth, education etc...), considerable financial means to finance the infrastructures which this industrialization requires, a "political soundness" which makes it possible to guarantee investments. The maintenance of inegalitarian social structures is obviously inherent in this scenario: these structures guarantee lower wage rates in the periphery which in turn enable the overall rate of profit of capital to rise, this being the ultimate object of this revision of the international division of labour. Under these conditions the crisis of agriculture in the Third World would continue and might even get worse.

The second scenario like the first, therefore, suggests a growing differentiation in the Third World between "imperialist relays" which would focus on subcontracted industries, and "reserves" doomed to stagnation.

Would this nevertheless mean, for the privileged ones, a stage on the path which would make new "Japans" of these countries, i.e. developed, independent and powerful capitalist spaces? Can we speak here of a rapid modernization by the capitalist road? We do not think so, and we think that Japan was the last country that managed to develop fully by the capitalist road, because it was the last country to have started its development before the formation of imperialism. Imperialism, by extending its means of global control throughout the world, and by dominating and exploiting the countries of the three continents, has made any attempt at autonomous capitalist development in this periphery obsolete. As M. Chatelus wrote (*Stratégies pour le Moyen Orient*, Paris 1974), there is no known historical experience of a productive economy being constituted on the basis of progressively internationalized external flows and the maintenance of a wide opening onto the outside world. Hence this type of development has only limited prospects because the domination of the centres, with its machinery renewed, is being perpetuated by the monopoly of technology and the gradual penetration of "Western" consumption models. Also, although the local "bourgeoisies" would definitely benefit from that development model which, in the most advantageous case, even enables them to broaden their basis of support by the expansion of the "petty bourgeoisie" strata, the mass of the people, excluded from the advantages of this type of "prosperity", is doomed to unemployment and pauperization. This development, destructive of the national societies whose culture it ruins, is hardly better than "lumpen-development" and "modernization" is mere "lumpen-europeanization."

This second "scenario," like the first, does not exclude varying mechanisms, both in the sphere of world organization and that of the internal political order.

In the international sphere, these "scripts" may be accompanied either by a restoration of the American hegemony, or by a "new sharing" of the North-South zones of influence, either with or without the countries of the Soviet zone. The outcome in this case would depend essentially on the solution of questions which we have not touched on in this book, some relating to intra-Western competition (for example the effects of changes in the terms of trade on the relations between the United States and Europe/Japan, the settlement of the fate of the international monetary system, the question of European unity, etc...), and others relating to East-West competition. All this will largely depend on the developments of the present crisis and the political and social changes that may ensue, especially in Europe; it will also depend on the internal evolution of the USSR (opening up and interpenetration, e.g. in connexion with the development of Liberia, or withdrawal?)

Internally, these models should favour the trend towards the development of state capitalism in those countries of the periphery that are destined to be the most advanced in the system of dependent industrialization. Land reforms, abolition of ancient "feudalisms," and widespread substitution of the state for the inadequacy of the local bourgeoisie, are inevitable. But, if we are speaking of a dependent industrialization, we must also speak here of dependent state capitalism.

Of course, the trend towards the development of state capitalist goes far beyond the Third World countries. In the developed centres, the gradual centralization of capital which is a constant feature of accumulation, exerts a growing pressure in this direction. But this trend



This second scenario like the first, therefore, suggests a growing differentiation in the Third World between "imperialist relays" which would focus on subcontracted industries, and "reserves" doomed to stagnation.

Would this nevertheless mean, for the privileged ones, a stage on the path which would make new "Japans" of these countries, i.e. developed, independent and powerful capitalist spaces? Can we speak here of a rapid modernization by the capitalist road? We do not think so, and we think that Japan was the last country that managed to develop fully by the capitalist road, because it was the last country to have started its development before the formation of imperialism. Imperialism, by extending its means of global control throughout the world, and by dominating and exploiting the countries of the three continents, has made any attempt at autonomous capitalist development in this periphery obsolete. As M. Chatelus wrote (*Stratégies pour le Moyen Orient*, Paris 1974), there is no known historical experience of a productive economy being constituted on the basis of progressively internationalized external flows and the maintenance of a wide opening onto the outside world. Hence this type of development has only limited prospects because the domination of the centres, with its machinery renewed, is being perpetuated by the monopoly of technology and the gradual penetration of "Western" consumption models. Also, although the local "bourgeoisies" would definitely benefit from that development model which, in the most advantageous case, even enables them to broaden their basis of support by the expansion of the "petty bourgeoisie" strata, the mass of the people, excluded from the advantages of this type of "prosperity", is doomed to unemployment and pauperization. This development, destructive of the national societies whose culture it ruins, is hardly better than "lumpen-development" and "modernization" is more "lumpen-europeanization."

has far-reaching political and social implications, as has been highlighted, by the debates on the nature of socialism. It is therefore likely that there will be interconnexions between the dominant central state capitalisms and the dominated peripheral state capitalisms, corresponding to a possible mechanism of these versions of the unequal international division of labour.

Lastly we have to acknowledge that although these "scenarios" do not require economic integration in the periphery, where the present fragmentation might continue, they are not incompatible with certain forms of integration. Wider economic spaces, so long as they remain open to the outside world, are nothing but a further factor in deepening the unequal international division of labour. The plans for "regional unity" whether based on history or not (Latin American Arab, African unity etc...) are thus not necessarily a guarantee of autonomous development.

Development, understood, (as we proclaimed in the "Santiago statement", the charter of our Forum) as a response to the needs of the masses necessarily involves a different strategy, both at the local (national) level and at the level of possible regional groupings and that of the Third World as a whole. Hence the content of the third "scenario" for a possible evolution is the result of this choice of self-reliant policies in the countries that are at present dominated. This scenario therefore necessarily implies two conditions: popular power and disengagement from the world system. This disengagement must necessarily go beyond the limited plane of trade and finance and include technology and consumption models.

Of course the mechanisms of this disengagement and of the autonomous strategy that would replace the strategy of dependence remain to be discussed in the light of the start that has been made. These mechanisms will

have to take into account the possibilities of collective self-reliance within the Third World if these possibilities come within the purview of an overall strategy of autonomy. We can then assume adequate solidarity, facilitating the independence of the Third World regions which embark on that path, while strengthening autonomy at all levels, not only national but at various levels inside the nation.

Only when it has been strengthened in this way can the Third World, truly liberated, hope to have enough impact on the international order to bring about a genuine reconstruction.