

**NEOCOLONIALISM
AND
AFRICA
IN THE
1970s**

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This book has been written by a group of Soviet and Bulgarian Africanists. Among the contributors are Corresponding Member of the USSR Academy of Sciences V. G. Solodovnikov and Academician of the Bulgarian Academy of Sciences E. Kamenov. The work is under the general editorship of the prominent Soviet Africanist, Evgeny Tarabrin, Dr. Sc. (History), whose book, *The New Scramble for Africa*, has already been published in English.

The present work examines various aspects of the activity of the neocolonialists, their strategy and tactics in regard to newly independent African states. It exposes the methods of economic and ideological expansion by which the imperialist states seek to preserve their influence and positions in Africa.

The book also discusses and analyses the ways and means of struggle against neocolonialism by the progressive states of the continent in their effort to consolidate their political independence, attain economic independence, and achieve genuine social progress.

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IN THE
1970s**

Editor-in-Chief
E. A. Tarabrin
D. Sc. (Hist.)

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Designed by *Vladimir Yurchikov*

НЕОКОЛОНИАЛИЗМ И АФРИКА В 70-Х ГОДАХ

На английском языке

Editors: E. A. Tarabrin, Editor-in-Chief, Dr. Sc. (Hist.); I. P. Belayev, D. Sc. (Econ.); E. Kamenov, General Editor, Academician, Bulgarian Academy of Sciences; S. I. Tyulpanov, D. Sc. (Econ.); M. V. Zavyalov, Academic Secretary

Authors: Preface—V. G. Solodovnikov; Introduction, Chapters 1 and 2—E. A. Tarabrin (Chapter 1, §3—E. Kamenov, Chapter 2, §2—E. Malkhasyan); Chapter 3, §1—M. L. Vishnevsky, §2—V. V. Romanov, §3—B. M. Kolker, §4—S. S. Kozitsky, §5—I. V. Volkova, §6—D. K. Ponomarev, Chapter 4—T. Vylchev; Chapter 5—V. S. Baskin; Chapter 6—E. Kamenov, E. Malkhasyan; Chapter 7—Kh. Fundulis; Chapter 8—S. S. Kozitsky, B. M. Kolker (§3—E. A. Tarabrin, §6—D. K. Ponomarev); Chapter 9—N. I. Vysotskaya; Chapter 10—S. I. Tyulpanov; Conclusion—E. A. Tarabrin

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The consequences of the collapse of the colonial empires, the further revolutionary changes taking place in the liberated countries of Africa, the heightened role of these countries in world development and the struggle of the peoples of the continent for genuine independence are subjects of continuous interest to scholars in the socialist states. The interest of broad sections of the general public in these problems is also growing. Marxist-Leninist science devotes a great deal of attention to the work of analysing the factors impeding the newly independent countries' rapid progress, especially the external factor of neocolonialism, whose negative effect is particularly baneful.

Under contemporary conditions, neocolonialism accumulates, as it were, all the basic aspects of imperialist strategy and tactics with respect to developing countries, and at the same time is one of the manifestations of the attempts being made by imperialism to adapt to the new situation in the world. But imperialism does not change its aggressive essence. As L. I. Brezhnev said in the Report of the Central Committee to the 25th Congress of the Communist Party of the Soviet Union: "The recent experience of the revolutionary movement provides graphic evidence that imperialism will stop at nothing, discarding all semblance of any kind of democracy, if a serious threat arises to the domina-

tion of monopoly capital and its political agents. It is prepared to trample upon the sovereignty of states and upon all legality, to say nothing of humanism. Slander, duping the public, economic blockade, sabotage, bringing about hunger and dislocation, bribes and threats, terrorism, assassination of political leaders, and fascist-style pogroms—such is the armoury of present-day counter-revolution, which always operates in conjunction with international imperialist reaction.”¹ That is why Marxist science defines neocolonialism as a new imperialist system for holding the developing countries in a state of dependence and exploitation under conditions when direct colonial dominance has been eliminated and the balance of forces in the world has changed in favour of socialism.

In the last decade, Marxist literature has been augmented by works devoted to an analysis of the neocolonialist policies of the United States, Great Britain, France and the Federal Republic of Germany. Neocolonialism, however, is continuously evolving within the general framework of those changes which capitalism itself is undergoing at the present stage of its deepening general crisis.

Until now there has been no special comprehensive study of the policy of neocolonialism in Africa, yet, the need for such a work has matured. If in the 1960s only individual progressive leaders in African and other developing countries condemned neocolonialism (or even used this term), the situation is quite different today. The developing countries regard confrontation with neocolonialism as one of the chief realities of the time. This is brought up at all forums in which African, Asian and Latin American countries take part, such as the United Nations and its specialised agencies, sessions of UNCTAD, the Organisation of African Unity, and conferences of non-aligned countries.

Consequently, it becomes especially important to make a scientific Marxist analysis of neocolonialism, to reveal its vulnerable points and determine what the anti-imperialist forces in the developing countries of Africa can do to combat neocolonialist expansion most effectively.

The present work, a collective effort by scholars from the Soviet Union and the People's Republic of Bulgaria, is

¹ *Documents and Resolutions, XXV Congress of the CPSU, Moscow, 1976, p. 36.*

a joint study of one of the most complex and changing phenomena in contemporary international relations. Drawing on the results of research into the problems of neocolonialism already obtained by Marxist science, the authors examined these problems from the standpoint of the 1970s, and sought to reveal their long-term trends, analyse the new historical experience, and, most important, to make some generalisations and determine the prospects of the struggle of the African peoples and their vanguard—the socialist-oriented countries—against neocolonialism. As L. I. Brezhnev stressed in the Report of the Central Committee to the 25th Congress of the CPSU: “The importance has been steadily growing of scientific research into the cardinal problems of world development and international relations, the revolutionary process, the interaction and unity of its various streams, the relationship between the struggle for democracy and the struggle for socialism, and the contest of forces on the main issue of our day, the issue of war and peace.”¹

Although African countries have made definite progress in individual branches of their economies, for most of them the 1970s are still a time of severe trials and tense struggle with imperialism to assert their rights and overcome the consequences of colonial oppression. A sober assessment of the situation after the first decade of independent existence has shown that the results of socio-economic development are still very far from enabling one to say that backwardness has been overcome. And we are not speaking here of “catching up” but of solving the most pressing problems and satisfying especially urgent needs.

Of course, it would be wrong to impute the whole complexity of the situation and the individual failures of the new states solely to the influence of external factors. Much is determined by the objective laws and specific contradictions of societies coming out of the colonial status, by the complex interaction between social, political and ideological factors and the economy. But it is also wrong to reduce the problem, as bourgeois social science does, solely to “internal conflicts” in the development of the young states and to place the blame for the troubles on these states

¹ *Documents and Resolutions. XXV Congress of the CPSU*, p. 88.

themselves. This approach is one of the basic devices used by the ideologists of neocolonialism.

Most of the leaders of the developing countries come out against this point of view. While aware of the internal problems, they also clearly see the external impediment to harmonious socio-economic growth. As Houari Boumédiène, Chairman of the Algerian Revolutionary Council, stressed in his speech at the opening of the Fourth Conference of Heads of State or Government of Non-Aligned Countries, classical colonialism has lost its positions on many fronts but is spreading its influence in another form. The countries of the Third World are being subjected to coercion and pressure by foreign states which hold them in a condition of economic dependence and subordination and nullify many undertakings aimed at development.

Neocolonialism has many faces. It includes a multitude of political, economic, social, ideological and other ways and means of keeping the developing countries in the orbit of world capitalism. At the same time, it is a system that reacts to changes in the situation; it is an evolving system. Different forms of neocolonialism are moved to the fore at different times, as dictated by necessity, but its socio-political and ideological expansion is steadily intensified, as are attempts to impose new forms of capitalist international division of labour. Therefore, only by employing a comprehensive approach—as called for by the Marxist-Leninist methodology of analysing international relations—can we reveal the nature, depth, scope, contradictions and limits of imperialist policy with respect to the developing countries.

The authors of the present work regard neocolonialism as a mobile, rather than static, system of the imperialist powers' common class interests, intentions and concrete actions, under which each of these powers at the same time retains its own specific features and pursues its own immediate interests and objectives. The problems of the newly free countries' opposition to neocolonialism are analysed in the context of the struggle between the two world social systems—socialist and capitalist—not as defence against neocolonialism but from the standpoint of the further offensive against imperialism. The authors proceed from the fact that, despite the nonuniformity of the socio-political and economic map of modern Africa and the substantially

increased complexity in the nature of the forces that in aggregate make up the national liberation movement, the unifying and imperative factor in all the events on the African continent is the process of further national liberation, with an anti-imperialist, and in a number of cases, an anti-capitalist orientation, and the consolidation of forces resisting neocolonialism.

The present study followed as closely as possible the formula, "from the general to the particular", "from theory to assessment of fact", in accordance with V. I. Lenin's injunction: "anybody who tackles partial problems without having previously settled general problems, will inevitably and at every step 'come up against' those general problems without himself realising it."¹ The specific nature of the subject also called for combining theoretical propositions with factual, statistical and other materials which reflect the real state of affairs, as was stressed at the 25th Congress of the CPSU: "The tasks facing our social science can, apparently, be fulfilled only if there is the closest possible connection with life. Scholastic theorising will merely act as a brake on our advance."²

Various aspects of the activity of neocolonialism are analysed in the monograph. Some are continuously changing, while with respect to others, not enough reliable factual material or accurate statistical data have been accumulated. Therefore, certain problems may be debatable both in terms of how they are stated and in terms of the conclusions drawn. Also, the fact that the authors took into consideration the results of earlier studies does not mean that they necessarily share all the propositions and conclusions found therein. Indeed, there is no complete coincidence of views on some questions even among the authors of this book. Their individual points of view have been preserved in the monograph, because the editorial board by no means set itself up as arbiter in debatable questions.

In examining the evolution of neocolonialism, the crisis of relations between the newly free countries and imperialism, and the nature of the changes in the African policy of the main capitalist states, the authors sought to show

¹ V. I. Lenin, "The Attitude Towards Bourgeois Parties", *Collected Works*, Vol. 12, p. 489.

² *Documents and Resolutions. XXV Congress of the CPSU*, p. 88.

how all these were influenced by the distinctive feature of the 1970s, namely, the relaxation of international tension which came as the direct result of the successful implementation of the Peace Programme advanced by the 24th Congress of the CPSU. In the chapters devoted to an analysis of the struggle of the African peoples against neocolonialism, the task was to reveal the objective laws governing this struggle and the direct relation between its success and the struggle for peace and further improvement of the international climate, and the strengthening of all-round co-operation between the young states, on the one hand, and the Soviet Union and the other socialist countries, on the other.

From the analysis of the tendencies of neocolonialism to modify its basic forms and methods in the economic sphere (the export of capital, "aid", unequal trade, imperialist integration) under certain historical conditions, it may be concluded that the 1970s made it especially clear that the new states cannot attain economic independence along the road of capitalist development. Facts provide compelling evidence that the socialist orientation, when it is firmly and consistently translated into life, gives the young states the most radical and effective means of freeing themselves from imperialist oppression. Successful opposition to the refined methods of neocolonialist economic expansion presupposes the implementation of profound socio-economic transformations in the developing countries, that is, their taking the non-capitalist path of development.

A distinctive feature of neocolonialism in the 1970s is its stepped-up ideological expansion. An attempt is made in this monograph to get at the nub of this aspect of neocolonialism by revealing the substance and meaning of the efforts made by bourgeois social science to justify neocolonialist policy.

This edition of the book differs in some respects from the original edition published in 1975. The reason is simply that life does not stand still.

Consequently, the statistical and factual materials have been brought up to date, and the analysis of the evolution of neocolonialism and especially of the growth of the anti-imperialist struggle has been taken to the middle of 1976. It was also decided to include an introductory chapter (especially written for the foreign-language edition) which examines the basic directions of the anti-imperialist struggle

at its present stage. We believe that this chapter will be of interest to the reader because it reveals the substance of such concepts as social emancipation, economic independence, and anti-imperialist unity, that is, the very things for which the newly free countries are fighting and which neocolonialism opposes.

The present edition gives considerably more attention to certain problems that have taken on increased urgency of late. One of these is the expansion into developing countries of international corporations (transnational and multinational), with regard to which, despite neocolonialist resistance, the May 1976 Session of UNCTAD adopted special rules regulating their activity. Another is the evolution of neocolonialist tactics with respect to countries that have made the socialist choice and embarked on the road of noncapitalist development. Internal and external reaction have increased their pressure on these regimes. Analysis has been continued of changes in the African policies of the imperialist states, particularly that of the USA, whose policy in southern Africa entered a blind alley because of Washington's unceasing support of the racists in South Africa and Rhodesia and its attempts to prevent the emergence of a truly independent Angola. A number of other subjects are also discussed in the light of recent developments.

The authors are fully aware that theirs is not an exhaustive analysis of all the problems discussed. Nor is such an analysis possible since the processes giving rise to these problems are in a state of continuous development. Nonetheless, the authors hope that this study will elicit the reader's interest and serve the cause of the struggle against imperialism.

* * *

The group of authors includes scholars from the USSR Academy of Sciences' Africa Institute, Leningrad State University, and the Bulgarian Academy of Sciences' Africa and Asia Research Centre.

The book was prepared under the general editorship of E. A. Tarabrin, D. Sc. (History).

Introduction

**THE PRESENT STAGE
OF THE ANTI-IMPERIALIST
STRUGGLE**

One of the characteristic features of present-day world development is the continued rise of the national liberation movement. As stressed in L. I. Brezhnev's report to the 25th Congress of the CPSU, most of the countries that have freed themselves from colonial dependence are "defending their political and economic rights in a struggle against imperialism with mounting energy, striving to consolidate their independence. . .".¹ They are waging a struggle against neocolonialist exploitative relations, for social emancipation, for the right to be their own masters. The young states are embarking on industrialisation, primarily on the basis of the state sector; implementing agrarian reforms and eliminating feudal landownership; nationalising foreign monopoly-owned property; establishing sovereignty over their natural resources; and forming their own national cadres. The social development of the former colonial world is characterised by far-reaching progressive changes that are taking place in spite of all the difficulties involved. But the source of these difficulties is to a significant extent neocolonialism.

The international situation is of considerable importance for the national liberation struggle. In recent years, the

¹ *Documents and Resolutions. XXV Congress of the CPSU*, p. 16.

leading tendency in the international situation has been further consolidation and materialisation of detente and extension of the sphere in which the principles of peaceful coexistence are applied. These processes, which were given their crucial impetus by the Peace Programme adopted by the 24th Congress of the CPSU, have already had a positive effect on developments in the zone of the national liberation movement.

The peoples of Africa have scored outstanding successes in the struggle for national liberation. The first half of the 1970s ushered in the final stage of the downfall of the colonial system on this continent. After many years of struggle, the peoples of Guinea-Bissau, the Cape Verde Islands, Mozambique and Angola won their independence. The forty-eighth independent state, the Republic of the Seychelles, appeared on the map of Africa. All this has been primarily the result of their own heroic efforts in conjunction with resolute support from the socialist countries and the progressive public of the whole world. However, complete success was achieved precisely when, under the influence of detente, international conditions were created in which the completion of the liberation struggle was ensured. The changed situation led to the isolation and broad condemnation of Portuguese fascism and colonialism and was conducive to the rise of the revolutionary struggle waged by the peoples in the colonies for their liberation and of the Portuguese people's fight for democratic reforms. All of this brought about the collapse of the fascist-colonial regime both in the metropolis and the periphery. The feudal monarchy in Ethiopia also collapsed under the winds of change brought about by detente, and developments that only recently seemed utopian became a reality. Revolutionary changes have also taken place in a number of other African countries.

The relaxation of political tensions in the world has also been directly responsible for the results already achieved in the developing countries' struggle to restructure economic relations with the capitalist countries and to exercise their sovereignty over their own natural resources. The fact that imperialism has been irretrievably losing its control over the raw material resources of the one-time colonies and that the newly free countries have been nationalising the assets of monopoly capital is most important proof of their

advance toward complete economic and social emancipation. Let us examine this point in more detail.

Social emancipation. For a long time the imperialist powers had hoped in earnest that decolonisation in Asia and Africa would result in no more than a partial loss of political domination and that they would be able to retain the economic levers of exploitation of the peoples in the newly free countries and retain control over those countries' social processes. The neocolonialists refused to understand that the peoples' urge for genuine national independence and social progress was inexorable, that it was impossible to quell it with false promises. For most countries, the winning of political independence has become a starting point in the struggle for complete equality in the world community.

The national liberation movement includes highly diverse components, ranging from organisations still waging a struggle against the vestiges of the colonial system to the states that have emerged in the place of former colonies and have begun building a new life. But while the components may be different, there is one thing in common to them all: the anti-imperialist tenor of the actions in the fight for national revival.

As speakers at the 25th Congress of the CPSU noted, important changes are now taking place in the domestic life and foreign policy of the developing states, and their influence in the modern world is growing.¹ Efforts to raise the people's social, economic and cultural standards and secure social emancipation are becoming a key line of the revolutionary process in the zone of the national liberation movement. This struggle is going forward on many levels, has a multiplicity of external and internal aspects, and includes both the creation of conditions for solving social problems and transformations in every sphere of social life which would help eliminate the chief factor of social inequality and oppression, exploitation of man by man. Thus, the struggle for social emancipation and for the opportunity to choose the way of socio-economic and political advancement is a class struggle, and the main indicator of the success already achieved in this area is the growing

¹ *Documents and Resolutions, XXV Congress of the CPSU*, pp. 15-17.

number of countries which have opted for a socialist orientation, for a noncapitalist way.

The struggle for social emancipation is under way both on the international and the national levels. On the international level it is directed against the exploitative activity of the imperialist monopolies and toward restructuring the whole system of economic relations between the developing countries and the capitalist states on an equitable and democratic basis, or for a New International Economic Order, as the established term is. Furthermore, it is a struggle against every form of imperialist aggression, diktat and pressure, something that inevitably combines with the urge to strengthen peace and to supplement political detente with military detente. After all, without all this the developing countries would find it extremely difficult, if not impossible, to accomplish their fundamental task, which is to boost their productive forces to a level that would meet with the aims of social emancipation.

On the national level, the advance toward social emancipation includes struggle against domestic reaction, which is supported from the outside, and against the uncontrolled sway of foreign monopoly capital, which means resorting even to nationalisation of its property, struggle against the neocompradore bourgeoisie, the tribal elite, feudal sections which are growing capitalist (like the "oil elite"), and in many countries against feudalism as a social formation. So, the struggle is aimed at changing the social structure of society, democratising the regime, establishing public ownership of the means of production, and doing away with the social contrasts. Marien Ngouabi, President of the People's Republic of the Congo, noted, for example, that "our struggle against imperialism, the principal enemy of the Congolese people, must not overshadow the struggle against the exploiter classes within the country".¹ Finally, the social emancipation of the peoples of the developing countries is directly connected with the solution of such domestic problems as those of employment, public health and medical services, public education (including higher), the control of urban overpopulation, and, perhaps the most complex and important, the nationalities question.

¹ *World Marxist Review*, No. 5, 1975, p. 42.

Although all the peoples of Africa, as well as of Asia and Latin America, yearn for social emancipation and genuine national revival, the situation is, of course, far from being the same in every country. While the socialist-oriented countries have, despite all the difficulties, secured tangible results in their advance toward their established goals, in countries where the ruling circles have opted for the capitalist way of development, despite some economic growth socio-political problems have been merely sharpened. Even in states so well provided with natural resources and investments of foreign capital as Ivory Coast and Zaire, the characteristic feature of the social situation is still terrible poverty, illiteracy, extreme backwardness of public health systems, incessant growth of unemployment and a widening property gap between the bulk of the population and the bourgeois elite. All of this goes to aggravate the social contradictions, sharply increasing the polarisation of class and political forces and helping to build a broad democratic front in which the working class has an ever greater role to play.

Of special importance in strengthening the anti-imperialist struggle is the fact that the experience of the developing countries proceeding along the capitalist road shows that they are incapable of solving any of their fundamental socio-economic and political problems. Moreover, in these countries, all the vices of the capitalist world tend to assume especially ugly and contrasting forms, while crisis phenomena hit these countries with redoubled force. That is why there is growing understanding in the overwhelming majority of developing states that capitalism, as an historically doomed system, is capable of only reproducing new forms of dependence. This accounts for the growing influence of socialist ideas and the power of attraction of the socialist orientation. It is indicative that a struggle for a socialist orientation is also being carried on in the countries which have taken the capitalist path of development, with the peasantry and numerous sections of the petty bourgeoisie that seek a patriotic alliance with the working class joining ever more actively in the struggle. This is one of the distinctive features of the national liberation movement at the present stage.

The socialist orientation will inevitably become, and is already becoming, the highroad of development in the new

states because it alone ensures success in the struggle for economic independence and leads to social freedom, whereas capitalist development opens the floodgates for neocolonialism. The following important circumstance needs to be emphasised: countries opting for the socialist orientation have the opportunity broadly to rely in their development on the Soviet Union and other socialist countries. For the young states, this is especially necessary as the centre of gravity in the national liberation movement tends to shift to the socio-economic sphere. In his report at the 25th Congress of the CPSU, L. I. Brezhnev said: "In the developing countries, as everywhere else, we are on the side of the forces of progress, democracy and national independence, and regard them as friends and comrades in struggle."¹

Economic independence. Without economic independence there can be no genuine political sovereignty and advance toward social progress. In recent years, this has become the predominant thesis in the declarations of all forums of the national liberation movements. What is economic independence? What meaning is given to this term by spokesmen of the developing countries? Who is being fought and why? Here, for example, is what was said in the documents of the Fourth Conference of Heads of State or Government of Non-Aligned Countries, held at Algiers in 1973: "...imperialism is still the greatest obstacle to the emancipation and progress of the developing countries which are struggling to achieve standards of well-being and human dignity. Imperialism not only hampers the economic and social progress of developing countries but also adopts an aggressive attitude toward those who oppose its plans, trying to impose upon them political, social and economic structures which encourage alien domination, dependence and neocolonialism."² And the programme of action was formulated as follows: "It is also a question of establishing a genuine independence by eliminating foreign monopolies and assuming control over their national resources and exploiting them for the benefit of their peoples."³

¹ *Documents and Resolutions. XXV Congress of the CPSU*, p. 16.

² *Documents of the Fourth Conference of Heads of State or Government of Non-Aligned Countries* (held at Algiers, from 5 to 9 September 1973), p. 58.

³ *Ibid.*, p. 9.

These and other similar statements obviously reflect the fact that the condition of the absolute majority of the developing countries within the capitalist world economic system is characterised, first, by economic backwardness, which is the result of colonial oppression and which, for its part, breeds inequality with respect to the developed capitalist countries; second, by dependence which springs from this inequality and which enables the imperialist monopolies to retain important positions in the economies of these countries; third, by discrimination and inequality, which are cultivated by the developed capitalist countries, for their policies are based precisely on the developing countries' economic inequality and dependence; and fourth, by deliberate resistance by imperialism to their genuine economic emancipation. All these factors, closely interlaced, determine the specifics of the anti-imperialist struggle in the economic sphere.

It is obvious, therefore, that in order to achieve economic independence, the young states will have to overcome many obstacles. Alongside purposeful economic activity, they will have to wage a hard struggle against the imperialist monopolies and even against a united front of the capitalist countries. This will require of them consistent steps both on the national level and on the scale of the whole national liberation movement.

At the same time it should be emphasised that economic independence in no sense means economic autarchy and isolation. On the contrary, it implies the establishment of an equitable, mutually advantageous and fair international division of labour to promote the balanced economic development of the former colonies and semicolonies, progressive restructuring of their economies, and disinterested help in these processes on the part of states which are in a position to give it. This is precisely the system of international economic relations that the Soviet Union has advocated, steadily developing its economic co-operation with the young states on the principles of complete equality, mutual advantage, and non-interference in each other's internal affairs. As L. I. Brezhnev declared at the 25th Congress of the CPSU, the USSR intends to continue pursuing this line.

The developing countries' growing attention to socio-economic problems is due, in particular, to the fact that over the past years the economic condition of most of them

has markedly worsened. This has been stated in the documents of the Third Conference of Ministers of the Group of 77 (which now includes 110 developing countries), which was held in the Philippines in February 1976. These documents—The Manila Declaration and The Programme of Action—prepared for the then coming Fourth Session of the UN Conference on Trade and Development (UNCTAD), also identify the causes behind this worsening of their condition: the inflation, monetary upheavals and economic slump in the capitalist world, and the use of new forms of economic discrimination and coercion by the multinational corporations.¹

The issue came up even more sharply at the Fourth Session of UNCTAD, held in Nairobi (Kenya) in May 1976, where the developing states vigorously pressed for the adoption of concrete decisions which would put an end to their exploitation by the developed capitalist countries. However, no tangible progress on these questions was made at that session because of the neocolonialist position taken by the Western countries, above all the United States, the FRG and Britain. They sought to use that session to strengthen their own positions and especially the positions of the multinational corporations in the developing countries. Almost all of these countries' principal proposals were rejected. What the West sought to impose in their stead was the "open door" principle in trade, which actually leaves intact the neocolonialists' control over the economies of the developing countries and reproduces dependence and exploitation. Only thanks to close co-operation between the socialist and developing states were a number of important decisions taken at the Fourth Session of UNCTAD. Despite the stratagems of the neocolonialists, resolutions were adopted on raw material problems, the transfer of scientific and technical knowledge and technology, a number of financial questions, and regulations restricting the activities of multinational corporations. The natural finale of the session was the rejection by majority vote of the idea of creating an international resources bank, which US Secretary of State Henry Kissinger advanced in his address as the basic element in the Ameri-

¹ Simultaneously, the participants of the Manila Conference came out for the immediate expansion of trade with the socialist countries, which once again emphasises the advantages of their system of economic relations with the socialist world.

can plan for restructuring international economic relations.

In the past few years the national liberation struggle has acquired new qualities in the economic sphere and displayed clear-cut anti-imperialist tendencies. The constant upheavals of the whole complex of economic relations between imperialism and the young states have issued into a deepening crisis of these relations and growing disintegration of the economic foundations of neocolonialism. The dynamics of this process were exemplified most graphically during the so-called energy crisis, which acted as a kind of catalyst of the long-expected consolidation of efforts by the developing countries in resisting the economic, military and political pressure from imperialism. Making use of the favourable conditions created by political detente, the developing world for the first time resolutely confronted the pressures and blackmail of monopoly capital with its growing unity.

It all started with the concerted counter-blow dealt by the developing countries on the "raw material front", when the OPEC countries made use of the "oil weapon" in the autumn of 1973 in defending the Arab nation in connection with the new Arab-Israeli war. They were not deterred even by outright US threats to occupy the oil fields in the Persian Gulf area. Those and subsequent developments brought out a most important, historic circumstance: because of the changed balance of forces in the world arena, the economic dependence of the developing countries on the developed capitalist countries is no longer one-sided. Imperialism is losing—and this is an irreversible process—its monopoly control over the basic sources of raw materials in the capitalist world, which are being taken over by their legitimate masters, the peoples of the newly free countries. Moreover, the state of the economy of the industrialised capitalist countries is already becoming dependent on whether they can retain, and on what terms, access to the raw material and energy resources in the sphere where they once held undivided sway.

The gaining of complete sovereignty over their natural resources is only one of the most urgent in the complex of tasks facing the developing countries in the national liberation movement at the present stage. The scale of the struggle is much broader and more diverse, for it is being carried on by individual countries, their groupings and on

a continental level. Let us consider some of the most characteristic phenomena.

The tide of nationalisations of the property of the monopolies, establishment of state control over key economic sectors and other anti-monopoly measures, is sweeping across more and more developing countries of Africa, including even those which foreign capital has until recently regarded as being relatively "safe". Thus, in 1974 and 1975, state control was established over: all operations involving the purchase and sale of coffee in Burundi, with a simultaneous 25 per cent increase in the purchase price of this crop; the production and sale of cotton in the People's Republic of Benin; the copper mines of the Nchanga Consolidated Corporation in Zambia; foreign property in key sectors of the economy in Ethiopia, Madagascar, Mauritania, the Central African Republic and a number of other countries.

However, as mentioned above, establishment of control over natural resources and the expulsion of foreign monopolies are measures which are necessary but insufficient to ensure economic independence. That is why developing countries, taking their cue from OPEC, have been setting up organisations for the collective protection of their "sectoral" interests. They now have an association of iron ore exporters, led by India and Venezuela; an international bauxite association, in which Jamaica plays the leading role; an inter-governmental council of copper exporting countries; and an association of banana exporting countries. Similar steps have been taken by the producers of coffee, sugar and a number of other commodities. All these organisations include independent African countries.

Some positive results have been achieved by the 46 developing countries of Africa, the Caribbean and the Pacific which signed a new convention with the EEC in 1975. As discussed in detail in this book, their joint efforts have enabled them to secure a number of concessions: the Common Market countries were forced to abandon their demands for reverse preferences, undertake to stabilise the developing countries' export earnings for some commodities, etc.

The swing toward detente and improvement of the political climate in the world have made it possible to present the developing countries' economic problems for broad international discussion, to convene the Sixth and Seventh

Special Sessions of the UN General Assembly and many other representative international forums. The discussions held by these forums and their decisions point to a definite consolidation of the unity of the national liberation movement on the basis of a general democratic programme of foreign economic demands, which are progressive and anti-imperialist. The developing countries, which differ substantially on questions of domestic economic and social development, have displayed their cohesion in the fight for liberation from exploitation and oppression by capitalist monopolies.

The developing countries now have not only advanced legitimate demands to the industrialised capitalist countries but are also working persistently to have these accepted. An example of this, besides the above-mentioned Fourth Session of UNCTAD, is the Conference of 27 which was held by stages in Paris since the autumn of 1975 till the spring of 1977 and which was attended by developing countries and industrialised Western countries in an attempt to solve the key problems arising from the economic relations between these two groups of states. The first phase of the Conference showed the basic economic interests of the developing countries and of Western monopoly capital to be irreconcilable. Whereas the former demanded a radical restructuring of international economic relations, the latter sought to confine the discussion merely to the question of prices of certain raw materials, oil in the first place. The fresh round of talks and decisions taken have shown on the whole that the confrontation is deepening, as Western manoeuvres have come up against the indomitable resolve of the developing countries to stand up for their demands and to secure concrete concessions, and not be content with neocolonialist promises. The position of these countries is well-grounded, because, as stressed at the 25th Congress of the CPSU, with the present correlation of world class forces, the liberated countries are quite able to resist imperialist diktat and achieve just—that is, equal—economic relations.¹

The national liberation struggle in the economic sphere is just beginning, and the main battles are still to be fought.

¹ *Documents and Resolutions. XXV Congress of the CPSU*, p. 16.

None of the developing states has yet secured equality in economic relations with imperialism. However, some results have been achieved and, what is most important, the incipient tendency shows that their strategy is right in principle. The developing countries' further successes in achieving economic independence will largely hinge on the consistency of their anti-imperialist line in the international arena, and the nature of their internal socio-economic transformations.

Anti-imperialist unity. In its efforts to tone down the peoples' struggle for independence, imperialism has always staked on splits in the opposing forces. From this it follows that whatever the sphere of struggle, any success the national liberation movement may score is bound with the question of anti-imperialist unity both on the national and the international scale. It was quite natural that the 25th Congress of the CPSU issued a fresh and powerful call for stronger unity of all anti-imperialist forces on the basis of proletarian internationalism.

In the context of the anti-imperialist struggle, unity has several aspects. First, unity with the two other main revolutionary streams of our day: the world socialist system and the international working class; second, regional cohesion of its various contingents on the level of developing countries; and third, consolidation within individual countries of all classes and social sections coming out against imperialism or having an anti-imperialist potential.

The results of world development in the first half of the 1970s amply testify to the growing unity of the revolutionary streams, resulting in a further change in the world balance of forces against imperialism. These processes are closely connected with the growth and strengthening of each of the streams. Otherwise, unity could not be militant, nor could its components complement and vigorously interact with each other, lending dynamism to the revolutionary process.

It is no exaggeration to say that the victories scored by national liberation fighters in Africa, Asia and Latin America are victories of the growing unity of the revolutionary forces of our day. The forces of progress in Africa and the world over have always received support and assistance from the Soviet Union and other socialist countries. The Communists of the whole world, working-class organisa-

tions, and progressive trade unions have always come out in defence of the cause of freedom and democracy in the zone of the national liberation movements. The overwhelming majority of the leaders of liberation organisations in developing countries are fully aware of the importance of this assistance and support, are grateful for them, and have repeatedly noted that consolidation of relations with the socialist community, especially with the USSR, helps the young states to strengthen their independence and sovereignty and extends their possibilities for thwarting the schemes of imperialism and reaction.

However, now and again, not only forces taking an open stand against revolutionary change but also some prominent members of the national liberation struggle have, wittingly or unwittingly, undermined the very idea of solidarity with the socialist world and its practical implementation. This comes from the failure (or lack of desire) to understand that there is no contradiction between the basic national interests of any people or of any progressive movement, and the purposes of the world revolutionary process. Of course, this tends to harm the national liberation forces in the given country and as a whole.

There are various causes for these phenomena. For one thing they are the result of a complicated process of class differentiation and growing class struggle in the developing countries—a natural feature of their development. They are also a consequence of negative external influences, the impact of neocolonialist bourgeois and Maoist propaganda. And finally, also manifesting themselves here are the ideology and narrow class interests of the petty-bourgeois circles which are in power in some countries. Lenin pointed to the fact that “in the land in which the small-proprietor population greatly predominates over the purely proletarian population, the difference between the proletarian revolutionary and petty-bourgeois revolutionary will inevitably make itself felt, and from time to time will make itself felt very sharply. The petty-bourgeois revolutionary wavers and vacillates at every turn of events”.¹

It may be noted with satisfaction, however, that despite all the efforts of the imperialists and their Maoist helpers,

¹ V. I. Lenin, “The Immediate Tasks of the Soviet Government”, *Collected Works*, Vol. 27, p. 276.

co-operation between socialist and newly independent countries of Africa, Asia and Latin America has been steadily growing. This is clearly evident at international forums, notably the United Nations, and also in the sphere of bilateral relations. As for economic co-operation, it is already safe to say that the developing states of progressive orientation are being gradually involved in the international socialist division of labour and in the process of socialist integration even before the socialist revolution has triumphed in these countries.

There is growing interaction and cohesion among the various contingents of the liberation movement on an anti-imperialist basis on the regional and worldwide scale, and not only in connection with the tasks of economic development (which were considered above), but also on key international problems. The processes of consolidation have not by any means run a smooth course. Cohesion is achieved through overcoming sharp contradictions and differences, whose existence is quite natural considering the breadth of the socio-political spectrum of those involved in the movement. However, the idea of unity tends to gain the upper hand surely, even if slowly. Convincing proof of this is the evolution of the stand taken by the member states of the Organisation of African Unity (OAU) on some key international issues. Let us consider some of the most striking examples.

The OAU is the biggest regional organisation in the zone of the national liberation movement. It was set up in 1963, and now has almost 50 independent countries of Africa as its members. It is based on unity. At the same time, unity is the fundamental principle of the African countries' foreign policy. This unity was put to a serious test by the need to take a stand over the Israeli aggression against Egypt, a member of the OAU. It was a matter not of military but of political support for the victim of aggression. But at the Emergency Session of the UN General Assembly in June 1967, only six African members of the OAU (apart from the Arab members) voted for the most consistent draft resolution (motioned by the USSR) which condemned the aggressor and demanded its withdrawal from the occupied territories. The others abstained, and eight even voted against. However, all the attempts by the diplomats of Tel Aviv and its Western allies to avert the isolation of the

aggressor in Africa proved futile. A swing came in 1972, when several African countries broke off diplomatic relations with Israel. Following the resumption of military operations in October 1973, the same was done by virtually all the other developing countries on the continent, and the OAU unanimously recommended that its members should not re-establish relations with Israel until she withdrew from all occupied Arab lands and until the legitimate national rights of the Arab people of Palestine were ensured. As we can see, it took time for the idea of African unity to be translated from a wish to reality.

The question of the unity of the OAU members was no less acute in connection with the events in Nigeria (in the late 1960s) when the "state of Biafra" was proclaimed by separatists and civil war ensued. It was not only the neocolonialists of the United States, France, the Federal Republic of Germany and Japan and the racists of South Africa who sympathised with the separatists. For various reasons, some African countries—Tanzania, Gabon, Ivory Coast and Zambia—also recognised "Biafra". Senegal took a position close to theirs. During that period, the majority of the OAU members had to work hard, first, to assure the territorial integrity of Nigeria in the interests of all of Africa and, second, to prevent the division in their own ranks from deepening. These efforts were crowned with success. In January 1970, the civil war in Nigeria ended in the defeat of the separatists. At the Seventh Session of the OAU Assembly, Nigeria and the four countries that had earlier recognised Biafra were reconciled.

The outcome of the Nigerian crisis was of tremendous importance not only for the fate of Nigeria but for all of independent Africa. The plans of the neocolonialists collapsed. A new step had been made toward African unity.

The latest example is Angola. Here, one should note that the Angolan problem, seemingly clear, also became a serious test of the unity of the independent countries on the continent.

In January 1976, in connection with the aggression by the racist and neocolonialist forces against newly independent Angola, the OAU held its first emergency assembly of heads of state and government. All the participants unanimously condemned the aggression of the Republic of South Africa against Angola. But no agreement was reached

on the question of giving recognition to the People's Republic of Angola, headed by the patriotic national liberation organisation, the Popular Movement for the Liberation of Angola (MPLA). The votes of the OAU members were equally divided, a fact the opponents of African unity used in order to reiterate their assertion that the OAU was split, at an impasse, and so on. However, as on various other occasions, the jubilation was premature. Before long, the People's Republic of Angola had been recognised by 43 of the 46 OAU countries, that is, an absolute majority. Angola became a full-fledged member of the OAU. Once again the principle of unity prevailed.

Consolidation of all the progressive, anti-imperialist forces, achievement of democratic unity in the developing countries and establishment of national liberation and national patriotic fronts are of tremendous importance for successful action by the national liberation movement against imperialism for economic independence and social renovation. This task is not an easy one considering that in virtually all the young states there are complicated processes in which class and social forces are regrouped and polarised, and that in many countries where the national democratic revolution has entered a new phase there is deep-going division along socio-class lines and a mounting class struggle. Still, the revolutionary vanguards have considered and successfully tackled this task.

Of course, the problem of unity has its specifics and nuances in different countries. In the socialist-oriented countries, this is above all a question of co-operation between the revolutionary democrats and the Communists, of their strategic alliance, which is the natural basis for consolidating the patriotic regimes. Definite successes have been achieved in this direction in Algeria and some other countries. The successes could have been more impressive but for the impact on the political views of some revolutionary democrats of petty-bourgeois ideology. Within the revolutionary democratic parties some elements still take the anti-communist stand. Besides, some circles in these parties, contrary to the interests of their countries, seek to establish a "special relationship" with the imperialist powers. But there is no doubt that on the whole these tendencies are being overcome. The Communist parties, for their part, have been doing their utmost to clear the ground for close co-operation

with the revolutionary democrats, because this is in the interests of the anti-imperialist struggle, the interests of the national liberation movement as a whole and the interests of the social progress of the nations.

Another important task which the progressive revolutionary forces in the young independent states are tackling is that of involving in the anti-imperialist struggle all the social groups which have an objective interest in changing the character of a society abandoning its colonial set-up. This applies to middle peasants, small and middle property owners, handicraftsmen and merchants, members of the liberal professions, and also patriotic-minded businessmen and industrialists, and bourgeois democrats. It is important to enlist these sections into broad, popular anti-imperialist fronts particularly because imperialism has not given up its attempts to turn them into a new social support for itself in the developing world.

Positive results have already been achieved in involving all the above groups in the anti-imperialist struggle in some countries of Africa, and not only of Africa. An example of this is furnished by the Progressive National Patriotic Front of Iraq, whose Charter was signed in 1973, the broad unity of action by all the progressive forces in Algeria (although not formalised organisationally as yet), in Peru and Ecuador, in Venezuela where nine parties including the ruling one have come out in favour of setting up a patriotic front, and in several other countries. Such processes, wherever they may be occurring, have one important common feature: regardless of the forms the consolidation of the national patriotic forces may take, as determined by local conditions, all of them strengthen the positions of these forces in the face of imperialism, the common enemy of the national liberation movement.

Another notable tendency in the development of the national liberation movement in Africa at the present stage is the creation in a number of countries of revolutionary democratic parties of a new type, drawing on and applying world revolutionary experience. This is of utmost importance to the further development of the anti-imperialist struggle. Significant in this respect is the experience of the People's Republic of Benin (until November 1975, Dahomey).

The First Extraordinary National Congress of the Popular Revolution Party of Benin (PPRB) was held in May

1976, marking the formation of a political organisation fundamentally new in character for this region of Africa. As stated in the Political Oath, one of the documents adopted at the congress, it is to become a genuinely revolutionary party whose aim it is to create a new revolutionary and socialist society. Ideologically and organisationally the formation of the PPRB was the natural outcome of changes in the country's economic and socio-political structure that were begun by patriotically-minded young officers in October 1972. Among these changes were the creation of a public sector in key branches of the economy, transformation of the state apparatus inherited from colonial times, and transition to a system of elective revolutionary committees, that is, the mobilisation of the creative initiative of the working people of town and country.

As stated in its programme, the tasks of the PPRB include the complete elimination of imperialist domination within the country, the creation of a genuinely independent national economy, the implementation of agrarian reform, and development of the co-operative movement. The anti-imperialist character of the new party is also reflected in its foreign policy objectives, which include support of the revolutionary struggle of the peoples of the whole world, and especially the struggle of the African peoples for complete emancipation from foreign domination.

Over the past years, the peoples of Africa, with the continuous support of the socialist countries and other progressive forces throughout the world, have made historic advances in the struggle for national freedom and independence, and against imperialism and neocolonialism. However, much important work lies ahead for the African national liberation movement. Vestiges of colonial oppression and discrimination still exist on the continent. The struggle of the patriots of Zimbabwe, Namibia and South Africa for self-determination, freedom and national independence continues to mount. Assuming especially great importance for the success of this struggle are the international solidarity of all the forces of peace and progress, the further strengthening of the unity of action of the independent, freedom-loving African countries, and the maintenance of sharp vigilance with respect to the various imperialist manoeuvres.

To sum up what has been said, it may be concluded that despite the resistance of the forces of imperialism—the

neocolonialist circles, internal reaction and their supporters of all shades, above all Maoists—the unity of the national liberation movement, both within Africa itself on the national and regional levels and on the global scale, has been steadily strengthened and is becoming increasingly anti-imperialist in content. Its alliance with the socialist community is also being consolidated. The new international climate created by detente is having a considerable positive impact on the consolidation of all the anti-imperialist forces, promoting closer unity of the national and the international in the developing countries' struggle for genuine liberation.

Another obvious fact, however, is that the intensification of the anti-imperialist struggle, the growth of the national liberation movement, the successes in the struggle of the developing countries against neocolonialism for economic and social emancipation and the strengthening of their political independence, evoke fierce resistance from the forces of imperialism, neocolonialism, racism, zionism and domestic reaction. There is a further sharpening of the antagonisms between the developing countries and the imperialist powers, and this tends to accelerate the deepening of the general crisis of capitalism.

Despite all the difficulties and temporary retreats in some areas, the national liberation movement is on the upswing. The specific features of its development at the present stage show very well that the process of revolutionary change in the former colonies and dependent countries can develop in depth and breadth only in close interaction among the various national liberation contingents at every level, and in the unity of all the anti-imperialist forces. But the most decisive condition for its victories is greater solidarity with the socialist world. Historical experience shows that any isolation from other streams of the world revolutionary process tends to complicate the struggle and sometimes leads to defeat. Conversely, reliance on the socialist community and concerted action with the Soviet Union and other socialist countries helps the forces of national liberation score their biggest successes.

The Soviet foreign policy is a class policy. It corresponds to the vital interests of all nations. As regards developing countries, the Communist Party of the Soviet Union and the Soviet Government have been consistent in realising the Leninist idea of worldwide co-operation between the

forces of socialism and national liberation. Attesting to this are the examples of Guinea-Bissau, Mozambique and Angola and the Soviet Union's tireless struggle for a just and lasting settlement in the Middle East, the eradication of all traces of colonial oppression and infringement upon the principle of equality and independence of the peoples, and the elimination of all seats of colonialism and racism.

High assessment of this course was unambiguously expressed in the speeches of greetings addressed to the 25th Congress of the CPSU by representatives of the Communist, Workers', National Democratic and Socialist parties and national liberation organisations and movements of the developing countries. They spoke of the attraction of socialism, which has grown still more against the background of the deepening crisis in the capitalist world. They also stressed the need to expand co-operation with the USSR, whose economy is progressing on a planned basis, showing an example of dynamic advancement. The speakers put it straight that many of the victories over imperialism would have been impossible if it were not for the firm material and moral support rendered to the national liberation movements by the Soviet Union. They called for continued strengthening of relations with the Soviet people.

One cannot but agree with this assessment. In recent years, significant changes have taken place in the internal life and international policies of most of the newly independent African countries. In the mounting struggle against imperialism for political equality, economic independence and social progress, they are effecting important changes in the economic and social structures inherited from colonialism. Among the main measures taken are those of shifting the centre of gravity in industrial development to the public sector, abolishing feudal landownership, nationalisation of foreign monopoly property, establishment of sovereignty over their natural resources, and the training of national cadres.

The importance of these changes for the complete decolonisation of countries that have already won political independence can hardly be exaggerated. It is impossible to overcome economic, scientific, technological and social backwardness without restructuring the relations of production, without developing the productive forces at a rapid rate, abolishing the multiplicity of economic forms, and

reorganising the social structure of society. But all of these transformations require considerable capital investment. At the same time, the source for financing the national economy of virtually all the developing countries of Africa are still the extractive industry and the export branches of agriculture. For this reason, the state sector inevitably becomes the leading sector in the economies of most newly free countries. In the conditions of the African countries, the state is the only real force capable on a national scale of mobilising the financial and other resources required for accelerated socio-economic development and of undertaking the planning of economic growth.

The state sector is being formed in all the developing countries of Africa, but its functions are not everywhere the same. In states with a capitalist orientation it serves basically the interests of the nascent national bourgeoisie, whereas in those that have chosen the socialist orientation, it promotes not only the emergence and development of the national economy, but also the ousting of foreign and big national capital from key branches of the national economy. As L. I. Brezhnev noted in the report to the 24th Congress of the CPSU, the state sector in the socialist-oriented countries is essentially the economic basis of revolutionary democracy.

In all the developing countries, the state sector is formed along two basic lines: the nationalisation of foreign monopoly property and the building of new state enterprises. The second direction is of special significance because the enterprises being built correspond to the latest word in technology and provide a modern basis for material and technological development. It is precisely in this sphere that the Soviet Union gives the young states considerable support and assistance.

As of January 1, 1977, the Soviet Union had economic and technical co-operation agreements with over 30 African countries. With its help, some 400 industrial enterprises and other projects have been or are being built, with industrial projects comprising more than 70 per cent of these. All are in the state sector. In Algeria, for example, 45 of the 90 planned enterprises are already in operation; in Guinea, 15 out of 27; in Somali, 14 out of 20; and so on. In Algeria, the state sector already accounts for about 85 per cent of the country's industrial output, and in Somali the

figure stands at more than 75 per cent. Co-operation with the USSR in the creation of the state sector helps substantially to strengthen the economic and political independence of the African states.

The profitability of the overwhelming majority of the projects built is another point we might mention. For example, there has been (and still is) considerable talk about this aspect of the Aswan hydropower complex. Yet, according to figures compiled by Egyptian organisations, the complex, into whose creation 320 million Egyptian pounds were invested, brought Egypt a clear profit of about 2,000 million as early as by the end of 1974.

The Soviet Union supports the main principles of the socio-economic development of the newly independent countries and seeks to facilitate the formation in these countries of national complexes based on the achievements of modern technology. Therefore, the USSR's co-operation with free Africa is aimed above all at the development of key industries. With Soviet assistance under just the agreements in force in 1975 the independent countries will get the following increases in production capacities: electricity, 2.78 million kw; pig iron, 3.04 million tons; steel, 3.2 million tons; iron ore, 3.5 million tons; refined oil, 2.65 million tons; machine tools, 1.5 million units. At the same time, the USSR is on the side of African states that are nationalising the property of monopolies. In his report to the 25th Congress of the CPSU, L. I. Brezhnev said: "...we again emphasise that the Soviet Union fully supports the legitimate aspirations of the young states, their determination to put an end to all imperialist exploitation, and to take full charge of their own national wealth."¹

Despite the rapid development of industry, the economies of most African countries are still based on agriculture. For this reason, the restructuring of agriculture plays a major role not only in resolving the food problem, but in economic development as a whole.

The colonial administrations left the newly independent countries the legacy of an extremely backward agriculture. Virtually no investment had been made in its development, and the African peasants had been subjected to severe de-

¹ *Documents and Resolutions. XXV Congress of the CPSU*, p. 17.

predation by the colonialists and the feudal exploiting chiefs. The restructuring of agricultural production in Africa includes creating state farms and enterprises, setting up co-operatives, expanding export commodity farming, and improving the correlation of food crop and export crop production. The Soviet Union does what it can to support the young states in this area as well.

The agricultural sphere occupies second place in the total volume of Soviet aid, its share amounting to over 10 per cent. More than 60 agricultural projects have been or are being built in Africa with the assistance of the USSR. Besides this, the Soviet Union supplies African countries with modern machinery for land cultivation, harvesting, irrigation, and processing agricultural products. Large state dairy farms in the Republic of Guinea, irrigation dams in Algeria, state agricultural stations in a number of countries, elevators, and so forth have been built with the help of the USSR. At the same time, the Soviet Union is a profitable customer for Africa's agricultural products. Agricultural commodities account for about 70 per cent of all Soviet imports from African countries.

The Soviet Union gives African countries very substantial support in the training of personnel, which is one of the basic problems in achieving true independence and social development. Eleven institutions of higher education, 10 specialised secondary schools, and about 70 vocational training centres have been created in Africa with the assistance of the USSR. Many thousands of Africans have already completed institutions of higher education in the Soviet Union, where there are always over 5,000 African students enrolled at any given time. In the course of building and operating various projects in Africa itself, over 100,000 skilled workers have been trained with the help of Soviet specialists, and no less than 5,000 African engineers and technicians have gone through practical training at leading enterprises in the USSR.

The new states of Africa have made important gains on the road to genuine national, economic and social independence. However, they still face a wide range of unresolved problems. As for the Soviet Union, in it—as L. I. Brezhnev said from the rostrum of the 25th CPSU Congress—the developing countries have had and will always have a true ally: “We are doing and will continue to

do everything to develop and strengthen friendship with those who really want it. We and the vast majority of the states that arose on the ruins of the colonial system are united by a deep common allegiance to peace and freedom, and aversion to all forms of aggression and domination, and to exploitation of one country by another. This community of basic aspirations is rich and fertile soil on which our friendship will continue to grow and flourish!"¹

¹ *Documents and Resolutions. XXV Congress of the CPSU*, p. 20.

Part I

CHANGES IN THE BALANCE OF FORCES

Chapter 1

NEOCOLONIALISM IN THE 1970s

The collapse of the colonial empires is one of the major results of the world revolutionary process. Under the powerful onslaught of the national liberation movement and with the support of the socialist states, an end was put to the direct dominion of the metropolitan countries over their colonies. Over the thirty postwar years more than seventy countries have gained political independence. Nevertheless, imperialism has not reconciled itself to the prospect of losing control over the countries of Asia, Africa and Latin America; the imperialist powers are seeking an equivalent to the colonial system and attempting to modify outworn policies. In the new historical conditions, neocolonialism has become such an equivalent.

Marxist science defines neocolonialism as a new imperialist system whereby developing countries are subjected to indirect dependence, subordination and exploitation in conditions when direct colonial domination has been eliminated and the balance of world forces has shifted in favour of socialism.

As an attribute of imperialism that is adapting itself to the situation, neocolonialism is continuously evolving within the general framework of those changes and irreversible processes which capitalism itself is undergoing at the present stage of its deepening general crisis. The enhanced might and international prestige of the world socialist system, the

relaxation of international tension, the development of the national liberation movement into a struggle against capitalist exploitative relations, and the intensification of class battles in the citadels of capitalism—all this forces the neocolonialists to manoeuvre, change tactics, abandon unpromising methods, and elaborate new complexes of political, ideological and economic means for retaining control over economically backward states. Another reason for this evolution is that neocolonialism has suffered serious setbacks. The neocolonialists have been unable to prevent the national liberation movement from entering the anti-capitalist stage, the emergence of countries with a socialist orientation, the growth of the national self-awareness of the newly free peoples, the ever broader spread of socialist ideas in the Third World, and the expansion of co-operation between the new states and the countries of the socialist community.

As a result, the policy of neocolonialism encounters mounting resistance from the developing countries, where there is growing awareness that capitalism is without prospect, that national renaissance and economic and social progress cannot be achieved along the lines of capitalist development. The entire system of relations between imperialism and the developing countries is entering a stage of deepening crisis; and this process is irreversible.

1. A BRIEF SUMMING UP

The former metropolitan countries and their imperialist allies and competitors pursued at least three basic aims as they built relations with newly independent African countries on a neocolonialist basis: to retain political influence over the young states; to ensure the possibility of exploiting their productive forces, especially their natural resources; and to keep these countries within the world capitalist economy.

These aims were determined by the general strategic task of imperialism. In his address at the International Meeting of Communist and Workers' Parties in 1969, L. I. Brezhnev said: "As a whole, however, under conditions of the deepening general crisis of capitalism, a certain shift of the centre of gravity of imperialism's strategy is taking place in the world arena. The policies of imperialism are

being increasingly determined by the class objectives of its general struggle against world socialism, the national liberation revolutions and the working-class movement.

"There is no doubt at all that imperialism will continue to look for new possibilities for prolonging its existence."¹ It was precisely this desire that was the principal factor motivating neocolonialism.

Analysis shows that neocolonialism has not achieved its basic aims on the African continent. Moreover, national liberation revolutions are on the upswing in many African countries, and have entered the stage of social transformations in some of them. A number of countries of the continent have given preference to a noncapitalist road of development.

In the field of politics, the neocolonialists were banking on the class solidarity of the Arab and African bourgeoisie and sought to reach a solid and long-term compromise with it. On the whole, their tactics did not produce the expected results. Instead, tendencies toward independent national development are prevailing, and this is inevitably coupled with the emergence of anti-imperialist sentiments. Moreover, in a number of countries a national bourgeoisie is only just beginning to take shape, while in states that have chosen the socialist orientation, a process of restricting the private capitalist sector is under way.

The period of unlimited imperialist diktat in the sphere of the young states' foreign policy has also actually ended. There was a time when the former metropolitan countries, relying on the treaties and agreements made when the colonies were "granted" independence, expected the newly independent countries to function as mere cogs in their voting machine in international organisations—beginning with the UN—and at various international forums, and regarded themselves as flagships in the ocean of world politics.

However these expectations of the neocolonialists were also dashed. Upon gaining independence, the former colonial and dependent countries introduced substantial changes in the system of international relations, changes connected above all with the desire of free Africa to put an end, once and for all, to relations based on exploitation. The active

¹ *International Meeting of Communist and Workers' Parties, Moscow, 1969, Prague, 1969, p. 142.*

participation of the young states in international affairs and their joint efforts with the socialist countries contributed to a further restriction of imperialist influence in the international arena.

To the attempts of imperialism to draw the new states into aggressive military-political blocs and alliances, these countries opposed first their anti-imperialist political unity and then the non-aligned movement, a new development in world politics that emerged against the background of the present stage of the general crisis of capitalism.

Voicing approval of the anti-imperialist, anti-colonial course of the non-aligned movement, L. I. Brezhnev said: "There is no doubt that this position and its consistent implementation will be conducive to the further growth of the non-aligned countries' influence in the world."¹ The failures of the foreign policy programme of neocolonialism on the continent become even more obvious in the light of the fact that all of the newly independent countries of Africa are taking part in the non-aligned movement.

Thus, neocolonialism failed to accomplish one of its main objectives in the political sphere—to include the young states of Africa in the political system of imperialism, making use of the fact that they still belonged to the world capitalist economy. The anti-imperialist tendencies characteristic of the independent political development of the newly independent countries are reflected (in varying degrees, of course) in demands that the inequitable treaties imposed by the former metropolitan countries and the whole system of political, diplomatic and other inter-state relations with the imperialist powers be re-examined, and in the growing class content of the national liberation struggle.

However, neocolonialism has not fully exhausted its possibilities in the field of politics. In some cases the neocolonialists have succeeded in bringing about the changes they wanted in the external orientation of a number of newly independent countries, and have retained important levers of political, military-political and ideological influence in Africa. The failure of the neocolonialist policy as a whole does not at all mean its failure in every single country, but it does force the neocolonialists to continually introduce correctives into their strategy and tactics.

¹ L. I. Brezhnev, *Following Lenin's Course*, Moscow, 1975, p. 291.

It is also obvious that the very existence of the world socialist community and its truly equal relations with the newly independent states have forced and continue to force the neocolonialists to change their policies.

Perhaps even more negative than the results of neocolonialism's political activity in Africa have been the results of its economic activity. Nor is this fact denied by bourgeois economists. The most candid statement in this regard is contained in a report which the Commission on International Development, under the chairmanship of Lester B. Pearson, prepared for the International Bank for Reconstruction and Development. The report, entitled, *Partners in Development*, was devoted to a search for a "new approach" to the problems of the developing countries in view of the fact that, as the report states, "the widening gap between the developed and developing countries has become a central issue of our time. . . . The climate surrounding foreign aid programs is heavy with disillusion and distrust. . . . we have reached a point of crisis".¹

Despite the above-quoted eloquent admission, the report naturally does not give a true explanation of the situation in the Third World. The developing countries themselves, however, do this. The economic declaration of the Algiers Conference of Non-Aligned Countries says that the developing countries are on the whole still directly or indirectly the object of neocolonial exploitation, which impairs the development of the peoples of these countries and is the cause of the "considerable and ever-increasing disparity between the industrialised countries and the under-developed world".²

If one makes even a very general survey of the results of neocolonialism's economic policy in the developing countries along its various directions (this will be done in detail in later chapters of the present work), then the causes of the crisis and the reasons for the alarm that bourgeois ideologists feel in this regard will become clear.

The financial resources flowing from the developed capitalist countries into the developing countries naturally sti-

¹ *Partners in Development*. Report of the Commission on International Development. Chairman: Lester B. Pearson, London, 1970, p. 3, 4.

² *Documents of the Fourth Conference of Heads of State or Government of Non-Aligned Countries* (held at Algiers, from 5 to 9 September 1973), p. 59.

mulated business activity in the latter and contributed to the relative development of the productive forces. But at the same time, the state and state-guaranteed indebtedness of the African countries to Western states and Japan rose sharply. Furthermore, another negative aspect of the functioning of foreign capital revealed itself: under its influence, the structural disproportions in the economies of the young states deepened, national resources were diverted from branches of the economy needing them most, and national development programmes were actually tied to investment programmes.

Foreign trade is an important factor in the economic development of any African country. In this area of economic relations, too, the policy of the West has served not as a stimulus but an obstacle. The heads of state or government taking part in the Algiers Conference of Non-Aligned Countries in September 1973, noted in their economic declaration that the already modest share of developing countries in world trade is continually decreasing, while the terms of trade are constantly deteriorating. This situation is a direct result of the dominance on the world capitalist market of state-monopoly capitalism, the main trading partner of the developing countries.

The neocolonialists suffered a serious defeat in an extremely important area, that of retaining control over the natural resources of the young states, especially in the fields of oil extraction and non-ferrous metal ore mining. The process of partially or completely nationalising foreign monopoly property in the mining industry and creating national companies in mineral raw material extraction has spread virtually throughout all of free Africa. At the initiative of Algeria, the question of the need to work out new foundations for trade and other economic relations between the developed capitalist and developing countries became the reason for convening the Sixth Special Session of the UN General Assembly.

Despite all the ways and means it used, neocolonialism failed to quell the urge of the newly independent countries to be masters in their own house, and state-monopoly capital was forced, for the sake of retaining access to Africa's natural riches, to make certain concessions to the young states which in the recent past it would never have even considered making. Among these concessions were the fol-

lowing: raising the national state's share of participation in foreign companies; commitments by the monopolies to invest in infrastructure projects and raw material processing enterprises as a condition of being allowed to develop sources of raw materials; increasing deductions from profits in favour of the developing countries.

The fact remains, however, that a certain change in the character of economic relations between the developed capitalist and developing countries in favour of the latter has not yet eliminated the developing countries' dependence on the world capitalist economy, and sometimes even gives rise to new forms of such dependence. That is why the struggle against "economic" neocolonialism will continue.

Nor have the neocolonialists achieved their aims in the sphere of politics and ideology, and above all their chief objective of preventing the prestige and influence of the Soviet Union and other socialist states from widening in the newly independent countries of Africa. In the last decade, co-operation between the independent African countries and the socialist community has become firmly established and has turned into one of the major political factors of the times.

Three aspects of the positive influence of world socialism on the struggle of the African peoples against neocolonialism and for the achievement of genuine independence can be singled out. First, the socialist states constitute a vivid example for the countries of Africa of the ways and means by which a country can free itself from social and national oppression and achieve progress in all spheres of development in the shortest possible time. Second, there is the positive influence of socialism on the processes of national liberation that are gaining in intensity as a result of change in the balance of forces in the world arena and, accordingly, due to imperialism's loss of its monopoly on relations with the developing countries. The growing influence of world socialism on the entire system of international relations substantially restricts imperialist pressure on Africa and enables the newly independent countries to win new concessions from the neocolonialists. And third, there is the direct support given to the developing countries by the Soviet Union and other socialist states, involving such things as active political and diplomatic defence of their interests in international organisations; economic and tech-

nical assistance in carrying out projects aimed at overcoming economic backwardness; scientific and cultural co-operation, which is especially important to societies emerging from the colonial condition; and strengthening their defence capability, that is, creating the possibilities of giving rebuff to imperialist, neocolonialist aggression.

The neocolonialists exerted tremendous efforts in trying to keep socialist ideas from penetrating the continent. These attempts were not crowned with success either. The number of African countries choosing the socialist orientation is growing, and there is increasing awareness of the goals of the bourgeois ideology being spread or supported by the neocolonialists—to mould people's thinking in such a way as to force them to reconcile themselves to the class dominance of capitalism, and to give the imperialist powers a chance to strengthen their influence. Protest manifests itself, in particular, in the emergence of progressive and patriotic political streams bent on finding ways of building a new life without social exploitation and national oppression. Thus, important changes are taking place in the system of relations between the developed capitalist states and developing countries. Neocolonialism is compelled to adapt itself to these changes, and this is what determines its evolution.

2. THE SPECIFICS OF THE EVOLUTION OF NEOCOLONIALISM

The character and tendencies of neocolonialism's evolution can be understood only in the light of the interrelationships among the component elements of this complex socio-economic and political system, with account taken of the changes in the aims pursued as well as changes in the conditions in which the system operates. It is therefore necessary first to examine neocolonialism in Africa in the political, economic, social and ideological spheres. Moreover, we should proceed from the important fact that at the present stage the exploitative function characteristic of neocolonialism resides alongside attempts to effectuate so-called directed development and to extend capitalism as an economic system to the former colonial periphery. This general task in turn involves the search for a new social support for the imperialist monopolies in the African countries, and

even the capitalist modernisation of their socio-economic structure—in the interests of the neocolonialists, needless to say. Finally, the chief objective of neocolonialism has come to light in recent years, and that is to oppose by every means at its disposal the consolidation of the socialist orientation in Africa and the entire Third World.

Politics. The young African states have already gone a considerable way in their political and socio-economic development. In so doing, they have altered the alignment of world forces, and accordingly, their importance in the international area has grown. Characteristic of the foreign policy of the overwhelming majority of the developing countries with all its shadings are, although with varying degrees of intensity, its anti-imperialist direction and determination to increase the struggle against war and aggression, for peace and the independence and freedom of nations, and against colonialism and neocolonialism. As L. I. Brezhnev noted in his speech at the World Congress of Peace Forces, “the active policy of the peace-loving countries of Asia, Africa and Latin America is making a tangible and considerable contribution to the relaxation of international tension”.¹

The continuing consolidation of the developing countries' political independence and the growth of contradictions between them and the imperialist states have forced the neocolonialists to make a fundamental reassessment of their means and methods of exerting political pressure on the newly independent peoples. Paternalism—one of the forms of neocolonialist policy in the 1960s, which manifested itself in attempts to gain all-round patronage over the young states—did not produce positive results; it proved to be untenable even though it was camouflaged with so-called theories of “political vacuum”, “geographical conditionality”, “interdependence” and other such neocolonialist formulas. The realities of world development showed that the desire for political independence is characteristic of virtually all the countries of the Third World, even the pro-capitalist and semi-feudal regimes that opt for political alliance and economic ties with the West in order to preserve their own class dominance. This has been borne out by the results of the latest sessions and assemblies of ministers and heads of state or government of the members of the Organisation

¹ L. I. Brezhnev, *Following Lenin's Course*, Moscow, 1975, p. 310.

of African Unity, the Algiers Conference of Non-Aligned Countries, the 11th Session of the Afro-Asian Peoples' Solidarity Organisation, and special sessions of the UN General Assembly. At all of these forums, the developing countries, including African countries, though quite different in their foreign policy orientations, unanimously censured the policy of the imperialist states with respect to the Third World, imperialism's support of the colonial-racist regimes in southern Africa, the Israeli aggression in the Middle East, and the continuing neocolonial exploitation of the newly independent countries.

In view of these circumstances, the political strategy and tactics of neocolonialism are undergoing substantial changes. Certain tendencies are particularly conspicuous: attempts by the neocolonialists to gain control over the formulation and implementation of developing countries' foreign policy; their persistent imposition of the idea of "partnership" upon these countries; their efforts to prevent the true essence of imperialism as a system and the irreconcilability of its interests with the interests of the young states from being realised in the Third World; and, finally, their political manoeuvring aimed at boosting the political influence, and in some cases the installation of their own agents or proteges in the former colonies or semicolonies (see § 3 of this chapter).

The first tendency manifests itself in many forms, but primarily in "scientifically grounded" appeals to the developing countries to relinquish their national sovereignty. The idea the neocolonialists are trying to sell is that under modern historical conditions, when all countries are so "interdependent" and even "complementary" in the sphere of world economy, the socio-political and economic development of the newly independent countries, and consequently also their foreign policy, have become a problem of "international" significance, an object of "world politics", and an area of "joint social actions on the basis of multinational co-operation". It should be noted that when the neocolonialists speak of "multinational co-operation" in this context, they are referring only to the relations of the newly independent countries with advanced capitalist states.

As we can see, the attempt is being made not only to justify with the help of pseudo-scientific theorising imperialism's interference in the affairs of Third World coun-

tries, but to prove that this interference and the relinquishment by the developing countries of their sovereignty in questions of home and foreign policy are inevitable.

The evolution of neocolonialism in the political sphere is characterised also by measures aimed at stemming the growth of understanding in the developing countries of the essence of imperialism as a system. The efforts of the Western powers' ideological and propaganda machine have always been directed toward whitewashing imperialism. Apologia for the capitalist system has been accompanied by the spreading in the Third World of the ideas of anti-communism, anti-Sovietism, reactionary nationalism, the "obsolescence" of Marxism, and so forth. However, the bankruptcy of these tactics has become particularly obvious in recent years. The anti-imperialist potential makes itself felt and continues to grow even in those developing countries where anti-communism has struck root.

Many political figures and representatives of bourgeois propaganda organs in the capitalist states, and some political scientists and sociologists try to direct the anti-imperialist sentiments of the newly independent peoples against specific Western countries, leaving aside the problem of the world system of capitalism as a whole. For this purpose, use is made of the fact that rivalry for political influence and economic interests in the developing countries compels the imperialist powers to take divergent positions when critical or conflict situations arise in different regions of the Third World (for example, during the Middle East crisis, the Nigerian events, the reactionary military coup in Chile, the events in Cyprus, and the intervention in Angola), or in relation to anti-monopoly measures taken (the nationalisation of foreign property, oil embargoes, etc.). By openly accusing each other in the press or official speeches, the neocolonialists get some developing countries to show a readiness to denounce some imperialist states but not others. This selective approach—due to the still existing economic and other dependence of the Third World countries on developed capitalism—frequently produces among many people in Third World countries a distorted notion of the imperialist system.

The term "partnership" appeared in the political lexicon of the neocolonialists relatively recently. However its substance and, most importantly, its practical implementation

have already changed substantially. In the initial period after the collapse of the colonial regimes, the former metropolitan countries, for example, maintained that the newly independent countries had become their "partners" by virtue of traditional bonds, and "partnership" took the form of an expanded British Commonwealth, the Franco-African Community and other political structures which only camouflaged the unequal status of their members. For its part, the United States argued that it and the newly independent countries were natural "partners" because of their similar historical background: America itself had once been a colony of European powers. Japan and the FRG argued the idea of "partnership" in terms of the kindred "dependence" of the countries defeated in World War II and of the former colonies on the victors, Britain, France and the USA. However, as far as the newly independent countries were concerned, the superficial attractiveness of the "partnership" idea soon faded, since in practice it only served to perpetuate their dependence on the imperialist powers, and the foreign policy measures of neo-colonialism continually demonstrated that the "partnership" was in fact illusory.

Perhaps the first to realise the urgent need to modernise the idea of "partnership" and to refurbish the methods of its practical implementation, were the neocolonialist circles of the USA. One of the results of their new approach to "partnership" are the so-called Afro-American dialogues. Taking part in them are, from the American side, congressmen, State Department officials, prominent journalists, scientists and public figures, and from the African side, political figures, scientists, ministers, and party and trade union leaders. The purpose of the dialogues is to create the impression that the principles of political relations between the USA and Africa are being worked out with the active participation of the Africans themselves, and that Washington's African policy is the fruit of the creative efforts of equal "partners".

The "partnership" idea was officially formulated for the first time in the Nixon Doctrine, to which the President's foreign policy report to the US Congress on February 25, 1971, was devoted.¹ The first section of the basic part of

¹ *United States Foreign Policy for the 1970's*. A Report by President Richard Nixon to the Congress, February 25, 1971, p. 6.

the report was entitled "Toward New Forms of Partnership". The essence of these "new forms" is that the United States "will concentrate more on getting other countries engaged with us in the formulation of policies; they will be less involved in trying to influence American decisions and more involved in devising their own approaches".¹

Other capitalist states offer their own variations on the "partnership" theme.²

It is not hard to see what all these variations have in common. It is, first, the demand to stop criticising the imperialist powers; second, an effort to assert the principle of "equal opportunities" with complete inequality of forces; and third, refusal to acknowledge responsibility for the damage inflicted upon part of mankind by the colonial system and the policy of neocolonialism. Actually, the authors of this idea are trying to ensure a free hand for themselves in the developing countries under the banner of "partnership".

The class essence of the idea of "partnership" is clear: it is the offspring of the basic strategic goal of imperialism in the Third World, including Africa—to incorporate the young states into its political system.

The economic sphere. During the first years after the collapse of the colonial system, the former metropolitan countries sought to keep the new states in their former position of agricultural and raw material appendages. The other imperialist powers adopted the same tactics. It was toward this end that the efforts of "economic" neocolonialism were directed. For the former colonialists, the policy of "aid", the export of capital, technical and economic measures, and trade served as a means of retaining their shaky positions, and for their imperialist rivals, as methods of expansion into regions to which they formerly had no access. In either case, however, the question of fundamental changes in the colonial character of the economies of the newly independent countries did not enter into the picture.

The further development of state-monopoly capitalism, changes in the industrial structure of the imperialist powers, inter-imperialist competition, and—most important—the development of economic co-operation between the socialist

¹ *Ibid.*, p. 7.

² For details see Chapter 3.

and Third World countries and the irreversibility of the process of breaking up the colonial structure of the newly independent countries' economy in the course of the national liberation revolution, brought about substantial changes in the strategy and tactics of neocolonialism's economic policy. What is the essence of the basic changes? The objective now is to turn the former colonies and semicolonies into an integral part of the world capitalist economy as a whole, to create a new system of neocolonialist division of labour, with the main role in accomplishing this task being assigned to private capital. Life taught the neocolonialists that economic stagnation cannot be a real alternative to noncapitalist development. They learned that steps must be taken to develop capitalism in the former colonies and semicolonies, to form the mechanism of expanded capitalist reproduction, to develop new spheres of monopoly capital investment, and create an infrastructure meeting the requirements of the scientific and technological revolution. For them it is not a question, of course, of abolishing the backwardness of the developing countries or of altering their subordinate position in the world capitalist economy but rather one of turning them into profitable but dependent extensions of the economic systems of the developed states of the West.

This is the direction in which the modification of neocolonialism's economic strategy is moving. One can find in the Western economic literature dealing with the problems of the developing countries, in official government statements, in numerous reports by special commissions of various international organisations a multitude of suggested schemes for creating in these countries a mechanism of steady economic growth and diminishing the lag in the development of their productive forces. But the essence of all the proposals, as well as of the practical actions of the monopolies, boils down to this: the imperialist powers, through co-ordinated efforts and a series of interrelated measures, should accelerate the development of capitalism, but capitalism that is dependent on and subordinated to them.

The practical implementation of the various plans for industrialising the developing countries is directly linked with the strengthening of the positions of foreign capital, the creation of maximally favourable conditions for its activities, and the expansion of the network of various kinds of

branches, departments and subsidiaries of the monopolies. This is exactly what the Western powers are after. Their economic development programmes for the 1970s and 1980s envisage a substantial increase in the number of foreign manufacturing subsidiaries and in the volume of private investments abroad.

It should be noted that the private capital of the imperialist powers has long since established itself in the economies of many Third World countries. Thus, the number of foreign manufacturing subsidiaries of 187 major US multinationals increased between 1959 and 1967 from 887 to 1,765¹ in developing countries as a whole, and from 17 to 73² in Africa. In 1970, the 250 largest British companies had 2,094 subsidiaries in the developing countries, with 74 companies (out of the 250) being represented in more than six countries each.³ In 1970, 157 Belgian, 467 French, 87 FRG, 42 Italian, 823 British, and 361 US firms had affiliates or subsidiaries in just the African countries alone (excluding South Africa). Between 1960 and 1974 the net flow of private direct foreign investment from developed to developing countries increased from \$1,767 million to \$6,400 million, with 45 per cent of the latter amount coming from the United States, and between 8 and 9 per cent each from the Federal Republic of Germany, the United Kingdom and Japan.⁴

A relatively new development in the economic strategy of neocolonialism and the expansion of private capital in the developing countries is the substantially greater role being played by international corporations, that is, giant corporations operating on a global scale. They may represent the capital of one country, or of several countries, but in either case their rapacious nature is the same. As the most typical phenomenon in the system of capitalism after World War II, international corporations operated mainly in the industrially developed states. Their incursion into the developing countries came as a result of the collapse of the colonial empires

¹ *Multinational Enterprises and Social Policy*. International Labour Office, Geneva, 1973, pp. 4-5.

² *Restrictive Business Practices*. Report by the UNCTAD Secretariat. TD/122/Supp. I, 7 January 1972, p. 17.

³ *Ibid.*, p. 20.

⁴ OECD Press/A(71)22. Paris, 22 June 1971, Tables I and II; *Coopération pour le développement. Efforts et politiques. Examen, 1975*, OECD, Paris, 1975, p. 171.

and was evidence of the evolution of the methods of neo-colonialism.

In a relatively short period of time, international corporations managed to establish themselves in a considerable number of developing countries. L. Brown, a leading Western expert on international corporations, writes that "in the past it was said that the sun never sets on the British empire. Today it already sets on it. However, the sun does not set on dozens of such corporate empires as Mitsubishi, General Electric, Volkswagen, Unilever or Chrysler".¹ The raw material and energy crisis which began to take on serious dimensions in the autumn of 1973 gave special impetus to the movement of international corporations, particularly into Africa. Since then, their activity in the developing countries, especially in those possessing reserves of mineral raw materials and fuel, has grown substantially.

The young states have in the international corporations a new and very dangerous enemy. Suffice it to say that the turnover of the biggest, multibillion dollar corporations is greater than the gross national product of any African country. At the same time even Western writers note that a turnover of \$100 million is enough for an international corporation to make an effective impact on the economy of a developing country.²

The role of international monopolies in the system of neocolonialism is determined by several circumstances. First, they have a wide network of affiliates, subsidiaries and enterprises in the developing countries, and still control in one form or another a substantial part of their natural resources and labour force. Second, the monopolies have capital and advanced technology at their disposal. And third, it is precisely the monopolies that can make the most in the interests of neocolonialism (due to the fact that the young states are lagging in the economic, scientific and technological fields) of the developing countries' natural desire to industrialise their economies and raise the level of their social, economic and cultural development.

What the possibilities of this most modernised instrument of present-day neocolonialism are can be illustrated even by some very general figures. According to UN statistics,

¹ *Vista*, June 1973.

² Raymond Vernon, *Sovereignty at Bay. The Multinational Spread of U.S. Enterprises*, London, 1971, p. 4.

there are 7,300 corporations in the capitalist world that have foreign subsidiaries, and some of these corporations operate simultaneously in 100 countries. By 1975, for example, two-thirds of the labour force and 70 per cent of the assets and profits were concentrated in approximately 350 largest monopolies. There were over 23 million persons employed at their enterprises, their total assets amounted to \$1,042,000 million, and their sales turnover was \$1,179,000 million.¹ The international corporations hold over 60 per cent of their subsidiaries in the developing countries under complete control, and control 20 per cent of them by more than 50 per cent. What danger do the operations of international corporations pose to the developing countries? Can the corporations be, as some Western researchers claim, "partners in progress" of these countries? Can the negative effects of the operations of the international corporations in the developing countries be eliminated by legal regulation? Let us begin with the last question, since the search for forms of mutual relations with the international corporations is becoming one of the central problems for the developing countries, especially considering the fact that the international corporations are only just beginning their offensive in this zone (so far about one-third of their subsidiaries and investments are in the Third World).

As we know, because the young states have very meagre sources for internal accumulation they cannot at present get along without outside financial and technical support (for purposes of development). Both kinds of assistance are offered to them in the first place by the international corporations. There is no doubt that by using the relevant legislation, winning concessions from the international corporations, getting more acceptable terms of agreement with them, and achieving a certain redistribution of profits in their favour, the young states derive certain benefits for the growth of their economies. They also gain experience in management and in the international organisation of production, sometimes get advanced technology, etc. However, all this produces only temporary results; it does not solve the problems of the whole complex of the developing countries' relations with monopoly capital, and most importantly,

¹ *Fortune*, August 1975, pp. 156-61; *Business Week*, August 18, 1975, pp. 53-72.

it is fraught with serious consequences for the further prospects of these countries' social and economic development. The very nature of the international monopolies is such that they regard any concession as advance payment for the subsequent exploitation of their "partner". It is no accident that their operations rouse censure and protest even in the developed capitalist countries.

An assessment of the neocolonialist role of the monopolies should proceed from the fact that their interests are always connected not with the economic growth of one or another developing country but with the tasks of deriving profit, expanding markets, and securing an uninterrupted flow of raw materials. How can one speak of "partnership", when, for example, the average rate of profit on direct investments of US monopolies in the period 1960-1970 amounted to from 3.5 to 9.7 per cent in the developed capitalist countries, and 17.4 per cent to 27.5 per cent in the developing countries, with a record level of 34.7 per cent reached in Asian countries.¹ In 1970 alone, total profits repatriated by foreign firms exceeded the inflow of fresh investment by \$725 million in Africa, \$802 million in Latin America, and \$2,202 million in Asia.

The fact that the international corporations have subsidiary companies and enterprises in many countries enables them to use these as a means of pressure and direct interference in the internal affairs of those countries. The point is that an international corporation can easily stand slowing down or halting production and even taking a loss at one of its subsidiaries, since it can compensate for this elsewhere. Yet such a move can have totally disorganising effect on the economy of a developing country. We might recall the subversive activities of the American IT&T and Kennecott Copper corporations in Chile, the international oil monopolies in Nigeria, the mining monopolies in Katanga (Zaire), and, finally, the act of sabotage by the Gulf Oil monopoly, which temporarily curtailed operations in 1975 and withheld payments to the legal government of Angola in the hope that the splitters would eventually win.

The investment patterns and the method of operations of the international corporations in the developing countries

¹ *CIC Brief. An Examination of the Multinational Corporations*, p. 36.

are strictly neocolonialist in character. Embracing essentially the extractive industry and plantation farming, they actually stimulate the one-crop specialisation of many developing countries (a legacy of colonialism), obstruct their attempts to overcome the structural disproportions in the economy, and frustrate economic plans. In those instances where international corporations move into the manufacturing industry of a developing country, and in recent years they have become more frequent, there too it is above all the interests of the monopoly itself that are pursued. As a rule, the enterprises built have an incomplete production cycle, which makes the country technically dependent on the monopoly's other subsidiaries. Furthermore, this kind of partial specialisation and production of goods for which there is no internal market leads to a situation where individual enterprises and even entire sectors of a young state's economy turn into "enclaves" within the economy, completely dependent upon whoever operates the main conveyor.

Another neocolonialist device of the international corporations is to create their own peripheral production centres in developing countries. Outwardly this looks almost like showing concern for the economic growth and industrialisation of one or another country. It is not hard to see, however, that the ultimate winners are, again, the monopolies. What is involved here is primarily the relocation of the most labour-intensive industries; consequently, production costs are reduced due to the use of cheaper labour, and the profits of the monopolies mount. Moreover, these are basically the "dirtiest", that is, the most ecologically harmful, industries. Finally, the international corporations get a chance to concentrate on developing, in their own countries, highly productive industries on the basis of scientific and technological advances, leaving the developing countries in the position of an "intermediate-product shop" with obsolete technology.

Due to the growing resistance of the young states to the onslaught of the international monopolies, the latter have been using a new tactic in recent years—the creation of mixed or joint enterprises with the state or private capital of the developing countries. The developing countries frequently find this new form of economic relations with the international corporations attractive, because in some cases

specific provisions are made for the transfer of partial or complete ownership of the enterprise being built to the developing country. However, although this form of economic relations puts certain limits on the activities of foreign capital and increases the controls on it, the international corporations and neocolonialism do not end up losers. Besides the purely economic advantages, the guarantee that the enterprise will not be nationalised, and the expansion of export possibilities, the international corporations get a chance to assimilate the national capital of the young states, promote the implantation of capitalist relations, and nurture a local bourgeoisie. Moreover, while "fostering" the economic development of the newly independent country in one sphere, the international corporations count on reciprocity in the form of weaker controls over their operations in other spheres. Thus, a kind of diversification in the methods of exploitation and profit making takes place.

Some representatives of developing countries, including African countries, justify their contacts with international corporations by citing the "compliant nature" of the latter. Two important circumstances should be noted in this connection. In the first place, one should take into account not only what concessions the international corporations are willing to make, but who it is that demands them and to whose advantage they are. In certain Arab countries, for example, it is a question of a link-up between international corporations and the burgeoning local bourgeoisie, "oil elite". In the second place, the extent to which the activities of foreign capital are restricted depends not only on the terms of agreements with it, but mainly on how progressive, on the whole, the home and foreign policy of the given country is, on the nature of the regime and the nature of the socio-economic changes it is carrying out.

All of the above has a direct bearing on one's assessment of the impact that the international corporations have on the social situation in a "receiver" country. The monopolies, we must remember, express the essence of imperialism. Lenin's formula—"...imperialism is monopoly capitalism"¹—remains fully valid. Consequently, the activities of the inter-

¹ V. I. Lenin, "Imperialism, the Highest Stage of Capitalism", *Collected Works*, Vol. 22, p. 298.

national corporations pursue imperialist objectives. In the social sphere, this means hampering progressive changes and going along only with such reforms as do not contradict the interests of monopoly capital. In any developing country, the international corporations support the reactionary strata, foster the emergence and growth of a neocolonialist layer and a neocompradore bourgeoisie, and sow corruption in the ruling circles. On the whole, all the activities of the international corporations are directly or indirectly aimed at creating such a social structure in a developing country as would correspond to the goals of capitalist development.

It by no means follows from this brief analysis of the role of international monopolies in the neocolonialist plans of imperialism that the developing countries should reject all interrelationships with the international corporations. To put the question this way would be simply unrealistic, particularly in view of the fact that many developing countries, due to their urgent need for capital and technology, have to turn to the international corporations themselves and even offer them advantages over and above those stipulated in their national investment codes.

At the same time, the progressive forces, the revolutionary democratic leadership and broad sections of the public in most developing countries are fully aware of the fact that, unless they are rigorously controlled, the activities of the international corporations reproduce a neocolonialist variety of dependence and exploitation. That is why, while not rejecting the services of the international corporations, they at the same time seek to eliminate discrimination and institute controls on their activities.

But this kind of control is possible only on the condition that there is a fundamental restructuring of the whole system of economic relations between the developing countries and the developed capitalist countries on an equal, just and democratic basis. This is precisely the meaning that is put into the concept of a New International Economic Order for which the young states are struggling.

There is no denying, however, that because of their backward socio-economic structure, which hampers their efforts to accelerate internal capital accumulation and widen the range of its sources, the developing countries cannot do without external financial resources. Sixty to seventy per cent of the capital investment under the development pro-

grammes of many African countries is still financed from abroad. At least fifty per cent of their export is in the hands of foreign corporations. However, while foreign capital is a definite factor in the economic growth of the newly independent countries, it also increases their dependence upon the imperialist powers and strengthens the material base of neocolonialism. Thus, once again we see the dialectical contradictoriness of certain forms of relations between neocolonialism and developing countries and a further complication of methods of struggle against the new aspects of dependence.

Frequently escaping analysis against the background of other trends in the evolution of "economic" neocolonialism, and deserving special mention for this reason, are the so-called restrictive practices of private capital, pursued by international corporations with respect to the developing countries.

Restrictive practices have come into particularly active use in recent years. They have developed into an extremely dangerous tool of neocolonialism, a tool that is designed for the long term and serves, perhaps to a larger extent than the various other means, the goals of retaining influence on the economic development of Third World countries, and consequently becomes a serious obstacle to their steady economic growth. The point is that these practices extend primarily to foreign trade, which is the basic form of economic relations between the developed capitalist countries and the developing countries and the major factor in the economic development of the latter. Therefore, even UN specialised agencies have had to look into these practices. As stated in a report by the Secretary-General of UNCTAD: "Every effort should be made to reduce and, where possible, eliminate restrictive business practices, whether engaged in by cartels, multinational corporations or foreign investors and licensors generally, which have an adverse impact on the exports of the developing countries. Action is urgently required at the national as well as at the international level."¹

How do restrictive practices work? They may be divided into three basic kinds. The first includes measures in the

¹ *Restrictive Business Practices*. Statement by the Director of the Manufactures Division of UNCTAD. TD/III/C.2/L. 8, 26 April 1972, Third Session. Santiago, Chile, p. 2.

developed countries to regulate imports to the home markets. Operating here are import cartels, price cartels, and agreements on standards. The second embraces direct and indirect limitations on the export activities of firms in the developing countries, that is, it amounts to control by foreign companies over their branches, affiliates and subsidiaries or to the use of agreements, for example in the licensing sphere. The third kind constitutes a complex of measures undertaken by national and international export cartels in the developed countries, through which influence is exerted on the export potential of the developing countries. Import cartels restrict the volume of imports, determine their sources, and set prices on imported commodities (as a rule, depressing them). Operating in Japan, for example, are three official import cartels dealing with agricultural products from developing countries and eight cartels in textile goods. Using discounts, the price cartels compel consumers to buy goods only from members of the cartel. In the early 1970s, 33 such cartels were operating in the FRG.

Agreements on standards make it impossible for the developing countries to sell on the relevant markets any goods that fail to meet the standards. Finally, licence agreements make it possible to restrict or forbid exports, set quotas, and permit the export of goods only to specific firms.

Export cartels have at their disposal wide possibilities to influence the economies of the developing countries. They can restrict the volume of exports, discriminate against firms of the young states, and compel the subsidiaries of the cartel members to impose any of the restrictions provided for in the cartel agreement. There are 214 such cartels in Japan, 81 in the FRG and 35 in the USA (figures for other countries are not published).

The fact that the activities of the international monopolies conflict with the interests of the developing countries, where subsidiaries of the parent companies are located, is brought out by bouregois researchers as well: "Any unit of a multinational enterprise, when operating in the territory of a sovereign state, responds . . . to a flow of commands from outside, including the commands of the parent and the commands of other sovereigns."¹ In practice, this kind of

¹ Raymond Vernon, "The Multinational Enterprise: Power Versus Sovereignty". In: *Foreign Policy*, Vol. 49, No. 4, July 1971, p. 736.

outside control leads to the fact that the overwhelming majority of the export agreements between subsidiaries of international monopolies in developing countries and foreign export firms contain clauses restricting export operations, including such restrictions as prohibiting export to specific countries, permitting export only to designated countries, requiring preliminary approval of operations, permitting exports only through specific firms, and so on. Of course, this kind of policy seriously affects the export earnings of a young state and retards its development.

The evolution of "economic" neocolonialism, the strengthening of its state-monopoly basis, the stake put on the expansion of private capital in the developing countries give rise to new forms of dependence. The international division of labour on a neocolonialist basis can only widen the gap between the developed capitalist and the Third World countries in their levels and rates of economic growth. But this is not to suggest that the developing countries should reject outside sources of finance. The task consists in putting foreign capital into a position where it would promote the development and strengthen the independence of the young states, that is, under strict state control.

Ideology. The qualitatively new level of the national liberation revolution is characterised in particular by the important social transformations being effected in a number of developing countries, above all in those that have chosen the socialist orientation. These processes sharpen the class and ideological struggle in the Third World. The relaxation of international tension, which opened up new possibilities for rapid progress toward genuine independence for the newly free countries, has heightened the role of the ideological factor in the historical competition and class struggle between socialism and capitalism. Under these conditions, bourgeois sociologists and politologists are concentrating on preventing a further deepening of the national liberation revolution and preserving a broad field for imperialism's activity in the developing countries. In the new arsenal of means for the neocolonialist campaign against the young independent states, increasing priority is being given to the ideological weapon while economic and political pressure on them continues to be applied. Bourgeois political science is faced, in particular, with the problem of finding a neocolonialist explanation for the low growth rates shown by the

developing countries, especially in Africa, and, without waiting for revolutionary upheavals, proposing solutions to the problem that would not stand in the way of the neo-colonialist policy. Therefore, capitalism's ideological defenders ignore or veil the class and other antagonisms of the bourgeois system and all the facts pointing to the continued deepening of the general crisis of capitalism, and give special attention instead to those inherent factors of the capitalist mode of production which promote its further growth under the impact of the scientific and technological revolution within the narrowed framework of the world capitalist economy.

As applied to the developing countries, the collective term for all the theoretical devices of neocolonialism is "modernisation". Its substance varies according to the specific task at hand. The strategic tasks, however, remain the same: to defend capitalism in Africa; to develop the social system of the economically underdeveloped countries according to the Western pattern; to prove that national liberation revolutions lack the proper economic base and are consequently without prospect, whereas the monopoly bourgeoisie is now able to overcome the contradictions of capitalism, completely eliminate its class antagonisms, and even organise "balanced" development of economic and social processes. In all this, the apologists for neocolonialism proceed from the premise that for the peoples of the developing countries the choice of ideology is identical to the choice of way of development.

The evolution of the ideological offensive of neocolonialism against the Third World as a whole and Africa in particular is proceeding along three main, interconnected directions. These are the preaching of the need for "class peace" in the developing countries, the implantation there of a reformist ideology, and the attempt to create a new social support for capitalism—a so-called middle class.¹

The idea of class collaboration in bourgeois society is not new. Lenin considered it to be the main feature of opportunism. But the present-day bourgeois ideologists address themselves to the developing countries, arguing that the

¹ For a more detailed discussion of the changes in the forms and methods of neocolonialism's ideological expansion see Chapter 8.

realisation of this idea will serve as a "universal" means for solving the main problem, economic growth, a kind of panacea for all ills. The prescriptions offered are varied. They recommend, for example, that the young states create "special institutions" which would localise internal conflicts and form a "national consensus" in the social, economic and political spheres, because, they say, economic growth is the direct result of the ability to create such institutions. This is followed by assertions that the main reason the Third World countries are lagging is a lack of trust among the "owners of the factors of production", and what is needed above all for the establishment of the required trust is de-ideologisation, as the basic condition for creating a "welfare state" patterned on the model of the developed capitalist countries.

What methods of achieving this "trust" or "ideological unity" are being suggested to the developing countries at the present time? The authors of these suggestions advance the concept of "economic ideology" and divide it into two types: the "ideology of the producers" (wealth comes through production; poverty is the result of not knowing how to produce) and the "ideology of the expropriators" (wealth is obtained by seizure and exploitation; poverty is the result of exploitation). In the developing countries, they say, the "ideology of the expropriators" dominates because these countries, having supposedly failed to ensure economic growth, do not want to admit that they themselves are at fault but prefer to blame it on exploitation. At the same time, there are also elements of the "ideology of the producers", which "even revolutions cannot destroy". Consequently, the best thing for the developing countries is to adopt a "third ideology" which is a combination of the two. This ideology can be formed by a coalition of "left-wing intellectuals" and "progressive businessmen", while the job of the Western "society of consensus", that is, of imperialism, is to stimulate the emergence and development in the developing countries of the "third ideology", only on the basis of the "ideology of the producers", of course.

Discourse about a "third ideology" is closely connected with the concept—recently appearing in the ideological arsenal of the neocolonialists—of the "middle class", destined (according to the design of its authors) to become the basic driving force for the development of capitalism in the newly

independent countries and to promote the formation of the new social support.

Not unintentionally distorting the socio-economic criteria of class affiliation, bourgeois and reformist political science calls the middle social section in the developing countries the "middle class": the petty bourgeoisie, the technical intelligentsia, civil servants, people in the professions, part of the officer corps and students—that is, groups occupying a similar position in the socio-class structure and not part of the ruling political section.

The interest the neocolonialists show in these layers is not accidental. By their origin and social psychology many of their members are receptive to neocolonialist theories, and their role in the developing countries where the working class is weak is rather great.

Neocolonialism operates in two directions with respect to the middle strata. In the first place, it seeks to supply a theoretical basis for the argument that it is the "calling" of the "middle class" to ensure "stable" development of their countries. In the second place, practical measures are undertaken to strengthen the positions of the middle strata and at the same time increase Western influence on them.

The main reason the evolution of neocolonialism's ideological expansion is tilted toward the middle strata is that the neocolonialists are counting on using them for purposes of splitting the anti-imperialist forces, isolating the progressive organisations and the working class, and destroying the united democratic fronts.

The attractiveness of socialist ideas makes it impossible nowadays for the neocolonialist ideologists to vilify them with impunity.¹ That is why they have set about intensively implanting a reformist philosophy in the developing countries. In this question, the bourgeois ideologists co-operate closely with the right-wing Social Democrats. Together they are working out a special "socialist strategy" with respect to the Third World (this, in particular, was the title given

¹ As Soviet author R. Ulyanovsky rightly notes, the non-proletarian working masses (and in Africa they comprise the overwhelming majority of the population) "objectively cannot, for the time being, master scientific socialism as a complete ideology. But since they are spontaneously drawn to socialism and actually oppose capitalism, they can be gradually led to an understanding of scientific socialism" (*World Marxist Review*, No. 9, 1971, p. 40).

to one of the main subjects on the agenda of the XII Congress of the Socialist International, held in Vienna in June 1972).

The chief element of this strategy is reformism aimed at undermining the national liberation movements. The developing countries are offered a set of guidelines for development and surmounting difficulties not by radical means but merely within the framework of the capitalist system. What is actually being carried out is a "modernisation" of the foundations of capitalist development, which is not infrequently given an "anti-capitalist" disguise. Social reformism is now being foisted upon the Third World, and above all as an alternative to the socialist orientation.

The export of social reformism to the developing countries is a new but natural development in the practice of neocolonialism. The right-wing Social Democrats have always served big capital. At the same time the policy of reform and the policy of coercion have always coexisted in the arsenal of imperialism, with priority being given to one or the other depending on the situation. That the neocolonialists have turned toward social reformism is largely explained also by the fact that it finds favourable soil in many developing countries due to widespread petty-bourgeois attitudes, nationalism, and the existence of a sizeable bureaucratic bourgeoisie.

3. NEOCOLONIALISM AND THE SOCIALIST ORIENTATION

Neocolonialism's strategy with respect to the socialist-oriented countries that have chosen the noncapitalist way of development is determined by the class interests of monopoly capital and remains constant in principle. The basic strategic goal of the neocolonialists is to prevent any more countries from adopting the socialist orientation and to block the road of noncapitalist development of those countries that have embarked on it. At the same time, neocolonialism's tactics and concrete policy in this question have undergone a considerable evolution over the past decade. This evolution is largely determined by the very essence of noncapitalist development, by its dynamics, that is, the pace at which the national liberation revolution grows

into socialist revolution through the national democratic stage.

Three stages in the imperialist policy toward the socialist-oriented countries can be singled out. At the first stage, when some young African states proclaimed their socialist choice, the imperialist powers, above all the former metropolitan countries and the United States, did not pay particular attention to the fact. They regarded socialist slogans as a "tribute to the times", as a phenomenon attending the process of decolonisation, and felt that their opportunities to exploit the newly independent nations economically and the West's leading role in their social development would remain inviolable. This was, in particular, the position of Western states where the Social Democrats were in power or had strong political influence (Britain, the FRG, and to some extent France). At the same time, the terms "socialist orientation" and "noncapitalist development" were either ignored or criticised in the sense that this way was "absurd" under African conditions.

At the second stage, when the neocolonialists realised that the "socialist orientation" was not only phrase, but also meant progressive transformations that were becoming more and more anti-capitalist in nature, including restrictions on the freedom of foreign monopoly capital, their tactics changed sharply. Also of great significance was the fact that noncapitalist development as a truly scientific concept of social progress for the developing countries and an organic part of Lenin's theory of the socialist revolution, was winning greater and greater recognition. The number of countries choosing this way increased. The neocolonialists realised that the socialist-oriented countries were determined not to permit the establishment of capitalism, and, if it had already begun developing, to halt this process by restrictive measures and then to eliminate it altogether.

Under these conditions, the socialist-oriented countries began to be the object of direct political and various kinds of economic pressure (denial of credits and aid, boycotts and even sanctions), plots and coups d'etat (Ghana), and attempts at intervention (Guinea). In the ideological sphere, the neocolonialists launched a campaign of straightforward anti-communism and anti-Sovietism, a drive to frighten Africa with the "Soviet menace" bogey. The theory of the socialist orientation was portrayed as a "tactical manoeuvre"

of the socialist countries, and the national democratic regimes were pictured as a "hidden form of communist domination".

The third stage in the policy of the neocolonialists was connected with the failure of imperialism's methods of flagrant blackmail and direct subversion with respect to most of the socialist-oriented countries, because the latter had begun to get increasing development assistance and support from the Soviet Union and other socialist countries. The changes in the international situation, i.e., the process of tension relaxation that has begun, also played a major role in the evolution of the tactics of neocolonialism. Some of the basic tactical directions in the action of the imperialists at this stage, which continues to this day, are particularly noteworthy. First, they try to change the domestic and foreign policy of socialist-oriented countries by making flexible use of economic factors, granting certain concessions to them, concluding advantageous contracts, and, most importantly, by gradually edging the Soviet Union out of the sphere of their economic ties. At the same time, they exaggerate the natural difficulties of development along a noncapitalist road in every possible way, and call them the result of an erroneous political course. Second, since in many socialist-oriented countries the restructuring of social relations on a noncapitalist basis is accompanied by a simultaneous extension of the private sector,¹ the neocolonialists give that sector every encouragement and support as a factor promoting the emergence and development of bourgeois relations. Third, neocolonialism seeks to influence the state sector of these countries. Attempts are made either to erode it by getting state property reconverted into private property, or to push this sector toward state capitalism.

It should be noted that imperialism intensively seeks out class contacts in some sections of the society in socialist-oriented states, with the idea of forming a new social support for itself. Acting in this capacity are considerable segments of the bureaucratic bourgeoisie, that is, the high-salaried officials in the state apparatus, and of the bourgeois middlemen, including brokers, dealers, building contractors,

¹ This process is unavoidable, but should be closely controlled by the state. The experience of socialist-oriented states shows that when subjected to government controls the private sector can contribute to the development of the economy.

wholesalers and speculators. In Egypt, for example, official statistics put the number of persons that have become millionaires in recent years at about 500. Establishing contacts with the state sector, the imperialist monopolies try to cultivate a new bourgeoisie there, and to build relations in a way that the state sector would turn into a source of uncontrolled income for it, and thereby would itself degenerate. The objective is actually to use the state sector to implant capitalism.

Needless to say, while imperialist tactics with respect to the socialist-oriented countries have certain general features that remain constant, they are varied according to the situation in a given country, and take into account both internal and external factors. In the case of Egypt, for example, the main external factor which made it easier for the imperialist forces to deflect that country somewhat from the socialist-oriented course was the fact that, at the fault of Israel and its imperialist patrons, the Middle East conflict remained unsettled, with all the political, economic and social consequences ensuing from this fact.

The main circumstance that imperialism and neocolonialism use in fighting the socialist orientation is that most of the countries that have chosen it still remain in the world capitalist economic system, and the main method used in this fight is to encourage the forces which give rise to capitalist relations.

In the last few years, a new wrinkle has appeared in the neocolonialist tactics of undermining the socialist orientation. It consists of attempts to bring about the degeneration of the socialist orientation into social reformism. Here, it is not so much the theory of socialist orientation itself as it is Marxism-Leninism that is rejected. This is convenient for the ideologists of neocolonialism in the respect that the "models" of socialism proposed to the African countries, while outwardly retaining socialist slogans, actually ensure capitalist development because none of them calls for the socialisation of the means of production.

Special attention is given to some theories of "African socialism" which deny the existence of general laws of social development and ignore Marxism-Leninism. It is precisely this anti-Marxist aspect of "African socialisms" that attracts the apologists for the development of capitalism in Africa.

The neocolonialists take into account the fact that, objectively, there is ground in the socialist-oriented countries for the spread of both the social-reformist ideology and social-democratic conceptions of social development, particularly the concept of a so-called mixed economy. As we know, this concept envisages the coexistence and simultaneous development of the public and private sectors, which in practice issues in the full priority of the latter, with the public sector actually serving the interests of private capital.

It may be concluded from an analysis of the situation in and around the socialist-oriented countries that in Africa precisely these countries are the main object of neocolonialism's struggle to preserve the capitalist system. As L. I. Brezhnev pointed out in his report to the 25th Congress of the CPSU, "Some regimes and political organisations that have proclaimed socialist aims and are carrying out progressive changes have come under strong pressure from home and foreign reaction. . . the attempts to undermine the social and political gains of the Egyptian revolution are examples of such developments."¹

It is evidently necessary to bear in mind that neocolonialism will step up its activities and struggle against the countries that have made the socialist choice. Nor is it excluded that, along with "flexible" tactics, imperialism will again resort to a hard-line policy with respect to these countries.

And one more thing. The neocolonialists' crusade against the socialist orientation is getting substantial support from the Peking leadership. The Maoists refuse to accept the socialist orientation theory. They argue that for the developing countries there is only one way to socialism—the armed struggle. By so doing they indirectly promote either capitalist development or incessant war. Furthermore, Peking is at pains to turn the socialist-oriented countries away from the countries of the socialist community, notably the Soviet Union, and to disrupt their economic co-operation. Here the posture of the Chinese leadership is undisguisedly contiguous with neocolonialist tactics.

¹ *Documents and Resolutions. XXV Congress of the CPSU*, p. 15.

4. NEOCOLONIALISM AND STATE POWER

During the colonial era, the metropolitan countries exercised domination in the countries that were in direct colonial dependence. They had full control of the state administration and the apparatus of coercion, the police and army. Even where there was a system of indirect administration of dependent territories, or where the colonial administration functioned side by side with local organs of power (tribal or feudal) and some posts in the administration were made available to local inhabitants, all the "national elements" were actually integrated into the foreign colonial administration.

The collapse of the colonial empires did away with direct political domination by the metropolitan countries. However, their desire to hold sway in the newly independent countries and to exploit them remained. New methods were adopted. They included imperialism's attempts to use the state in the new countries to its own ends.

In the first years after the disintegration of the colonial empires, bourgeois social science spread the thesis that the metropolitan countries had allegedly lost interest in keeping their colonies anyway because they had become a "burden". Now, the myth being spread is that the colonialists had fulfilled a "civilising mission" in the Third World countries, whereupon they "voluntarily" granted independence to the former colonies.

That such assertions are groundless is obvious. They only demonstrate the tendentiousness and class affiliation of bourgeois social science. We have only to recall that all of the metropolitan countries had for a long time persistently suppressed the freedom of the peoples of the colonies and dependent territories. They never hesitated to use force and violence to maintain their colonial rule. For many years England waged a war against the people of Kenya that took the lives of almost 12,000 local inhabitants. In Algeria, more than 40,000 persons perished during the uprising of 1945, and later, between 1954 and 1962, the Algerian people fought a bitter national liberation war of independence. The striving of the peoples of Zaire, Congo, Madagascar and other African countries for freedom and independence was met with a wave of brutality and violence perpetrated by the colonialists.

It would be wrong to see any "good will" on the part of the metropolitan countries even in those instances when they did not openly resist the peoples' urge for freedom and when the "granting" of independence proceeded without bloody excesses. For all the colonialists, it was a forced step: the drive of the enslaved peoples for national liberation had become invincible. Furthermore, the metropolitan countries also proceeded from the assumption that the new course ("the granting" of independence) would give them a guaranteed opportunity to pursue their former policy in the future—using new means, of course.

A well-known proposition of Marxism is that the state can come out against even the interests of the dominant class, especially during transitional periods in the development of society where the basic classes are relatively weak. In the developing countries of Africa and other regions of the Third World, the role of the state is especially great. Taking this fully into account, the neocolonialists strive to bring it under its influence.

It should be added that the imperialists have plenty of experience in maintaining their influence on state power in many newly independent countries of Africa and the entire Third World. For a long time they exploited the so-called semicolonies, which, although formally independent states, were actually heavily dependent, economically and politically, upon the United States or Western Europe.

What the imperialists need in order to achieve their aims is for a developing "partner country" to have the kind of state power that would not infringe upon their interests by instituting, for example, nationalisation, progressive taxation of foreign companies, customs restrictions, strict regulation of the re-export of capital, control over the outflow of profits from the country, and so forth. And that is why neocolonialism seeks to gain as much influence as possible on the state in the developing countries.

How do the imperialists maintain and extend their political influence in the developing countries? What are some of the clear signs of their interference in the internal affairs of these countries? What forms of neocolonialist political influence do they choose?

Of course, the specific forms and degree of interference by the imperialist states—covert and even overt—in the affairs of the peoples of the developing countries are determined

primarily by the concrete situation in the countries themselves. The situation in the world as a whole is also an important factor. But notable as a general rule are the attempts of the neocolonialists to gain influence in the army, the state machinery, the bureaucracy, and the ruling political party.

Wherever possible, imperialism restores or stabilises its political influence by using military force to keep reactionary pro-imperialist circles in power or to back their coming to power. This method is used in most of the countries that are still dependent upon the imperialist powers. These include mainly states in Central and South America and Asia. One of the most typical ways in which the imperialists have established indirect political influence in some newly free African countries has been to set up avowedly pro-Western regimes in them (there are not many of these), which readily do the bidding and protect the interests of their foreign patrons.

At the first stage of Africa's decolonisation, the metropolitan countries resorted to a standard but fairly successful line of action. They used their agents and even mercenaries to remove consistent fighters for national independence, subjecting them to arrests and "brainwashing", and simply physically destroying the most dangerous (from their point of view). At the same time, in the course of "preparing" the colonies for political independence, loyal supporters of the metropolitan countries from the reactionary milieu were moved into important posts in the local administration, giving them social prestige and influence. Then independence was proclaimed, and state power was turned over to reliable figures surrounded by numerous foreign advisers. Needless to say, not all such regimes lasted for long. Many were swept away by national liberation revolutions.

The further deepening of the national liberation revolutions in Africa, the establishment and steady consolidation of the newly free countries' statehood, and the growth of the national self-awareness of the peoples compelled the neocolonialists to seek new forms and methods of influencing the state in the former colonies and semicolonies. An orientation toward forming a legal opposition to the existing regimes had no real prospects, since the class differentiation in most African countries did not create conditions for a multi-party system. And use of the ethnic factor inevitably led to accusations of tribalism.

Therefore, the neocolonialists turned to methods of indirect influence.

Thus, for example, the association of African countries with the Common Market, an economic grouping of developed West European capitalist states, was not only a form of subjecting these countries to economic oppression. Under certain conditions it could ensure political control over them, which opened up broad possibilities for strengthening the political influence of the "nine" in free Africa. The drawing of newly free countries into various groupings and alliances in which imperialist states played the leading role also became an important and effective instrument of neocolonialist policy on the continent. This aim was pursued from the outset by the "voluntary" inclusion of former French colonies in the so-called French Community, the former British colonies in the Commonwealth, and a number of Asian countries in aggressive military blocs headed by the United States and Britain.

The desire of the imperialist powers to secure their political influence in the developing countries is clearly seen in the many plots and coups d'état they engineered in some countries in Africa in order to overthrow progressive national regimes and forcibly establish obedient governments formed out of pro-imperialist and reactionary elements.

To carry out their subversive plans against the national liberation revolutions and democratic forces in African countries, the neocolonialists rely on domestic reactionary elements and on their own agents, either those who have been working in these countries since the colonial period, or newly enlisted. Extensive use is also made of internal intertribal conflicts and contradictions. Not infrequently, the neocolonialists have resorted to direct intervention in Africa. They put special stakes on the army.

As facts have shown, African armed forces are not necessarily always a national revolutionary or revolutionary democratic force. Sometimes, the army of one or another country serves as the striking force of counter-revolution or as a conservative force directed against far-reaching socio-economic transformations. Inasmuch as the army of almost every developing country today is capable of overthrowing any regime, the imperialist circles of the Western powers pay special attention to the armed forces and persistently try to create within them a "social" support for themselves.

Examples of this kind of use of the armies of developing countries were the reactionary military coup in Ghana against Kwame Nkrumah's regime,¹ the repeated attempted coups and military intervention in Guinea and the People's Republic of Congo, the imperialist-inspired actions of the separatists in Nigeria (Biafra), and so on. Israel's aggression against the Arab countries is also a means of the imperialists' struggle against the progressive forces, against the national liberation movement of the Arab peoples.

The arsenal of means by which the imperialists interfere in the internal affairs of the newly free African states and exert political influence on their governments is not exhausted by these examples. It is constantly being augmented, and the means themselves improved. Adapting themselves to the concrete political situation within one or another country, the neocolonialists may apply military or diplomatic pressure, bring methods of economic influence into play (economic "sanctions", "aid", trade concessions), issue threats or promises, etc. They make wide use of every kind of bribery and other forms of blatant corruption.

Ideological subversion also serves the political aims of the neocolonialists in Africa. Extensive use is made for this purpose of the mass media, religious institutions and the intelligence services, the latter frequently having close connections with various organisations bearing perfectly respectable names and functioning in diverse political and social fields. However, it would be wrong to conclude that the ultimate goal is to create only pro-imperialist governments or outright military dictatorships. The neocolonialists themselves do not regard such regimes as stable or long-lasting. Since they are struggling primarily against progressive regimes that have chosen the socialist orientation, they are rather tolerant of liberal bourgeois regimes with elements of parliamentarism which guarantee free enterprise in the economy and are at the same time capable of preventing the spread of progressive ideas. Therefore attempts to implant "strong" authoritarian rule is one of the neocolonialist methods which Western imperialist circles use in their effort to prevent revolutionary transformations.

¹ The situation in Ghana changed as a result of the coup in January 1973.

The evolution of neocolonialist policy in relation to the state in African countries is thus directly related to and dependent upon the further development of the revolutionary processes.

* * *

Neocolonialism cannot ignore the constantly changing correlation of world forces in favour of socialism. The neocolonialists are compelled to make further concessions to the developing countries. However, the changes in tactics should not generate any illusions either among the peoples of the developing countries or in progressive circles around the world that neocolonialism is capable of withdrawing of its own accord merely because it is doomed. The system of dependence it has given rise to is a pernicious enemy of the Third World, and no modifications—past or future—make it less dangerous. The alternative to this is vigorous anti-imperialist struggle.

**THE CRISIS OF RELATIONS BETWEEN
THE NEWLY FREE COUNTRIES
AND IMPERIALISM**

One of the principal signs of the deepening of the general crisis of capitalism is the exacerbation of the antagonism between the developing countries and the imperialist powers. This antagonism is an integral part of the general complex of contradictions of the capitalist system which, as Lenin pointed out, every crisis sharpens and reveals.¹ The contradictions between the two groups of states manifest themselves in various forms and embrace all spheres of relations—economic, political, ideological, and their character in present-day conditions is such as to permit defining them as a crisis of the whole system of relations between imperialism and the developing countries.

The growth of contradictions is reflected in the intensification of anti-imperialist tendencies in the foreign policies of the former colonies and semicolonies, in their determination to give rebuff to the neocolonialist expansion of the imperialist powers, and in the deepening social differentiation in the Third World, i.e., the appearance of countries that have chosen the socialist orientation. The struggle for complete national liberation, which is growing into a strug-

¹ See V. I. Lenin, "May Day and the War", *Collected Works*, Vol. 36, p. 322.

gle against exploitative relations, more and more frequently takes an anti-capitalist direction.

An analysis of the essence of the contradictions between the developing countries and the imperialist states is of considerable theoretical and practical importance. It contributes to a deeper understanding of the basic aspects of the contemporary revolutionary process and new factors of the general crisis of capitalism in their organic interrelationship, helps clarify the specific features of the development of contemporary international relations, and reveals the causes behind the appearance and evolution of neocolonialism.

1. SOURCES OF THE CRISIS

The concept "developing countries" or its conventional equivalent, Third World, takes in about one hundred former colonies, semicolonies and dependencies that lag appreciably behind the industrially developed states of Europe, North America, Japan, Australia and New Zealand in their socio-economic development. At the same time, the developing countries are far from being a homogeneous unit. They differ one from the other considerably, particularly in a number of indicators characterising their level of economic development and, most importantly, in their social and political orientation. They also differ in the degree to which they are still dependent upon the former metropolitan countries and other imperialist states, and in the nature and specifics of their contradictions with imperialism.

Nonetheless, it is possible to single out certain consequences of colonial domination which they all share and which determine the character of their antagonisms with the developed capitalist countries. These are, first, a tremendous lag in size of gross national product as a whole and per capita; second, a multiplicity of economic forms, an undeveloped economic structure, a prevalence of manual labour, and a shortage of food products; and third, a high rate of illiteracy, primitive housing conditions, massive spread of disease, and general cultural backwardness. The main thing, however, is that the young states that have gained political independence have not yet fully rid themselves of the economic fetters of the colonial period and remain the object of imperialist exploitation in its new forms.

No attempts by imperialism to adapt to the changes in the world situation alter its reactionary and aggressive nature. Imperialism has not abandoned aggression as a means for reproducing exploitation and various refurbished forms of essentially colonial relations. But the young independent states, the socialist community, and all progressive forces of the world are now resolutely counteracting this tendency. That is why neocolonial methods of expansion in the economic, political and ideological spheres have appeared and are being perfected. The developing countries now constitute the main zone in which world imperialism is not only trying to effect economic expansion in renovated and disguised forms, but where it also resorts to open aggression, as in the Middle East for example.

The main contradiction between the developing and former metropolitan countries is a contradiction between, on the one hand, societies emerging from a colonial or dependent condition and, on the other, imperialism, which had for many decades forcibly held up their all-round development. This contradiction stems mainly from the fact that the developing countries are striving for economic independence while the imperialist states are trying to preserve their positions, albeit curtailed, in the regions where they once held undivided sway. New antagonisms between the neocolonialists and the young independent states arise on the basis of the main contradiction. The most important of these and the one that stands out most prominently is the fundamentally opposite approach to the problem of overcoming economic and social backwardness. An ever greater number of the young independent states are persistently seeking to solve the problem of achieving genuine independence by means of progressive transformations of their socio-economic structures. Some have chosen the more radical method—the noncapitalist way of development. Progressive socio-economic transformations and especially the socialist orientation run counter to the interests of imperialism and, consequently, of neocolonialism.

At the present time, monopoly capital does not openly oppose the development of the former colonies and semicolonies. The days when imperialism did this kind of thing openly have gone forever. Now, its strategic plans include implanting capitalism in the developing countries so that they remain as long as possible within the framework of

the world capitalist system in the capacity of an unequal, exploited industrial raw material sector. In conditions of the world scientific and technological revolution, a substantial obstacle to the exploitation of the young states by the imperialist monopolies is the young states' backwardness. Considering the fact that the developing countries themselves want to modernise their socio-economic structures and that this process has already begun, imperialism's eagerness to exercise control over their development becomes quite understandable.

Why does imperialism bend every effort to retain control over the newly free countries? Bourgeois sociologists, politologues and economists used to and still say that just as the colonies had been pretty much of a burden to the metropolitan countries, who were relieved to "get rid" of them, so the young independent states are merely an added burden for the developed capitalist countries. Some extreme points of view were also encountered; due to the world scientific and technological revolution and the increasingly broad introduction of new technological processes and structural changes in the economies of the industrial states, the latter's need for economic relations with the developing countries had virtually disappeared.

The energy and raw material crises completely refuted these views.

To be sure, under present conditions the industrially developed capitalist states make do without colonies in the formal sense. Imperialism's "classical" foreign territorial expansion, once the major means of acquiring the resources needed for extended reproduction of capital, has been made virtually impossible by the changes in the correlation of forces in the world arena. However, monopoly capital is in no position to abandon its economic expansion into the developing countries. It is simply that in present-day conditions it uses new methods and means to carry it out.

Western Europe, Japan and the USA are experiencing shortages, in some cases acute shortages, of several types of mineral raw materials, especially fuel and energy raw materials, as was revealed by the energy crisis of 1973-1974, which was an outcome of the predatory policy of the major international oil trusts. The overwhelming majority of the known deposits of oil and gas in the capitalist world, as well as other raw materials essential to modern industry

(tin, copper, rare earth metals, etc.), are concentrated in the developing countries. That is why monopoly capital is so anxious to retain control over the natural wealth of the developing countries on the basis of the so-called new international division of labour.

The developing countries are of tremendous importance to the imperialist states as a factor in the competition between the two world systems. Using the natural and manpower resources of these countries, world capitalism hopes to maintain a material balance with the world socialist system. At the same time, the deepening of the national liberation revolutions and the fact that a significant number of independent states in Africa and Asia have taken the non-capitalist way of development threaten imperialism with new losses, widen the circle of allies of world socialism, broaden the compass of the socialist system and multiply its reserves. It is not surprising, then, that imperialism is carrying on a tireless struggle against the young independent states that have chosen the socialist path of development, that is, a struggle against the most realistic possibility of their gaining genuine, above all economic, independence.

2. THE FOUNDATIONS OF CONTRADICTIONS

The antagonisms between the imperialist states and the developing countries are dialectically linked with the trends and contradictions in the internal development of the latter. Neocolonialist strategy with respect to the newly free countries of Africa is quite naturally based on the regularities of the world capitalist economy and constantly takes into account the specific features of and difficulties in the development of the productive forces in these countries and the contradictions between their economic and political status. Moreover, the sovereign political superstructure of the really independent young African states conflicts sharply with the economic basis still dependent on foreign capital.

Characteristic of all newly free countries of Africa is an internal contradiction between the low rate of economic development they inherited from the colonial period and the vital need for accelerated development and often creation of the productive forces. The economic and social progress of these countries is retarded first of all by the tight frame-

work of their colonial and semicolonial economy, an acute want of the minimum capital, means of production and qualified personnel required. At present, this contradiction steadily grows as new demands are made, particularly on industry, in connection with scientific and technological progress on a world scale.

By its very essence national revival requires accelerated development of the productive forces, rapid elimination of archaic relations of production, and reorganisation of the society's social structure. The solution of these problems is the basic content of the national liberation revolution in Africa. Both the working masses and the broad circles of the national bourgeoisie have a stake in this. Raising the rate of economic development and social progress has become the objective and law-governed need of the newly free African countries, and any obstacles on this road give rise to disappointment and protest.

World imperialism is obliged to accommodate to the new developments in the Third World and to demonstrate flexibility in its neocolonial strategy and tactics. Thus, the objective laws of the African countries' socio-economic development are an important factor determining the substance and scope of the new colonial policy.

The following questions take on special importance for the developed capitalist states at the present time: How, without damaging their own interests, can the lag in the former colonies' economic development be abolished? What social prospects should be offered for their national renaissance? By what means is the national liberation revolution to be turned toward capitalism and the young states kept within the ambit of the world capitalist economy for as long as possible?

Two decades have passed since the first victory of the national liberation forces in Africa over imperialism, since the gaining of political independence. It is now possible to make a realistic appraisal of the new situation and the social laws operating in the newly free countries. Vacillation over the choice of direction in which the processes of national renovation are to go is by and large being overcome. Some African countries have taken the "classical" route of historical development and embarked on the capitalist road. Others have found the strength and possibilities to deepen the liberation process and move it into the re-

volutionary-democratic phase with its not only anti-colonial but also anti-imperialist orientation.

Essentially, however, the yearning for full national renaissance exists in both groups of countries. This is an objectively existing and telling law, which demands, regardless of the nature of the ruling social forces, the unconditional creation of a new society which, in contrast to the colonial society, will insure substantial economic and cultural growth—that is, the development of the national productive forces. This law manifests itself vividly, for example, in the work of the Organisation of African Unity. The political, social and other differences among the participants in this representative international forum do not keep them from reaching complete unanimity regarding the imperative need for solid economic and cultural progress and in identifying imperialism as the main obstacle in the way of achieving this end.

At the same time, disagreements and contradictions and a distinct divergence are apparent when it comes to considering problems related to the choice of ways and means of development. This stems from differences among the governments of African countries in their attitude toward capitalism and socialism (and, accordingly, toward capitalist and socialist states).

Today imperialism takes these two circumstances into account: the unity of the African countries on the one hand, and their contradictions on the other. They serve as a kind of initial criterion in its quest for new neocolonialist means, both economic and political.

The aspirations of the African countries for genuine national independence and imperialism's desire to retain its positions in them constitute a contradiction instrumental in deepening the crisis in the relations between the developing and imperialist states. To resolve this contradiction in favour of the newly free countries is one of the principal tasks of the national liberation revolution and one that determines its anti-imperialist orientation at the present stage. All of the neocolonialist forces and means are united against the present anti-imperialist trends in Africa's development.

Africa's backwardness is not limited to the economic sphere alone, for under the colonial regimes social and cultural development had also been arrested. In many colonies, patriarchal-communal, feudal and semi-feudal modes of

production based on a natural economy and characteristic of the pre-colonial development of these countries were purposely preserved. The imperialist states spared no effort to impede the development of the colonial peoples' social consciousness, subjecting them to all-round spiritual robbery and frequently destroying or suppressing their national civilisations. We might note that this form of colonial plunder and oppression is often underestimated.

Data compiled by UNESCO for the early 1970s, characterising the level of education and literacy of the populations and the social structure of the countries in the former colonial world testify to the cultural oppression of the African peoples: nearly 70 per cent of the active population of Africa was illiterate, and about 45 per cent of the children of school age had no opportunity to go to school. A few calculations will also show that about 5 per cent of the gainfully employed population of Africa may be classified as the bourgeoisie, and 7 per cent, the proletariat. It is important to take this fact into account, because without a developed modern class structure any society will experience considerable difficulties in creating the conditions necessary for the national liberation revolution to grow over into a socialist revolution. Illiteracy and life in conditions of a tribal commune, of a closed natural economy, lead to the fact that a certain proportion of the local population is unable to comprehend or even follow the processes of social development and hence is unable to take the proper attitude toward them. A certain period of time is obviously required for the broad masses to see their struggle for independence in a new light and to arm themselves ideologically.

It can be seen from the above what propitious soil for ideological brainwashing the broad masses of Africa present to the forces of imperialism. Hence the repeated efforts to persuade the rank-and-file African that the national liberation revolution "accomplishes its tasks" with the winning of political independence, and that economic and cultural progress depends on the "initiative of the individual" who is capable of becoming a "good businessman". As for the fate of the society as a whole, it can develop along the same road as the "American society, the first to free itself from English colonial slavery" (author's quotation marks), and its main instrument of development should be private property and good "integrated" relations with "prosperous states

that had built up their economies on the basis of the mechanism of free trade" (author's quotation marks).

The democratisation of socio-political life and the introduction of democratic standards and liberties for the broad popular masses and their public organisations comprise another group of tasks facing the national liberation revolution in Africa at the present stage. These are tasks connected with the elimination of the exploitation of man by man and the limitation of private property and its attendant unfair social forms of distribution. They pertain not only to foreign but also local owners of capital. In other words, these are tasks whose accomplishment substantially restricts and subsequently eliminates the possibilities of extended reproduction of capitalist relations of production.

The accomplishment of these tasks signifies the continuation and deepening of the national liberation revolution and its entrance into the anti-capitalist stage, and the failure of the tactical and strategic plans of imperialism.

The development of the struggle for national liberation into the struggle against exploitative capitalist relations is directly connected with the internal social conflicts generated by still another basic contradiction in the African and other developing countries—the contradiction between labour and capital. This constant antagonism, which is gradually mounting in many African countries as the processes of national revival gather force, is determined by the deepening class differentiation of society, by the divergence of the interests of different classes and social strata as the national liberation revolution advances, and will unquestionably in time become the dominant antagonism in the socio-economic and political life of the countries of Africa. Imperialist policy is in its essence hostile to everything connected with the socialist orientation because this kind of development runs counter to the plans of the neocolonialists. As a rule, imperialism and the internal reactionary forces it supports have recourse to especially refined political and subversive actions against those African countries in which the national liberation movement is already proceeding along the noncapitalist path. Such phenomena and processes can be observed not only in Africa but also in other regions of the Third World. We might take by way of example the counter-revolutionary coups in Bolivia and Chile; the subversive activities and sabotage against Cyprus, and so forth. All of this provides

ample evidence of how many faces neocolonialism has. Its recourse to more odious and aggressive methods is due to the further advance of the national liberation revolutions toward socialism in a growing number of developing countries.

The strengthening of anti-capitalist tendencies in Africa sharpens the class struggle of the progressive forces against internal reaction and leads to an accelerated cleavage between the revolutionary, democratic and progressive forces on the one hand, and opportunists of all stripes, the bourgeoisie and all those who advocate compromise with local and foreign capital on the other. The struggle of these forces leads to the emergence of a most important feature of the national liberation movement of Africa. Dropping out of the revolutionary process are those who during its initial phase were merely fellow-travellers or had limited objectives. This applies to the national bourgeoisie, whose interests are in deep conflict both with those of the imperialists and with those of the popular masses; it is willing to wage a struggle against foreign monopolies but at the same time actively opposes the prospect of noncapitalist development. It also applies to that part of the peasantry which as a result of class stratification separated out as a kulak layer. A more serious factor influencing the scope of the peasantry's participation in the national liberation revolution at its second stage, however, is not the amount of property owned but the psychology of the small commodity producer. This is a particularly important question at the present time because the number of small commodity producers is rapidly growing. This is connected both with the disintegration of the African commune and with the numerous agrarian reforms and the confiscation of the landed property of feudal lords and foreign plantation owners (in cases when rural production co-operatives are not formed).

Of course, the importance of the peasantry as the most multitudinous driving force of the national liberation revolution is still primary. This circumstance determines the differential approach taken by the progressive forces to the various peasant strata and the necessity for a higher level of ideological and educational work among the working peasant masses.

It is fitting to recall here what L. I. Brezhnev said in this connection at the International Meeting of Communist and

Workers' Parties held in Moscow in June 1969: "The central question of the revolutionary process in Asia and Africa today is that of the attitude of the peasantry, which make up a majority of the population.

"The peasants in that part of the world are a mighty revolutionary force, but in most cases they are an elemental force, with all the ensuing vacillations and ideological and political contradictions. Nor could it have been otherwise for the time being, because the great majority of the peasantry still lives in conditions of monstrous poverty, denial of rights and surviving feudal and sometimes even prefeudal relations."¹

With class differentiation comes a steady growth in the role of the working class in the developing countries. The continuing drawing together of revolutionary democracy and the international communist movement, of the progressive regimes in the Third World and the countries of the world socialist system facilitates introducing the Marxist-Leninist ideology to the popular masses. On this basis, the proletariat, under the leadership and with the help of the Communist parties, will be able to, and must, build a broad "united front" that is not only anti-imperialist but also anti-capitalist, and promote the creation of conditions for a qualitatively new development of the national liberation revolution and its growth into a socialist revolution.

It is perfectly apparent that the internal processes in the newly free countries have a big influence on the crisis of these countries' relations with imperialism. The more progressive their development, the deeper and sharper are the contradictions.

3. ANTAGONISMS IN THE ECONOMIC SPHERE

Marxist science defines exploitation as the appropriation of the surplus labour, and often also part of the necessary labour, of the direct producers by the class of proprietors of the means of production. It is precisely exploitation as thus defined that is the characteristic feature of the developed capitalist countries' "co-operation" with the Third World

¹ L. I. Brezhnev, *The CPSU in the Struggle for Unity of All Revolutionary and Peace Forces*, Moscow, 1975, p. 73.

in the trade and economic spheres. This situation is well illustrated by the world energy and raw material crises which brought in their wake an intensification of the struggle by all developing countries for the introduction of new principles in their relations with the West in these spheres.

Underlying the economic contradictions between the developing and imperialist countries are the continuing and even growing exploitation of the Third World by capitalist monopolies, and the newly free countries' still severely unequal position in the world capitalist economic system. Exploitation is effected through the export of capital, the trade mechanism, various kinds of "aid", inequitable treaties, agreements with the EEC, and all the other forms of economic relations between the two groups of states. Let us examine some facts.

Soviet economists have calculated that the imperialist powers derive some 18 to 20 thousand million dollars in profit annually from the developing countries. This is substantially more than the figure representing the sum of foreign resources the developing countries would need to increase their rate of accumulation at a relatively normal pace and solve the problems of economic growth, and it exceeds total "aid" from the West. Thus, even according to an OECD forecast, the volume of resources which Africa can expect to receive from the main capitalist countries in 1990 will amount to about \$9,000 million, that is, one-half of the present outflow of capital from all the developing countries. For example, Britain's "aid" to African countries amounts to an average of \$140 million a year, which equals one-half of the annual profit Royal Dutch Shell and British Petroleum derive from the sale of oil extracted in the Persian Gulf zone alone. Between 1960 and 1975, African countries lost more than \$9,000 million because of the inequitable terms of trade imposed on them by foreign monopolies.

The French magazine *Le Nouvel Observateur* explains how this kind of deficit comes about. In the 14 African countries of the former Union française, cotton and cocoa production was tripled, coffee production was doubled, the production of tropical wood increased 2.5-fold, and the output of mineral raw materials quadrupled over this period. The aggregate tonnage of these countries' exports to the former metropolitan country grew 530 per cent. Their total value,

however, increased only 190 per cent, which means that each ton of exported commodities became 64 per cent "cheaper".¹ In view of the fact that export earnings are virtually the only form of foreign currency revenue the developing countries have for paying for the industrial and consumer goods they must import, the terms of trade with their capitalist partners constitute a constant source of ever-sharpening antagonisms between the two groups of states.

Another cause of contradictions is the protectionist policy the imperialist states pursue with respect to the developing countries' exports, particularly agricultural products. Quota agreements and high customs barriers considerably impede the expansion of the young states' exports. For example, the quota on imports of African fruits and vegetables into the EEC countries was 1.8 million tons, which amounted to 8 per cent of the total import of these commodities by the Common Market countries. Only in 1975 did the African countries succeed in getting the leaders of the EEC to review the imposed agreements.

Particular damage is done to the developing countries by restrictions on the export of industrial goods and semi-manufactures, trade in which, besides increasing their foreign currency revenue, promotes their industrialisation. Thus the customs regulations of the expanded Common Market covered only 4 per cent of its imports of these commodities from the developing countries of Africa. The obstacles that the industrially developed countries create for the young states in this sphere of economic relations give rise to a set of new contradictions between the two groups of countries.

Writers G. Fels and E. Horn of West Germany see the Western countries' opposition (the FRG included) to the import of industrial goods from the developing countries as stemming from the fact that the latter, with their great reserves of natural resources and abundance of cheap labour, can successfully specialise in the production of competitive, labour-intensive industrial products and the prospect of the Western markets being flooded with these commodities evokes stiff resistance from Western businessmen.²

¹ *Le Nouvel Observateur*, June 4-10, 1973, p. 34.

² G. Fels, E. Horn, "Der Wandel der Industriestruktur im Zuge der weltwirtschaftlichen Integration der Entwicklungsländer". In: *Die Weltwirtschaft*, Tübingen, 1972, Issue 1, p. 124.

This point is noteworthy in that it confirms the existence of deep contradictions between the countries of the Third World and the imperialist states.

Contradictions between the developing countries and the West are also deepening in questions of financial "aid". In the first place, since "aid" is not gratuitous, the outlays for servicing and repaying foreign loans at present already cancel out the effect of fresh receipts. By 1976, the developing countries' total foreign debt exceeded \$100,000 million, and payments to the capitalist "donors" totalled \$8,000 million. In the second place, the developing countries show legitimate displeasure with the fact that Western "aid" is becoming almost completely "tied", that is, given with the proviso that it will be used for the purchase of export commodities from the "donor countries". Thus, proposals for the reform of American "aid" worked out by a majority on the Foreign Affairs Committee of the US House of Representatives envisaged the creation of a new fund to finance the export of American products to the "poorer nations".¹ A substantial part of French "aid" to the developing countries consists of credits to suppliers, "the aim of which most evidently is to provide work in Africa for French import-export enterprises...".² The fact that "tied aid" conflicts with the interests of the recipient nation is also acknowledged by bourgeois specialists. In a monograph entitled *The Economics of Aid*, J. M. Healey of the British Overseas Development Administration of the Foreign and Commonwealth Office characterises aid that is "tied" to the market of the "donor" as "deliberately aggressive and aimed at diverting Recipient's imports from its most preferred sources".³

Another contradiction and perhaps the main one generated by the problem of Western "aid" to the Third World has to do with the ultimate goal pursued by the donors and recipients. For the donors, "aid" is an instrument of foreign policy, a means of struggle against imperialist competitors, a source of profit, and on the whole, a strategic, neocolonialist operation aimed at preserving the positions of imperialism in the Third World. The recipients, in view of their economic difficulties, count on using the financial and tech-

¹ *The Christian Science Monitor*, June 27, 1973, p. 14.

² *Le Nouvel Observateur*, June 4-10, 1973, p. 34.

³ J. M. Healey, *The Economics of Aid*, Beverly Hills, 1971, p. 77.

nical resources received from the West for developing their productive forces and hence as a supplementary opportunity to achieve economic independence.

It was not accidental that the decisions of the Tenth Assembly of the Heads of State and Government of the OAU, held in Addis Ababa in May 1973, pointed out that the African countries were determined to wage a vigorous struggle against every type of capitalist aid that comes with strings attached.

Sharp contradictions between the Third World and the imperialist states have arisen in recent years in connection with the monetary and financial policies of the latter, especially due to the revaluation and devaluation of the currencies of the USA, a number of European countries, and Japan. The effect of these processes on the economies of the developing countries is not always the same. However, the devaluation of the dollar, for example, reduced the gold-currency reserves of the young states by one-third, sharply reduced the purchasing power of these reserves (according to UN data, by \$580 million), and increased their dollar debt (by about \$3,500 million). Revaluation automatically increased the amount outstanding on loans and credits received in the "upgraded" currencies, and the import costs of many developing countries.

Another source of currency and financial contradictions between the two groups of countries is the existence of closed currency zones which abridge the financial and economic freedom of the young states. Let us examine this situation using the franc zone by way of example. The African countries in this area raise persistent demands for its reform and the complete mutual convertibility of the African and French francs. And a number of countries have withdrawn altogether from the zone and set up their own currencies. Why is the French treasury so reluctant to make concessions to its franc-zone "partners"? The point is that, in the first place, guarantees to the currencies of the developing countries are provided on the condition that they do not use their reserves independently. In the second place, as compensation for the guarantee, Frenchmen working in Africa are allowed to take money out of the country without restrictions. In other words, the governments of the franc-zone countries are deprived of the chance to control currency operations. French financial and industrial circles

do not wish to part with these privileges. "Any modification of the structure of the franc zone which would lead to a serious restriction of the current flow of capital would risk drying up the deposits of private funds which Africa needs," Jehan Duhamel, director of the International Bank for West Africa, warned the dissatisfied.¹

Let us look briefly at another economic problem which has recently sharpened the contradictions between the developing and the imperialist countries, the problem of control over the natural wealth of the Third World.

At the new stage of the national liberation revolution—in the struggle for achieving economic independence—the governments of many developing countries, African countries included, institute state control over the key branches of the economy. Among the measures taken an important place is occupied by the partial or complete nationalisation of foreign monopoly assets and the expansion thereby of the state sector. A local mechanism of reproduction is thus formed which reduces dependence on imperialism.

The oil, mining and other "raw material" monopolies, in turn, are bent on retaining their dominant positions in the developing countries. One of the causes of the bloody tragedy in Chile was that Salvador Allende's democratic government stood up in defence of the people's legitimate sovereign right to the nation's natural wealth. Similarly, underlying the Nigerian events of the late 1960s and early 1970s were attempts by the monopolies to lay their hands on Nigeria's oil resources with the help of the Biafra separatists.

Nonetheless, the process of nationalising foreign monopoly property in the countries of the continent continues unabated. This policy is bitterly resisted by the imperialist monopolies and deepens the contradictions between the developing countries and the imperialist states. This was clearly in evidence at the Sixth and Seventh Sessions of the UN General Assembly and the Fourth Session of UNCTAD (May 1976), which were marked by sharp confrontations between the developing and imperialist countries and struggle for the creation of a new system of mutual relations which would exclude exploitation.

Among the new developments testifying to the sharpen-

¹ *Le Nouvel Observateur*, June 4-10, 1973, p. 33.

ing of contradictions between the two groups of countries is the young states' practice of giving collective rebuff to the pressure of the neocolonialists. The anti-imperialist tendencies in their policy frequently prevail over disagreements connected with their social differentiation and political and economic heterogeneity. Substantial successes in the anti-imperialist struggle have been scored by such international associations of developing countries as the Intergovernmental Council of Copper Exporting Countries (CIPEC) and the Organisation of Petroleum Exporting Countries (OPEC). OPEC's firm position and use of oil prices as a political weapon have enabled it to obtain a fair increase of the exporter-countries' share in the profits of foreign companies and higher export prices on oil, which compensated for losses incurred due to the devaluation of the dollar, and the right to participate on a share basis in the concessions of international oil companies. The Arab countries of OPEC played a special role after the outbreak of hostilities in the Middle East in October 1973. Their uncompromising position had a sobering effect on the allies of the Israeli aggressors.

Not only has the problem of sovereignty over natural resources sharpened the struggle between the capitalist and developing countries but it has also enabled the latter to realise more fully the important role they can play in international relations.

The list of the young national states' successes in their fight to resolve the contradictions with the imperialist powers is being extended day after day. While not slackening its counterattacks against the Third World, imperialism is forced to adapt to the change in the balance of forces and to retreat. However, it does not give up its positions without a battle. The fact that the developing countries are in the capitalist system of economy has a direct bearing on the appearance of ever new antagonisms between them and the neocolonialists. Also steadily deepening is the major contradiction—the contradiction between the aspirations of the young states to economic independence and the impossibility of ensuring the economic growth they need for this without continuing and expanding their contacts with the state and monopoly capital of the imperialist states.

4. POLITICAL CLASHES

The policies of the imperialist states express the egoistic economic interests of the dominant class and inevitably exacerbate the antagonisms between the exploiters and exploited.

The very appearance in the world arena of over 80 new states, more than half of them African, as participants in world politics, the growth of their activity in international affairs and their increasing solidarity with socialist countries limit imperialism's influence in the sphere of international relations. It is from this angle that we should examine the contradictions between the developing and imperialist countries in the political sphere at the present stage.

Among the many causes of political contradictions between the newly free countries of Africa and the imperialist states, several can be distinguished as basic. First, the very principles of the young states' foreign policies. Second, the treaties and agreements imposed upon these states during the period of liberation, which keep them in an unequal position in the political structures of the former metropolitan countries; and the imperialist military bases set up in the young states. Third, general international problems caused by imperialist aggression. Fourth, the relations of the newly free countries with the countries of the socialist community. And fifth, the imperialist powers' efforts to draw the young independent states into their military blocs.

The developing countries do not by any means all follow the same foreign policy course. Their positions on individual problems are often different, as is the degree to which they are active in the foreign policy sphere. Among them are pro-imperialist regimes and states with a socialist orientation. The level and character of their foreign policies are determined by such factors as their domestic socio-political conditions, the pattern of their ties with capitalist states, their social orientation, and the degree of their involvement in worldwide economic and political processes. Obviously, their contradictions with imperialism differ in intensity. Nonetheless, the overwhelming majority of the developing countries share certain basic foreign policy principles in common, principles which conflict with the designs of imperialism. These are first and foremost anti-colonialism, uni-

ty and non-alignment. They are by their very nature antagonistic to imperialism.

The principle of anti-colonialism implies struggle not only for the elimination of racist colonial regimes in southern Africa—which is especially characteristic of the foreign policies of the independent African countries—but also for the abolition of other still existing colonial enclaves. The developing countries of Asia and Latin America regard it as a principle of struggle against all forms of colonial and neo-colonial oppression.

The racist regimes in the Republic of South Africa and Rhodesia are a constant cause of sharp political contradictions between the developing and imperialist countries. There is no international forum—be it the UN and its specialised agencies, or the Organisation of African Unity, or even international sports federations, etc.—where the developing countries do not severely condemn the imperialist powers for their support of the racists. But the imperialists refuse to make concessions; on the contrary, they are even stepping up their support. The United States, for example, began buying Rhodesian chrome again in 1973, violating the economic sanctions against Rhodesia called for by the UN Security Council. Britain as before pursues a policy of “appeasement” vis-à-vis the Smith regime and refuses to take any decisive measures.

The imperialist powers were subjected to unanimous trenchant criticism at the jubilee Tenth Assembly of the OAU in May 1973, and the presidents of Uganda and Togo even suggested creating a pan-African armed force as a countermeasure to the collusion between the NATO countries and the racists and colonialists. The accusations the young states level at NATO are quite natural. This aggressive bloc functions as a kind of collective colonialist and neocolonialist with respect to Africa. Its members support and supply arms to the racist regimes in South Africa and Rhodesia. The withholding of credentials from the South African delegation at the 29th Session of the UN General Assembly in November 1974 was a vivid illustration of the growing anti-racist unity of the progressive forces in the UN. It will be recalled that only the US, British and French vetoes in the Security Council saved the racists from total expulsion from the UN.

It may be confidently said that the anti-colonialism in the

foreign policies of the developing countries—which is a factor contributing to their solidarity—is becoming more and more anti-imperialist in character and is adding to the contradictions with imperialism.

Unity as a principle of the developing countries' joint foreign policy actions in their struggle for genuine national liberation is profoundly antagonistic to the plans and policies of imperialism. It could not be otherwise, because this principle countervails the exploiters' classical foreign policy method of "divide and rule!" The overwhelming majority of the leaders of the developing countries are coming to the conclusion that only the united forces of the Third World, including those of Africa, can successfully overcome the main obstacle to their countries' socio-political and economic progress—neocolonialism.

Despite the opposition from the imperialist and other reactionary forces, the developing countries' unity of action within the framework of the UN and in the OAU is growing stronger. Tendencies toward regional co-operation in Africa are also more strongly in evidence. Moreover, all this is prompted not so much by ideas of a nationalistic tenor as by the practical need for collective rebuff to the onslaught of neocolonialism.

Special mention should be made here of the principle of non-alignment. It takes on many shadings in the foreign policy of African countries, ranging from the consistent desire to pursue an independent foreign policy envisaging greater co-operation with the socialist countries, to the concept of maintaining "equidistance" with respect to the two opposite socio-economic systems, and sometimes to invoking this principle as a cover for deepening contacts with imperialist states.

A tense struggle between progressive and reactionary forces is unfolding around the principle of non-alignment. The former regard it as the basis for broadening the anti-imperialist coalition, limiting the influence of the neocolonialist powers, and strengthening political and economic ties with the socialist community. The reactionaries, by combining this principle with anti-communism, anti-Sovietism and reactionary nationalism, are trying to isolate the developing countries from the socialist states.

Political contradictions between former colonies and semi-colonies and the imperialist states also stem from the vari-

ous treaties and agreements imposed upon the former during the period of liberation (frequently as a condition on which independence was "granted"). Thus for example in the early 1960s France concluded over 100 "friendship and co-operation" agreements with all the French-speaking countries of Africa. The result was a neocolonialist mechanism enabling the ex-metropolitan country to retain decisive influence in all spheres of life in its former possessions. In the 1970s, African countries began one after another to set forth demands for a re-examination of these agreements. Mauritania, Cameroon, and Niger issued a protest against "economic and emotional neocolonialism".¹ "The beautiful neocolonial machine called 'Franco-African co-operation' has run its course," said *Le Nouvel Observateur* in this connection.² In these conditions, Paris, after conceding that co-operation should not be forced on anyone but must be desired, was obliged to enter into negotiations with a number of African countries on the subject of "reviewing" the forms of co-operation.

Political contradictions are deepening between the developing countries and those imperialist states which connive at the preservation of seats of international tension in the world, encourage aggressors, and hamper the solution of key international issues in the interests of all the peoples. Significant in this respect was the evolution of attitudes in the independent countries of Africa regarding the events in the Middle East. During the period immediately following the aggravation of the Middle East crisis in June 1967, only individual African states (not counting the Arab states) voiced condemnation of the Israeli aggressors and their patrons. But in 1973, the Tenth Assembly of the Heads of State and Government of the 41 OAU member countries unanimously called for settlement of the Middle East crisis on the basis of the UN Security Council resolution of November 22, 1967.

The African countries did not confine themselves to a verbal condemnation of Israel. In the year 1972 alone, six states (Uganda, Chad, Niger, Mali, Burundi and the People's Republic of Congo) followed the example of Guinea and severed diplomatic relations with the Israeli aggressor. After

¹ *Current History*, March 1973, p. 111.

² *Le Nouvel Observateur*, June 4-10, 1973, p. 33.

the resumption of hostilities in the Middle East in October 1973, virtually all the newly free countries of Africa broke off relations with Israel, and the Eighth Extraordinary Session of the OAU Council of Ministers, held in Addis Ababa in November 1973, recommended that the OAU members not re-establish relations with Israel until such time as it withdrew from all occupied Arab lands and the Arab people of Palestine regained their legitimate national rights.

At the present time, world events are evolving against a background of international detente. For the developing countries, the positive shifts in the world situation play a most important role, because they substantially improve the external conditions of their economic and socio-political development. The influence and prestige of the Soviet Union and other socialist countries are steadily rising in the Third World. There is increasingly vigorous condemnation in the developing countries of those imperialist forces which come out against the principles of peaceful coexistence, stand on the positions of cold war, and as before preach anti-communism and anti-Sovietism. There is growing understanding in the young states of the indisputable fact that these attributes of the past period are being used to veil a policy that is inimical to their interests. This situation naturally gives rise to contradictions.

Most of the developing countries take a consistent anti-imperialist stand on the fundamental question of the times, the question of war and peace. And this is so not only because today the basic seats of tension and armed conflicts are located (by no means through the fault of these countries) in Asia, Africa and Latin America. The expansionist nature of imperialism is in principle profoundly antagonistic to the national interests of the young states.

The countries of Africa supported the Soviet Union's initiatives in the UN on the non-use of force in international relations, on forever banning the use of nuclear weapons, and on convening a World Disarmament Conference. They greeted the results of the European Conference on Security and Co-operation, came out for the full adjustment of the situation in Southeast Asia and the Middle East, and so forth. Coupled with the further development and deepening of their national revolutions, this foreign policy course of the developing countries intensifies their confrontation with aggressive imperialist reaction. It is characteristic that in

this connection the ideologists of neocolonialism are making attempts to prove theoretically that the blame for tension and wars in our day lies with the developing countries themselves and not with imperialism. "Poverty generates aggressiveness" is the substance of their argument."¹

5. IDEOLOGICAL WATERSHEDS

The ideological contradictions between the Third World countries and the imperialist states, although they stand out in less relief than the economic and political contradictions, are nonetheless sharp. The main contradiction, which has become especially severe at the present stage, amounts to the following: imperialism is trying to implant in these countries a bourgeois and reformist ideology as a guarantee of the capitalist way of development, yet the ideas of socialism, for which the progressive forces are fighting, are becoming more and more widespread in the former colonies and semicolonies. This spread of socialist ideas is perfectly explainable inasmuch as anti-capitalist, and consequently socialist, potentialities are today inherent in any broad popular movement.

In what areas do the main ideological watersheds lie? First, the various theories of economic development offered by bourgeois and reformist social science under the common heading of "modernisation" run counter to the genuine interests of the young states. In the final analysis, it is a question of adopting a policy of reform which would institute capitalist relations and preclude the taking of radical measures to overcome the aftermath of colonial oppression—progressive socio-economic transformations. Second, in view of the growing social content of the national liberation movement in Africa, bourgeois ideology is trying through a number of new concepts and theories to gain control over the development of the social processes in the young states. The artificial concepts of the "middle class", "social dualism", "political leadership" and so forth serve this end. The

¹ British bourgeois writers have been especially busy in this kind of "research". See, for example, Neville Brown, "Underdevelopment as a Threat to World Peace". In: *International Affairs*, April 1971; Robin Clarke, *The Science of War and Peace*, London, 1972.

purpose of these ideological tricks is to create favourable social conditions for capitalist development.¹

Thus a direct relation is revealed between the choice of way of social development and "choice of ideology" in the developing countries.

Bourgeois ideology lends every support to streams in the newly free countries that reflect the tendency toward preserving dependence, that is, in one way or another uphold the capitalist way of development. Simultaneously, it continuously assails those ideological and political streams that reflect the anti-capitalist tendency.

Finally, imperialist ideology thrusts on the developing countries of Africa models of political systems which would mean relinquishment of national sovereignty, ensure Western control over the foreign and home policies of these countries, impede the further development of the national liberation revolutions, and obstruct political co-operation with socialist states. All this is accompanied by arguments taken from the anti-communist and anti-Soviet arsenal, discourse about a fancied "extracontinental threat", and sometimes direct blackmail.

"Ideological neocolonialism" advances theories asserting that neither capitalism nor communism is "suitable" to the developing countries. In the final analysis this is veiled apologia for the capitalist way of development. It finds fertile soil in circles adhering to the national-reformist ideology, an ideology that is dual in nature and tends toward diametrically opposite conclusions concerning the solution of both domestic general democratic and international issues. In certain situations this duality of the national-reformist ideology makes it an ally of neocolonialism.

Neocolonialism's set of ideological precepts is profoundly antagonistic to the developing countries' aspirations to genuine independence. Practical implementation of these precepts can only reproduce semicolonial relations and retard social, political and economic progress. Actually, bourgeois and reformist apologists for neocolonialism, speculating on the fact that national and social liberation remains the main problem in the social life of most developing countries, spread ideas which in a certain sense are capable even of preserving rudimentary forms of precapitalist and pa-

¹ For a more detailed discussion see Chapter 8.

triarchal ideology and reactionary elements of traditionalism.

Let us examine another extremely important aspect of the ideological contradictions between the developing countries and the imperialist states. A united anti-imperialist front and a strong alliance between the national liberation movements and the socialist states constitute a major condition of success in the developing countries' struggle for complete national liberation. To split these forces is the object of continuous efforts by international imperialism. In recent years the main hopes for achieving this end have been pinned on nationalism.

Back in the late 1950s, most bourgeois social scientists had anathematised African and Arab nationalism because the national liberation struggle against the old and new colonialists was being waged under its banner. But when with the sharpening of social contradictions in the newly free countries and of the struggle for the choice of way of development the democratic content of the nationalism of an oppressed nation began to be displaced by the reactionary nationalism of semi-feudal and petty-bourgeois circles, then those same social scientists and ideologists took up the cause of nationalism, declaring it to be "one of the great motivating factors of the modern world".¹ To stimulate reactionary nationalism became one of the basic tasks of imperialism's ideological expansion in the developing countries. Brookings Institution (USA) studies, for example, call for a fundamental revision of the attitude toward nationalism in so far as it "does not lead" to subordination to the Soviet Union. And from the Johns Hopkins University comes a proposal to create in the Arab East on the basis of nationalism a "new progressive movement" which would carry on a struggle with the Marxist ideology and could "disarm" the communist movement.² This is what really lies behind the sudden growth of sympathetic feelings toward nationalism on the part of bourgeois ideologists.

At the same time, it is apparent that African nationalism is still a contradictory combination of its progressive and reactionary aspects. This combination can be observed in

¹ J. Kennedy, *Asian Nationalism in the Twentieth Century*, London-New York, 1968, p. 3.

² Majid Khadduri, *Political Trends in the Arab World. The Role of Ideas and Ideals in Politics*, Baltimore and London, 1970, p. 128.

virtually every country, and that is why nationalism continues to be a focal point of ideological struggle between progressive and reactionary forces.

Spawned and conditioned by the exploitative essence of capitalist society, bourgeois ideology in all its aspects and manifestations comes into unconditional conflict with the interests of the peoples of the developing countries.

* * *

Analysis of some aspects of the contradictions between the developing countries and the imperialist states shows these contradictions to be irremovable. The striving of the developing countries for complete political sovereignty and economic independence, the hostility of neocolonialist ideology to the goals and tasks of these countries, and the strengthening of anti-imperialist tendencies in the foreign policies of the young states all work to deepen the abyss between them and the neocolonialists. The contradictions between monopoly capital and the peoples of the developing countries as they strive to free themselves from its domination create the material basis for a broad anti-monopoly and anti-imperialist coalition and make for a crash, i.e., socialist revolution.¹

The developing countries have no easy road ahead toward genuine independence. Only a progressive policy can ensure the achievement of this goal, and in present conditions "a policy is progressive if it firmly repulses neocolonialism and promotes the sovereignty and independence of the young states, and their economic liberation from imperialism, and if it is for peace, for social progress and closer solidarity with the other progressive forces of our time, and particularly with the socialist countries".²

¹ See V. I. Lenin, "Materials Relating to the Revision of the Party Programme", *Collected Works*, Vol. 24, p. 465.

² L. I. Brezhnev, *Following Lenin's Course*, Moscow, 1975, p. 85.

**THE NATURE OF CHANGES
IN THE AFRICAN POLICY
OF IMPERIALIST STATES**

Neocolonialism in Africa is a complex concept that takes in the collective measures undertaken by imperialist states in the political, economic, social and ideological spheres of the newly free countries, the whole system of relations between world imperialism and the developing countries of the continent, and the African policy of each individual imperialist state.

An analysis of the changes in the African policy of the USA, Britain, France, the FRG, Israel and Japan enables us to better understand the specifics of neocolonialism as a whole at the present stage, its trends and prospects, and the specific features of any individual country's neocolonialism, which develops in dialectic correlation with the system of imperialist states' co-operation and rivalry, unity and contradictions. Such an analysis reveals the extent to which the main neocolonialist forces are influenced by the irreversible changes occurring in the world and the character of the adaptability of these forces to the new situation.

In the 1970s the national liberation movement in Africa has to confront not only the former metropolitan countries but also their competitors and allies, each of which, while manifesting the class solidarity of the capitalist world as a whole, never loses sight of its own special interests. A

comparative analysis of the African policies of individual imperialist powers shows how these interests correlate with tasks of paramount significance for the destiny of world capitalism.

1. THE USA: QUEST FOR PARTNERS

American neocolonialism on the African continent not only actively opposes the national liberation movement and the growth of the socialist states' influence but also carries on a competitive struggle with the former metropolitan countries, as well as with the FRG and Japan, both of whom are stepping up their expansion in Africa. Adapting to the changing situation, US policy is continually modified under the impact of the above-mentioned and many other factors.

The changes, however, have to do mainly with the ways and means of implementing the policy. The goals of US neocolonialism have remained stable over a long period of time. As before, American monopolies stick firmly to a course aimed at acquiring sources of raw materials, capital investment spheres, and markets in African countries. Of increasing urgency for American imperialism is the struggle against the growing influence that the countries of the socialist community enjoy in Africa.

Thus, the intertwining of US neocolonialism's own specific interests and general imperialist interests has taken on even more tangled forms in the 1970s.

In their policy with regard to African countries, the ruling circles of the USA are obliged to take into special account the trends of socio-economic and political development of the countries in the Third World as a whole. In the early 1970s, prior to the end of the war in Vietnam, American politologues frequently sounded the alarm about the general decline of US prestige in the developing countries, including those in Africa. Despite their different points of view on particular questions, such experts in the field of international relations as Henry A. Kissinger, George W. Ball, Max Millikan, Waldemar Nielsen, Immanuel Wallerstein and others, recommended first and foremost that the government abandon its practice of using predominantly methods of military-political pressure on young states and

work out a "new approach" to them.¹ They based their argument, in particular, on the fact that the US aggression in Vietnam had generated an unprecedented outburst of public indignation in the overwhelming majority of the Third World countries. Concern about the positions of the USA in the developing countries, which under present conditions are assuming increasing economic and political importance, prompted a revision of the policy of active intervention in their internal affairs in favour of more flexible methods of expansion.

Not accidentally, the process of working out and implementing a "new approach" to the Third World countries was contemporaneous with the beginning of a general relaxation of international tension. The new trends in international relations and the positive global impact of the Peace Programme advanced by the 24th Congress of the CPSU brought the ruling circles of the USA to the conclusion that it was necessary to make more energetic use of methods of economic, ideological, and political pressure on the developing countries, intensify the quest for new allies and a new social support in countering the socialist community's rising prestige in the Third World.

In Africa the problem of finding political allies was made somewhat easier because in the 1970s demarcation intensified both between countries and between different parties and groupings within countries in regard to the choice of development orientation—capitalist or socialist; a consolidation of democratic and anti-imperialist forces at one pole, and pro-capitalist, pro-Western forces at the other was taking place.

The desire to use the influence and position of the pro-capitalist forces in the interests of the USA and in this way to effect a kind of "Africanisation" of neocolonialism, thereby disguising American interference in the internal affairs of the newly free states, determined the appearance of the concept of "partnership" with pro-Western groupings in African countries.

As the events of the first half of the 1970s showed, the USA worked to strengthen its own positions and to edge out

¹ See for example, Henry A. Kissinger, *American Foreign Policy. Three Essays*, New York, 1969; *After Vietnam. The Future of American Foreign Policy*. Ed. by Robert W. Gregg and Charles W. Kegley, Jr., New York, 1971.

competitors in Africa primarily in regions where deposits of mineral raw materials, oil and gas were to be found or which were of strategic importance. In his foreign policy message of May 3, 1973, the US President said that "non-interference in African internal affairs is a cardinal principle of United States policy" and that "the same obligation rests on other outside powers. . .".¹

The "partnership" concept also said that the USA was "ready" to assist the development of African countries, to render them economic aid, but in contrast to the 1960s, not by increasing government spending ("aid" was dropping year by year) but by exporting private capital and expanding trade, primarily in the raw material sphere. We might note that as of January 1, 1976, US private investment in Africa had already reached \$6,000 million. The basic investments are in Nigeria's oil extracting industry (over \$1,000 million), and mining in the Republic of South Africa (\$1,600 million) and the Republic of Zaire (\$500 million). Furthermore, in the period 1973-1976, large investments were made in the exploitation of natural gas in Algeria (\$1,500 million) and Nigeria (\$1,200 million).

The concept of "partnership" envisages US assistance in establishing "justice" on the African continent. However, this amounts only to advising that efforts be made to abolish racism and apartheid "by peaceful means".² This position is fully explainable. The substantial economic and military-strategic interests of the USA in South Africa preclude its suggesting any other measures.

Public appeals for "moderate changes" pursue the aim of sowing the illusion in independent Africa of serious US efforts to bring pressure to bear on the South African leaders. To this end, American-South African dialogues were even organised in 1971 and 1973, in which experts and public figures from both countries took part. Discussed during those "dialogues" were questions of the "development" of South Africa's multi-racial society, the direction of American policy in South Africa, and so forth.

¹ *The Department of State Bulletin*, No. 1771, June 4, 1973, p. 796.

² Significant in this respect was the speech delivered by Henry Kissinger in Lusaka in April 1976, which contained a 10-point programme for a "new" US African policy.

But in 1974, US-South African relations had already taken a different turn. A new situation emerged in South Africa in connection with the liberation of Guinea (Bissau) and Mozambique, and the active process of Angola's decolonisation. These important new political and other realities had an appreciable effect on US policy in South Africa. American diplomatic and military circles, forgetting the thesis regarding "justice", set about bolstering South Africa's international positions. It all began with a visit to Washington by Admiral Hugo Biermann, chief of staff of South Africa's armed forces, and his meeting there with Admiral Thomas H. Moorer, chairman of the US Joint Chiefs of Staff in May 1974. According to American press reports, the admirals discussed questions of strengthening the military co-operation of the two countries in the South Atlantic and the Indian Ocean in the light of the new situation in southern Africa.¹ The same problems were also discussed during a meeting between Kissinger and Forster in the Federal Republic of Germany, in July 1976, which roused the indignation of free Africa.

At the end of 1974, the United States vetoed a UN Security Council resolution, submitted by Afro-Asian countries and supported by the socialist states, to expel South Africa from the UN. This generated a wave of condemnation in the developing countries of the American position.

The indignation of independent Africa increased even more in the spring of 1976, when it became known that the US Congress had approved the sale to South Africa of two nuclear reactors by the General Electric Company. In this connection, the acting General Secretary of the OAU lodged a vigorous protest on behalf of the OAU with the US Ambassador in Ethiopia.

The present US policy in Africa has a number of specific features: first, a growing differentiation in the attitude taken toward individual countries is observable, and second, ideological expansion has increased on the continent as a whole.

In northern Africa, prior to the 1970s Morocco and Tunisia were regarded as the United States' main "partners". At the same time, American diplomacy was trying to isolate progressive Arab governments from the other Arab states, avert the loss of sources of Middle East oil, and prevent

¹ *The Christian Science Monitor*, May 10, 1974.

any more African countries from embarking on the non-capitalist road of development.

In the first half of the 1970s, changes took place in US relations with other northern African countries—Algeria, Libya and Egypt. In developing relations with Algeria, the US ruling circles proceed primarily from their economic interest in the energy resources of that country (oil and, mainly, natural gas), without leaving aside, however, political objectives.

Libya is also of interest to the USA above all from an economic point of view (the investments of American monopolies as of January 1, 1973, amounted to \$1,009 million). However, the Libyan Government's consistent policy of ousting foreign monopolies has forced the USA to retreat in that country.

Certain changes occurred in US relations with Egypt. This, however, was not only the result of Washington's efforts but also the consequence of the course taken by Anwar Sadat, President of the ARE. The process of US-Egyptian rapprochement began as early as in 1971, when Sadat proclaimed an "open door policy" for foreign capital, which the US monopolies welcomed. Then followed a series of visits to the ARE by US Secretary of State Henry Kissinger, who was acting as mediator between Egypt and Israel. The result was the separate agreement of September 1, 1975, under which, in return for a partial withdrawal of Israeli forces on the Sinai Peninsula, Egypt made some substantial strategic, political, economic and ideological concessions to the USA and Israel. This event was preceded by a visit to Egypt by the President of the United States in the summer of 1974, at which time he and Sadat signed a declaration on the principles of relations and co-operation between Egypt and the USA, another meeting between the presidents of the two countries in Salzburg (Austria) in the summer of 1975 and a visit by Sadat to the USA in November 1975.

In 1975 and 1976, there was no dearth of US promises to afford Egypt various kinds of financial and other assistance, nor of visits to the ARE by representatives of American monopolies. However, Sadat's hopes for a rapid influx of dollars were not realised. The ruling circles of Egypt had evidently underestimated the power of the Zionist lobby in the US Congress and the fact that the White House is un-

able (and, for that matter, has no desire) to stop giving top priority to ensuring Israel's "security". Characteristically, there was congressional resistance even to the sale of six C-130 military transport planes to Egypt, in connection with which Henry Kissinger had to prove that the deal corresponded to American interests: "We must . . . make it possible for him (Sadat—*Authors*) to continue on the course he has chosen and encourage the other Arab states to follow his example."¹

US neocolonialism has achieved certain results in Egypt. A wedge has been driven into relations between the ARE and progressive Arab regimes, and the pro-capitalist elements in the country itself have become more active. US private capital has begun to establish itself in the Egyptian economy. In January 1975, a mixed bank, the Misr Bank, was set up in Cairo, and in October 1975, a state-and-private Egyptian-American bank began operating with the National Bank of Egypt holding 51 per cent and the Chase Manhattan Bank, 49 per cent of the shares.

By mid-1976, the American promises of billions of dollars worth of investment in the Egyptian economy remained basically on paper; however, the monopolies are stepping up their incursion.

In developing contacts with Egypt, the leading country of the Arab East, the American ruling circles were hoping to expand the possibilities for their unilateral influence on a Middle East settlement as well as on the internal political processes taking place in that region.

Among the countries of Tropical Africa, primary attention is given to Liberia, Nigeria, Zaire, Kenya and Zambia. All these countries, in Washington's view, occupy a "key" position there and have great political influence, while Nigeria and Zaire are countries with a big economic potential. Therefore, political "partnership" with them is regarded in the USA as an important factor in strengthening American positions in all of Africa south of the Sahara.

Liberia is a long-time supporter of developing relations with the United States. Emphasising the importance the Americans attached to their relations with this country, former US Secretary of State William Rogers told President

¹ *International Herald Tribune*, April 3-4, 1976.

Tolbert that the USA was grateful for Liberia's support for American overseas policies.¹

Nigeria attracts the ruling circles of the USA both because of its political influence in Africa and because of its rich energy resources. US imports of Nigerian oil were tripled between 1973 and 1976.

The Republic of Zaire is of interest to the USA both by virtue of its natural resources and by virtue of its important strategic location in the centre of Africa. Washington tries in every way to consolidate US positions in this country, and is increasing investments and military aid.

Kenya's orientation enables the USA to regard it as one of the bastions of the "free world" in Africa. The country's geographic position, and its ties with other east African countries are of definite value to the USA in the light of American policy in this part of the continent. As the US House Foreign Affairs Committee noted, relations between the USA and Kenya are "friendly".

A distinctive feature of US policy in the African countries in the 1970s is intensified ideological expansion, which is directly connected with the general struggle between the two socio-economic systems, socialism and capitalism, under the conditions of the ongoing relaxation of international tension. To be sure, the ruling circles of the USA had tried before to impede the penetration of socialist ideas into African countries, but in the 1970s, this effort became considerably more energetic. The consolidation of the socialist-oriented countries' positions put Washington on guard and aroused doubts as to the ability of other Western powers to block the spread of socialist ideas. A number of prominent American specialists in the field of US policy in the developing countries—Prof. William Zartman, Aaron Segal, and others—have begun the elaboration of "scientific" arguments to prove the "advantage" of African development along the capitalist road.

The ideological offensive is conducted on a wide front. All US organisations related in any way to Africa take part in it—from government agencies (in 1975, there were over 2,500 volunteers from the Peace Corps alone in Africa) to private foundations and church organisations.

¹ *Africa Research Bulletin*. Political, Social and Cultural Series, Vol. 10, No. 6, July 5, 1973, p. 2899 A.

On the whole, US policy in regard to African countries became noticeably more active in the second half of the 1970s.

A kind of signal to energise and change US African policy were the ordeals this policy went through in Angola. In that country, it again turned out that the "partners" of the USA were the forces of reaction, in this case the splitting groups (FNLA and UNITA) which had tried to carry out a neocolonialist variant of liberation for Angola. US military support for these forces was dictated by both economic and political interests. Only after it was clear that despite the deliveries of American arms and the direct intervention of the South African racists the Angolan MPLA patriots were gaining the upper hand did the USA go over to diplomatic manoeuvres in an effort to pull a number of African states over to its side in the Angolan question. It was with this aim that William Schaufele, a special emissary of the State Department, was sent to Africa. He visited the Ivory Coast, Gabon, Zaire, Cameroon, and Senegal, where he "explained" to the heads of government of those countries the "aggressive" essence of the Angolan policy of the socialist states, which had supposedly thrown down a challenge to the whole world. However, this American diplomatic effort failed. Moreover, it was viewed on the continent as an attempt to pressure the independent countries and as direct interference in their affairs, and served as fresh grounds for condemning US African policy as a whole.

At an emergency assembly of the OAU in the beginning of February 1976, the President of Nigeria, Murtala Muhammed, who was soon to be killed by conspirators, levelled sharp criticism at the USA for its support of the reactionary forces and racist regimes. He described Schaufele's trip as an attempt to block recognition of the People's Republic of Angola by the OAU members, and to undermine the unity of the independent countries and the liberation struggle of the Angolan patriots. The overwhelming majority of the OAU members shared this point of view.

The fact that American policy in southern Africa had entered a blind alley was conceded in the United States itself. Major newspapers—*The New York Times*, *The Washington Post* and others—frequently wrote during the autumn and winter of 1975-1976 that the causes for the position in which the USA found itself were such things as

American racism and its pernicious theory of "white supremacy", large capital investments in South Africa, Rhodesia and Angola, and pathological hostility to any progressive programmes for African development. A *Washington Post* article noted, for example, that the American Administration's objectives in the Angola question amounted to seizing Angola's natural resources without military intervention by its own armed forces, drawing Black Africa as a whole to its side, and helping the government of the white minority in South Africa to survive.¹

The complete failure of Washington's "secret" intervention in the affairs of Angola had wide repercussions in Africa, generating a new wave of anti-American feeling.

The events in and around Angola gave the US ruling circles graphic demonstration of the need to change the methods of American policy immediately and to undertake urgent measures to re-establish their shaken prestige.

One such urgent measure was the trip made to Africa by US Secretary of State Henry Kissinger at the end of April 1976. At first he intended to visit, in addition to such countries as Liberia, Kenya, Senegal, Zaire and Zambia, also Nigeria, Ivory Coast and Ghana. However, the governments of Nigeria and Ivory Coast refused to receive Mr. Kissinger even before the tour began, and Ghana cancelled his visit during his stop in Zaire.

The aim of Mr. Kissinger's visit, as formulated in the American press, was, in the first place, to "restore" the Africans' faith in the USA, which had been undermined by its involvement together with South Africa in the Angolan events, and in the second place, to get African leaders and leaders of the national liberation movements to repudiate the idea of abolishing the racist regimes in Rhodesia and South Africa by means of armed struggle.

The culmination of Kissinger's tour was the speech he delivered in Lusaka (Zambia), containing a 10-point programme for a new US African policy. The first five points concerned the problem of Rhodesia. In his speech Mr. Kissinger played along with the demand for turning over power to the Black majority (but only in a peaceful way!), and promised to urge the US Congress to repeal the amendment which in 1971 permitted the import into the USA of chrome

¹ *The Washington Post*, December 24, 1975.

ore from Rhodesia (in violation of the UN resolution on sanctions) and to reduce to a minimum contacts between the USA and Rhodesian officials. The other points contained promises to increase American economic and technical "aid" to Africa (to be tripled over a period of three years).

Mr. Kissinger's speech, as well as his whole journey, produced conflicting reactions in Africa. The promises of economic aid were met with guarded satisfaction. As concerns Rhodesia and South Africa, the representatives of the national liberation movements, supported by the majority of the independent countries, made it known that they intended to intensify the armed struggle against the racists, and noted that they would not take Kissinger's words seriously until the USA severed economic, trade and political ties with South Africa. In the Republic of South Africa, the Convent Party of the Black population condemned Kissinger's trip as an attempt to sow discord in the Organisation of African Unity.

Nonetheless, it is obvious that the USA is really trying to "overhaul" its policy in Africa. The reason is that it has become imperative to reckon with the growth of the national liberation movement and the heightened role of the peoples of the continent in the solution of world problems. But whatever results this overhaul may lead to, there is no doubt that it will not involve any radical change in US policy toward Africa. It will merely give more stress to those aspects that are dictated by the interests of state-monopoly capitalism and will facilitate further adaptation of US neo-colonialism to the changing balance of forces in the world.

2. BRITAIN: STRENGTHENING TRADITIONAL TIES

British policy on the African continent pursues three basic aims: to keep African countries in the Commonwealth¹; to spread British influence on them and expand economic relations with countries formerly within the colonial empires of other powers; to "pacify" South Africa and Rhodesia, which display a considerable degree of indepen-

¹ Of the 33 members of the Commonwealth, 12 are African states: Botswana, Gambia, Ghana, Kenya, Lesotho, Malawi, Nigeria, Sierra Leone, Swaziland, Tanzania, Uganda and Zambia.

dence. These directions of London's policy took on many new shadings in the 1970s and evolved into a contradictory complex of difficult, almost insoluble problems.

The Commonwealth problem is the most complex. Britain still maintains considerable political and economic influence within that system. For Britain, the Commonwealth is still one of the most profitable spheres of capital investment, a stable source of raw materials and a vast market for her industrial goods. In this respect, it was precisely in the African member countries of the Commonwealth that Britain occupied particularly strong positions. However, in the late 1960s, this situation began to change. The efforts of the former colonies to achieve economic independence and competition from other capitalist states began to undermine the British positions and influence in these countries.

The African countries' economic development requirements urgently demanded expansion of their trade, a demand which Britain's economy could not meet in full measure. As a result, many former British colonies began to reorient their trade on other states, above all those in the EEC, which Britain was not yet a member of at the time.

As Winston Churchill put it, Great Britain stands at the junction of three "circles"—the Commonwealth, Europe and America. With the coming to power of the Conservative Government in 1970, British policy took on a clear-cut tendency to give priority to Europe. This was not a course toward "closed Europeanism" but one that envisaged focussing economic and political efforts primarily on Europe while at the same time preserving Britain's position in both of the other "circles"—America and the Commonwealth.

Britain's entry into the EEC in January 1973 increased the centrifugal tendencies in Anglo-African relations. Britain's joining the Common Market meant above all an end to the imperial system of preferences, and it led to a weakening of Britain's ties with the Commonwealth countries in general and with the African members in particular, and to a fall in the volume of trade within the Commonwealth.

In view of these circumstances the Labour Government which came to power in March 1974 stated in its foreign policy programme (set forth in the summer of 1973) that it would work to strengthen and where necessary to restore relations within the Commonwealth.

British neocolonialism, as before, relies on capital investments and various kinds of "aid" to keep the African members of the Commonwealth dependent on Britain and to strengthen its economic and political influence in other African countries.

The prospect of participation in the Common Market by the African countries belonging to the Commonwealth introduced complications into Afro-British relations. We might recall that in the 1960s London had categorically objected to any form of relations between its former African colonies and the EEC. For quite understandable reasons such a step now corresponds to Britain's interests.

There was no unanimity on this question among the Commonwealth members. Some countries regarded the prospect of association with the EEC with obvious concern. As Kenyan Finance Minister Mwai Kibaki declared at a conference of the UN Economic Commission for Africa in February 1973, the EEC members pressed the African countries to choose one or another form of association with the Community only because this would be advantageous to the Common Market countries.¹

Of the 19 members of the Commonwealth (included in this number besides the African countries were those in the Caribbean) which after the expansion of the EEC were invited to associate with the Common Market, the majority showed restraint. Thus, only Ghana, Sierra Leone and Gambia did not come out openly against association with the EEC. Zambia took a vacillating position, while the largest country in Tropical Africa, Nigeria, rejected the idea of association altogether and called on the African countries of the Commonwealth to carry on negotiations with the Common Market only about mutually beneficial trade relations.

To convince the African participants in the Commonwealth of the necessity of association with the Common Market was one of the basic objectives of a visit to Nigeria by former British Secretary of State for Foreign and Commonwealth Affairs Alec Douglas-Home in February 1973. His mission was unsuccessful. He was told that Nigeria would not sign a Yaounde-type convention with the EEC, but would be ready to discuss the question of a different kind of agreement.

¹ *Le Monde*, February 24, 1973, p. 5.

A special set of complications in Britain's relations with the newly free states of Africa, and above all with the Commonwealth members, stem from the British ruling circles' policy toward the racist regimes in southern Africa. The 1970s did not bring any appreciable changes in this problem.

Disregarding the real situation in the world, the Conservatives, when they came to power, embarked on a course of giving further support to the racist regimes of South Africa and Rhodesia. In the summer of 1970, with references to the necessity of "protecting" the sea route around the Cape of Good Hope from the "Soviet threat", the decision was taken to renew arms deliveries to South Africa. The British Government must surely have foreseen the indignation that this move would arouse in the independent countries of Africa. But the forces connected with the monopolies operating in southern Africa prevailed in the Government and the Parliament (half the Conservatives' last cabinet was made up of former directors of these monopolies, and more than 30 members of the Parliament continued to hold directorships).¹

Britain has considerable interests in southern Africa. About 60 per cent of all the foreign capital investment in the Republic of South Africa comes from Britain, which accounts for about 10 per cent of Britain's direct private capital investment abroad, and these 10 per cent bring in 16 per cent of the total overseas profits.² The economies of the two countries are closely linked, with Britain taking approximately 30 per cent of South Africa's exports.³

The independent African countries, above all Nigeria, Ghana, Tanzania, Kenya, Uganda and Zambia, categorically denounced the decision of the Conservatives to renew arms deliveries to South Africa, regarding it as a step aimed at supporting racist regimes to the detriment of the national liberation movement in the south of Africa.

Britain's Conservative Government again found itself in a complicated position. The interests of certain British monopolies and the more extremist forces in the ruling grouping came into conflict with other circles which, fearing lest they should lose their economic and political posi-

¹ See *Mirovaya ekonomika i mezhdunarodniye otnosheniya* (World Economy and International Relations), No. 3, 1973, p. 97.

² *Ibid.*

³ See *Pravda*, April 28, 1973.

tions in the Commonwealth countries, shared those countries' indignation over the British policy in southern Africa.

Remaining a difficult problem for London in the 1970s is that of normalising relations with the racist regime in Southern Rhodesia, regarding which Britain's position, despite protests from all the independent African countries, has been one of actual encouragement from the moment that country proclaimed so-called independence.

Here again the interests of the monopolies clash with the interests of Britain's overall African policy, although British investments in Rhodesia, which amount to £200 million,¹ are comparatively small. At the same time, according to official data about 200 British industrial companies have 300 subsidiaries and enterprises in Rhodesia, whose value is estimated at more than £50 million.

Upon coming to power, the Conservatives set about determinedly to normalise relations with the "rebellious" colony, and at the same time, in order to avoid further clashes with the Commonwealth countries, did everything to help spread the idea of establishing a "dialogue" between the independent African states and the racist regimes in South Africa and Rhodesia. In November 1971, the British Government and the Smith regime drew up a draft agreement on Britain's recognition of Southern Rhodesia's independence.

Indignation in Africa over the Tories' obvious wish to perpetuate the racist regime was so great, however, that the Pearce Commission, set up for the purpose of determining how acceptable the said agreement was to the indigenous population of Rhodesia, had to concede that Africans categorically rejected it. Nonetheless, the British Tories and Smith's racists did not abandon their intentions to solve the Rhodesian problem in their own interests. At a press conference in Dakar, in February 1973, Douglas-Home even declared that having rejected the Pearce Commission's proposals, the indigenous population of Rhodesia bore equal responsibility with the racists for the country's internal and external political condition.

Alec Douglas-Home undertook another attempt at "reconciling" the independent African states with the white ra-

¹ See *Mirovaya ekonomika i mezhdunarodniye otnosheniya*, No. 3, 1973, p. 98.

cists during his visit to a number of countries in East and Central Africa in February 1974.

In talks with Zambian, Tanzanian and Kenyan leaders, the British Foreign Secretary, emphasising the need for seeking a compromise among the Rhodesian "Africans, Europeans and Asians", let it be understood that in Britain's opinion the slogan "no independence until the establishment of majority rule" in Rhodesia was a dead issue.

London's new manoeuvre was dictated by the desire on the one hand to secure the support of the independent African countries in the question of "settlement" with Rhodesia, and on the other to legitimise the white colonisers' regime through the partial "Africanisation" of the Rhodesian Government.

The leaders of Zambia, Tanzania and Kenya, however, told Alec Douglas-Home that their countries were wholly on the side of the people of Zimbabwe, who were demanding majority rule in Rhodesia.

At the same time certain changes took place in Great Britain's position with respect to the racist regimes, changes prompted in no small measure by the denunciation of the British policy in this region of Africa by the majority of African countries. The economic factor also played a role of no little importance. Zambia, for example, supplies 42 per cent of all the copper Britain imports. The volume of British exports to the independent countries of Africa (OAU members) exceeds the total volume of British exports to South Africa and Rhodesia.¹ Although South Africa's imports from Britain are still greater than those of Nigeria, the rapidly developing Nigerian economy is gradually closing this gap. Statistical data on capital investments indicate that fresh British investments in the countries of Black Africa, even excluding those in oil, are now greater than new investments in South Africa.²

London, of course, has to take all these factors into account. British industrial circles already realise that in the long run the fate of their exports and capital investments, and consequently of their profits, will depend on independent Africa rather than on the racist regimes.

Characteristic in this connection is the fact that in res-

¹ *The Guardian*, February 1, 1974, p. 3.

² *The Economist*, August 4, 1973, p. 31.

ponse to demands for lifting the sanctions against Rhodesia the view was expressed even in the Conservative Party that more damage to Britain's trade with the countries of Black Africa and to her capital investments in that region would be done by removing than by leaving the sanctions.

In its foreign-policy programme (prior to March 1974), the Labour Party proclaimed the main principle of its policy in southern Africa to be the rejection of military ties with the racist regimes there, and emphasised that independence could not be granted Rhodesia until majority rule was established. However, in keeping with British practice, there proved to be a big difference between the pre-election declarations of the opposition party and the actions of the government once it came to power. British arms continue to flow to the Republic of South Africa, and British investment in its economy continues to mount.

London's course toward improving relations with the African countries in the Commonwealth became noticeably more active. Exchanges of visits by prominent British and African political figures became more frequent. An important event in this connection was the visit to Africa in January 1975 of British Foreign Secretary James Callaghan, later to become Prime Minister. In his talks with the leaders of Zambia, Kenya, Nigeria, Malawi, Botswana and Tanzania, Mr. Callaghan emphasised Britain's friendly attitude toward the independent countries and condemned the regime in Rhodesia. Free Africa saw this as another manoeuvre by London.

In the economic sphere, Britain began to apply the "partnership" principle more widely. In Ghana, for example, a joint Anglo-Ghanian company, the Ghana Bauxite Company, Ltd., was established in 1973 with the government of Ghana holding 55 per cent of the shares. Kenya was granted a £30 million loan, and British automobile companies agreed to build an auto works jointly with the government of Kenya. Some obstacles are being removed in Britain's relations with Tanzania, in particular around the issue of the expropriation of 100 parcels of land belonging to Britons and valued at a total of £2 million. These are only some examples showing the forms in which British neocolonialism is adapting to the new situation in Africa.

Since joining the Common Market, Britain has shown a considerably greater interest in developing economic ties

with the French-speaking countries of Africa. Thus under an agreement signed in Kinshasa on April 30, 1973, the Morgan Grenfell bank of London began financing the construction of airports in Zaire, and the GKN Contractors, Ltd., received a £34 million contract from that country for restoring large airports. This was the biggest contract that Zaire ever gave a British company.

Britain's relations with the countries of Northern Africa also underwent certain changes. These relations had become exceedingly strained after the Israeli aggression of 1967, when London gave Israel broad diplomatic support. However, subsequent developments prompted Britain to alter her position somewhat in the Middle East question and to manifest a certain "loyalty" to the Arab countries.

The evolution of British policy in the Middle East was also influenced by the position of other African states, who, as Tanzanian Foreign Minister John W. S. Malecela said at a meeting of the Security Council in June 1973, regarded the situation there as a direct threat to their security. The African member countries of the Commonwealth registered a similar point of view in a communique issued by a Commonwealth conference held in Ottawa in the summer of 1973.

The correctives introduced into the British Middle East policy had a substantial impact on Britain's relations with the countries of northern Africa. On November 13, 1974, Britain and Egypt signed an agreement on technical cooperation in the fields of education and scientific research. And Anwar Sadat's visit to London in November 1975 served as a spur to drawing Britain and Egypt closer together in the political, economic and military spheres.

Considering the strategic position of Sudan in Africa, Britain attaches great importance to improving relations with that country, too. As the British *Financial Times* reported, the Sudanese President's visit in March 1973, "has once again restored Anglo-Sudanese relations to a firm footing".¹ As a result of the negotiations that took place, it was announced that Britain would render financial and technical assistance to Sudan over the next four years to the tune of £15.7 million, 40 per cent of this sum to be

¹ *The Financial Times*, March 31, 1973, p. 12.

given gratuitously, and the remaining 60 per cent as a no-interest loan to be repayed over a 25-year period after a 7-year grace period.

As a result of a visit to London by President Nimeiry and a subsequent visit by a Sudanese military delegation, Anglo-Sudanese military co-operation was strengthened.

While developing relations with virtually every country in Africa, Britain, however, gives and will in future give special attention to the members of the Commonwealth. British imperialism continues to attach great importance to preserving the Commonwealth. A certain weakening of ties with individual members of this grouping is possible, but on the whole, the Commonwealth, and especially its African part, will still play a substantial role in Britain's foreign policy and help preserve her political weight in the capitalist world.

The most recent conferences of the Commonwealth countries showed that although serious differences exist between Britain and the developing member countries, both the African and the Asian members are looking forward to the creation of some kind of new system of relations which would guarantee the preservation of the Commonwealth.

In the second half of the 1970s, Britain, regardless of her stay in the Common Market, will apparently undertake additional measures to preserve and strengthen her ties and influence in the Commonwealth countries in Africa. British neocolonialism will therefore have to make further concessions to them.

For a number of long-term economic and political reasons, this process of strengthening relations with the Arab countries in northern Africa should become relatively stable.

London's contacts with the racist regimes in southern Africa will most likely be subjected to re-examination. Without introducing any fundamental changes into the system of economic ties with South Africa and Rhodesia, Britain will, however, give them less political support.

On the whole, a further decline of British imperialism's influence, both in Africa as a whole and in the African countries belonging to the Commonwealth, is unquestionable.

3. FRANCE: A NEW INTERDEPENDENCE

In the second half of the 1960s and especially in the early 1970s, France's influence on the African continent declined under the impact of the deepening national liberation movement, the sharp aggravation of inter-imperialist contradictions, and the growing strength and prestige of the forces of socialism. French neocolonialism is trying to adapt to this new situation, showing flexibility and manoeuvrability in this effort.

Africa continues to play a big role in the French monopoly bourgeoisie's long-range political plans, underlying which is the desire to "resurrect France's world role".

France has enormous economic interests in Africa. French private capital investments in the French-speaking countries of Tropical Africa total some \$850 million.¹ Investments in Morocco are valued at 10,000 million francs,² and in Nigeria, 775 million francs. African countries are for France important suppliers of oil, uranium, rare metals, valuable varieties of wood, coffee, citrus fruit, etc. French monopoly capital is the main trading partner of France's former colonies.

Africa's strategic position is of no less importance to the French ruling circles, bearing in mind their ambition to occupy a dominant position in the Mediterranean (the French slogan "The Mediterranean area to the Mediterranean countries"). In this connection, one of the primary tasks of French foreign policy is to strengthen relations with the African states bordering on the Mediterranean. The existence of military bases in some French-speaking countries of Tropical Africa (Gabon, Senegal) enables France to give support to regimes friendly to her, and to counteract progressive forces.

France's policy in Africa is becoming increasingly a pan-continental one. There are, however, regions that are of special interest to the French ruling circles. These include above all the Arab countries bordering on the Mediterranean and the French-speaking countries of Tropical Africa.

The French ruling circles are politically interested in

¹ *Jeune Afrique*, July 14, 1973, p. 22.

² *Ibid.*, September 30, 1972, p. 28.

seeing the Arab countries share France's views on the problems of that region, and French monopolies, holding first place in terms of foreign capital invested in the Maghreb countries, are after advantageous conditions for their further economic activity in Morocco, Tunisia and Algeria and the establishment of close economic ties with Libya further east.

A substantial role in the development of French relations with the Arab countries in the 1970s was played by France's condemnation of the Israeli aggression against Egypt, Syria and Jordan, and her realistic position on the question of a political settlement of the Middle East crisis.

In the early 1970s France had already improved her relations with Tunisia and Morocco. President Habib Bourguiba's trip to Paris in the summer of 1972 had revealed that both sides were in accord on basic international issues. President Valéry Giscard d'Estaing's visit to Tunisia and Morocco in 1975 contributed to a further improvement of these relations. Tunisia was promised increased financial aid, and Morocco was in effect given political support in the question of "Spanish Sahara" when France declared that she was against the creation of "microstates", a position that was censured by Algerian leaders. In 1975, the French Government gave Morocco 700 million francs in "aid".¹

After Algeria took steps to protect its national interests in the sphere of oil, a period of cool Franco-Algerian relations ensued. Algerian exports to France in 1972 were 50 per cent below the volume in 1970.² Many French specialists (as in Morocco and Tunisia, there were more foreign specialists from France than from any other country) left Algeria. In 1973 and 1974, however, a new trend could be observed. In early 1974, the French Elf-Erap company signed an agreement with SONATRACH (Société Nationale Algérienne de Transport et de Commercialisation des Hydrocarbures) for oil prospecting and drilling on a territory of 8,450 sq km, the first such agreement since 1971. President Valéry Giscard d'Estaing's visit to Algeria (April 1975) was expected to promote a certain improvement of relations between the two countries. However, ob-

¹ *Jeune Afrique*, February 13, 1976, p. 27.

² *Jeune Afrique*, July 7, 1973, p. 25.

stacles arose, and rather serious ones, because France was seeking one-sided advantages in trade with Algeria. In the end, the Algerian Government did not extend the co-operation agreement with Elf-Erap, which expired on December 31, 1975, and refused to sell oil to France at reduced prices.¹

France stepped up her policy in Libya and the two countries became trading partners. France supplies Libya with certain kinds of arms, her Mirage fighter planes in particular, and buys large quantities of Libyan oil.

On February 19, 1974, France and Libya signed an economic and technical co-operation agreement providing for deliveries of Libyan oil in exchange for the construction of atomic power stations, the participation of French firms in the development of Libya's transport, and so forth. Trade turnover between the two countries has grown in recent years. However, Libyan leaders are unhappy about the balance of payments deficit, which amounted to 878 million francs in 1975.² Libya does not approve of France's position on the decolonisation of Djibouti and the Comoro Islands, and on the problem of Western Sahara.

The position taken by the French Government during the fourth Israeli-Arab war in October 1973 and in the ensuing period helped strengthen relations between France and Egypt and enhanced France's prestige in the Arab countries. This process was furthered by Anwar Sadat's visit to Paris in January 1975, and Valéry Giscard d'Estaing's visit to Cairo in December 1975.

In conditions of the energy crisis that broke out with particular fury in late 1973, the French ruling circles dissociated themselves from the position taken by the USA and some European states, and concluded a number of bilateral agreements with Arab oil-exporting countries, bypassing international companies in which American capital plays a decisive role.

Toward the mid-1970s the French Government began to increase allocations for "co-operation" programmes in Tropical Africa (after a period during which they had fallen off). In 1974, these allocations totalled 1,973.5 million francs. More than half of French "aid" is earmarked for

¹ *Le Monde*, November 15, 1975.

² *Le Monde*, February 12, 1976, p. 4.

education, with three-fifths of the French specialists in the co-operation apparatus being teachers.¹ In 1974, about 12,600 French teachers and specialists were working in the former French colonies of Tropical Africa.²

Neither the policy of "co-operation" with the former metropolitan countries nor association with the EEC, however, improved the economic condition of the young African states to any appreciable extent. A considerable share of their budgets goes for servicing and repaying of foreign loans. The catastrophic fall in prices on their raw material and agricultural commodity exports prior to 1973, and rising prices on imported equipment and industrial goods keep the economies of the former French colonies in a state of continuous crisis.

According to African economist Samir Amin approximately 50 per cent of the gross national products of the French-speaking African countries flew to France in the form of profits, wages and other income.³

Economic stagnation caused a high rate of unemployment affecting all sections of the population of these countries, and to a certain extent even cancelled out whatever progress had been made in the development of education (in this connection, the ministers of education of eight French-speaking countries, meeting in Lome in May 1972, came to the conclusion that the present educational system was of little use to Africa, that systems prevailing in the West should not be copied, and that the youth should be given vocational skills and knowledge).⁴ This situation caused growing dissatisfaction in the French-speaking countries.

Between 1971 and 1973, the then President of France Georges Pompidou, in an effort to improve Franco-African relations, made four trips to Africa, during which he visited nearly all of the French-speaking countries and Ethiopia. In his speeches he promised to work toward securing higher prices for the developing countries' commodities, encourage a policy of "Africanising" the administrative apparatus and joint companies, and increase the inflow of capital.

It was in the 1970s that most of the former French co-

¹ *L'Aurore*, February 9-10, 1974, p. 3.

² *Jeune Afrique*, February 9, 1974, p. 50.

³ *Jeune Afrique*, February 23, 1974, p. 51.

⁴ *Jeune Afrique*, July 22, 1972, p. 54.

lonies began their struggle against the unequal treaties and agreements with France. Serving as a stimulus was Algeria's nationalisation of the greater part of its oil extraction, which was carried out successfully despite French opposition. A special impetus was given to this struggle by the stormy anti-French demonstrations in the Malagasy Republic in May 1972, which resulted in the removal from power of Philibert Tsiranana's reactionary government. The new government demanded that the treaties with France be reviewed, and upon its insistence French ground troops were withdrawn from the country.

In February 1973, new agreements between Mauritania and France were signed in Nouakchott. Mauritania severed all bonds that limited its independence, and did not renew the defence agreement.

Other French-speaking states in Tropical Africa also entered into negotiations with Paris to review agreements. President of the People's Republic of Congo (PRC) Marien Ngouabi said at the beginning of these negotiations that the new accords "must be conceived in the spirit of mutual respect for the sovereignty of each State".¹

One of the results of the steady striving of the French-speaking states of Tropical Africa for full independence was the crisis of the Common Afro-Malagasy Organisation, which was under heavy French influence. In April 1972, Zaire withdrew from CAMO. In September 1972, the People's Republic of Congo, the only socialist-oriented state in the Organisation, announced its withdrawal. And in 1973, Cameroon, Chad and the Malagasy Republic followed suit. Only 10 countries remained. A conference in Banqui on August 10-12, 1974, adopted a resolution to reorganise CAMO into an organisation for economic co-operation.

Among the means used by the French monopoly bourgeoisie to preserve its positions in the formed colonies, the basic one is the franc zone. Created as a voluntary association, the franc zone co-ordinates the currency and credit policies of the participant countries, with France playing the decisive role in this system. As regards the countries of Tropical Africa, in exchange for guaranteeing the currencies of these countries, France retained control over setting the currency exchange rate and the procedure for

¹ *Jeune Afrique*, August 11, 1973, p. 57.

intra-area transfers, and disposal of foreign currency reserves. French monopoly capital officiously interfered in their financial, currency and trade policies, thus substantially encroaching on their independence. As conceded by Yvon Bourges, former state secretary in charge of co-operation affairs, the participation of the former French colonies in the franc zone enables France to save several tens of millions of dollars annually since she pays in francs for the foodstuffs and raw materials she buys in these countries.¹

In response to the demands to review the franc-zone terms, the French ruling circles were obliged to make certain concessions to the former colonies. The Bank of Central Africa and the Bank of Western Africa were reorganised and moved into Africa; and the rights of the franc-zone countries with respect to the disposition of their currency reserves were broadened. However, when the President of Togo, General Etienne Eyadéma, expressing the opinion of other leaders of French-speaking countries as well as his own, pointed to the need to revalue the African franc because its exchange rate did not correspond to its real value, and to make the franc freely convertible in the EEC countries, he received a sharp rebuff from French President Georges Pompidou, who declared that the sovereignty and independence of the former French colonies depended on France's guarantees of the African franc.

The rising tide of discontent with French policy in most of the French-speaking countries of Tropical Africa compelled France in the mid-1970s to try fresh means. In November 1973, the French ruling circles made another attempt to strengthen co-operation with the leaders of several African countries, at least with those who were "loyal". However, only 10 French-speaking countries attended the meeting convened in Paris for this purpose. Absent were, in particular, representatives of Mauritania, the Malagasy Republic, Chad, and Cameroon. The press reported that at the meeting agreement was reached on a plan to create a broad economic and currency zone, a kind of French commonwealth of nations. A deadline (1980) was even set for setting up the general executive body.² In early March

¹ *Revue de défense nationale*, May 1970, p. 721.

² *Jeune Afrique*, November 24, 1973, pp. 30-32.

1975, a meeting was held in Bangui of 19 French-speaking African countries with the participation of President Valéry Giscard d'Estaing of France, at which it was decided to increase co-operation and work toward a new economic order. Another meeting of this kind was held in Paris in May 1976.

In recent years France has signed new co-operation agreements with the People's Republic of Congo, Gabon, Cameroon, Senegal, Benin and other countries. The agreements with Senegal also provide for a reduction in the number of French troops stationed in that country.

It is noteworthy that in March 1974, the French State Secretariat handling co-operation affairs was abolished. All of its functions went over to the Ministry of Foreign Affairs. In this way, the French-speaking countries of Africa were put on the same level as other states with which France maintains diplomatic relations.

While focussing attention mainly on her former colonies, France is not ignoring the other countries of Tropical Africa. French monopoly circles are making an especially intensive effort to build up trade and economic ties with one of the biggest countries in Africa, Nigeria. France has moved into third place in the list of buyers of Nigerian goods,¹ and French exports to Nigeria have increased several times over.

Despite the fact that the close ties between the French ruling circles and the racist regimes in southern Africa obviously hamper France's overall African policy, the 1970s brought no substantial changes in these relations. The sale of French arms, the participation of French capital in the construction of installations that strengthen the positions of the racist regimes, the refusal of French diplomacy to condemn those regimes, the ignoring of OAU resolutions—all this puts a strain on relations between France and the bulk of the African countries, with the main conflict apparently still ahead.

The French ruling circles have adopted a more flexible course in relation to the countries with a socialist orientation. France has restored diplomatic relations with Guinea and is trying to normalise her relations with the People's Republic of Congo which had cooled after the

¹ *Marchés tropicaux et méditerranéens*, January 25, 1974, p. 193.

Congolese Government embarked on noncapitalist development.

France will apparently make every effort to adapt its African policy as rapidly as possible to current political realities. A reminder of the need for speedy revision of this policy was the coup d'état in Niger on April 14, 1974, when one of the more zealous proponents of co-operation with France, President Hamani Diori, was removed from power. Having suffered severely from a drought, Niger was vainly seeking higher prices for its uranium. The French ruling circles refused to review them. The distressing economic situation and rampant corruption in the country led to an explosion and the overthrow of Diori's regime. A military government headed by Lieutenant Colonel Seyni Kountché came to power. One of its first steps was to demand the removal of French troops from the country. In May 1974, prices of Gabonese uranium ore were raised and negotiations began on a price revision on Nigerian uranium. On October 27, 1975, the last French soldier left the country.

President Giscard d'Estaing created within the new French Government a Ministry of Co-operation,¹ a move emphasising the significance and role of the new policy. At the same time, the Commissariat for African and Malagasian Affairs under the President, which had been headed by Jacques Foccart since 1960, was dissolved. The disappearance of Foccart from the political scene in France was met with satisfaction in Africa, where he was considered (not without grounds) an opponent of equal Franco-African relations.

French neocolonialism is adapting to the changing situation in Africa in the 1970s, however, in such a way as not to appear to be running counter to the African peoples' heightened national self-consciousness and craving for independence while at the same time not depriving French imperialism of its key economic and strategic positions in these countries. This dual approach leaves its imprint on negotiations over the revision of treaties and agreements between France and the countries of Tropical Africa. As a rule they end with France making certain concessions in order to retain at least abridged positions in her former colonies.

¹ *Le Monde*, May 31, 1974, p. 8.

An example of French neocolonialism's adaptability was the fact that although France had given support to the splitters in Angola, Paris was quick to recognise the legal government of the People's Republic of Angola after the victory of the MPLA forces.

In the second half of the 1970s France will apparently continue to be the chief inspirer of a closer relationship between African countries and the Common Market. This method of exploiting the wealth of the African continent to a large extent compensates for the losses which the French monopoly circles incurred as a result of changes in their bilateral relations with some of the French-speaking states.

A major international task of the times is that of eliminating the racist regimes in southern Africa. The growing solidarity of all the peoples of the African continent makes inevitable an intensification of the independent states' anti-colonial and anti-racist struggle, with increasing support coming from the socialist community and other progressive forces throughout the world. The nature of France's relations with African countries will depend largely on whether or not her ruling circles abandon their policy of supporting the colonialists and racists in southern Africa. Banning the sale of some types of weapons to the racists is not enough. It does not appear, however, that Paris will change its attitude to South Africa. An indication of this was the decision in the spring of 1976 to supply French equipment for building an atomic power station in that country, which roused furious indignation among the independent countries of Africa and drew an official protest from the Organisation of African Unity.

4. THE FEDERAL REPUBLIC OF GERMANY: UNDER THE FLAG OF EUROAFRICA

The FRG's African policy in the 1970s reflects the profound changes in the whole system of international relations. To a greater extent than before this policy takes into account the enhanced role of the Third World countries in the international arena and the irreversibility of the processes of anti-imperialist struggle and socio-economic transformations.

Continued expansion of West German capital on foreign markets, including those of Africa, is conditioned by the structure of the FRG's economy, and above all by the pattern of its industrial production, whose condition largely depends on the level of trade with other countries. With its industrial production geared primarily to the foreign market, the FRG has become the capitalist world's second leading exporter (after the USA),¹ enabling it to accumulate sizeable gold and currency reserves. West German monopolies derive no small part of their profits from non-equivalent trade with African countries.

In conditions of the capitalist economy's uneven and cyclical development, the export of capital and the expansion of foreign trade constitute an important means of stabilising state-monopoly capitalism, a means of allaying crises and recessions which have a negative effect on the domestic political situation.

Viewing the export of productive capital as the most effective means of capturing foreign markets, representatives of the West German monopoly circles persistently raise the question of using primarily this method of expansion, without, of course, missing opportunities to expand the export of commodities as well. In the FRG's economic development programme for the 1970s it was stressed that the export of capital and the setting up by West German firms of foreign subsidiaries comprised one of the main tasks for the years immediately ahead.

The widening of the gap between consumption and production of fuel and other petroleum products which resulted from the machinations of the major international oil trusts brought about the so-called energy crisis in the West toward the end of 1973. The FRG was also affected. To secure access to foreign raw materials and fuel is becoming a task of primary importance for the monopolies, and one to which the FRG's policy in Africa is geared.

West German capital appeared in Africa later than its principal competitors and this explains its relatively weak economic positions on the continent in terms of both volume of private capital investment and opportunities to carry on trade without intermediaries. The West German monopolies cannot, for example, resign themselves to the fact

¹ *International Financial Statistics*, May 1975.

that they have to conduct a considerable part of their trading operations through British, French, US, Belgian, Dutch and Swiss firms that are firmly established in Africa. In 1972, when the total value of West German imports from the countries south of the Sahara totalled 2,900 million marks, direct deals with African trading partners came to less than 1,000 million marks.¹ An especially high proportion of West German imports, mainly of raw materials, is handled through intermediaries from such countries as Guinea, Nigeria, Gambia, Sierra Leone (90 per cent); Upper Volta, Zambia, Benin (from 80 to 90 per cent); Zaire, Senegal, Togo, Gabon (to 80 per cent); Cameroon, Central African Republic, Ruanda, Burundi (to 70 per cent); and Ghana, Uganda, Somali (to 60 per cent).²

Britain's entry into the EEC opened up prospects for West German monopolies not only to increase expansion on the continent by "developing" the markets of the African states in the Commonwealth, but also to gain "equal rights" with the former metropolitan countries regarding access to their spheres of influence.

It will be recalled that the "Nine" agreed to grant supplementary trading privileges to associated countries, increase the quotas on the export of their agricultural products, and enlarge the "aid" fund as the number of states joining in increased.³ Bonn expended no little effort to bring to rapid fruition plans to draw new members into the Common Market. Thus, unlike Britain and France, the FRG favoured having "easy" terms in the new agreement, seeking thereby to make additional political capital in Africa.

Of special interest to West German monopolies is the fact that northern African countries and other states in the Mediterranean area occupy the primary place in the plans worked out by the headquarters of the "Nine" for further expansion in Africa. This region has always attracted West Germany's attention because of its strategic position, vast reserves of fuel and raw materials, and geographical proximity. Suffice it to say that northern Africa and the Middle East cover nearly all of the FRG's needs in oil.

The noticeable tendency toward "collective neocolonialism" in the FRG's African policy in the 1970s does not

¹ *Übersee Rundschau*, No. 1, 1974, p. 18.

² *Ibid.*

³ For more details on the EEC African policy see Chapter 7.

signify, however, that Bonn fully identifies its interests in Africa with the interests of its EEC partners. The ruling circles of the FRG are merely seeking to use the Common Market for the purpose of creating more favourable conditions for the activity of their own monopolies on the continent.

The energy crisis has given a convincing demonstration of the fact that in a highly critical situation the bloc partners choose to operate according to the principle of everyone for himself. While it backs the idea of joint expansion, Bonn is no less actively engaged in broadening direct bilateral relations with African countries. Responding to complaints from other EEC members that West Germany's policy in the Third World was slipping back to the "bilateralism" of the 1950s, Minister of Economy Hans Friderichs said: "I concede that at the present time we are compelled to tread the bilateral road." One of the reasons he cited for this was that the EEC countries had been unable to work out an effective "energy policy".¹

The West German monopolies look upon the development of bilateral ties with African countries and, in particular, increasing the volume of direct capital investment in them, as the most reliable means of ensuring their interests on the continent. After experiencing the threat of an oil famine and raw material shortages in 1973, they began to give primary attention to relations with countries possessing mineral reserves. It was with this in mind, for example, that Willi Brandt, Chancellor of the FRG at the time, went to Algeria and Egypt in May 1974, the first time that a head of the West German Government ever visited these countries. Bonn had furnished them with large subsidies (on the eve of Brandt's visit, Algeria was given an additional 100 million marks, while Egypt had received 220 million marks in "aid" from the FRG between January 1972 and April 1974),² and was now looking for a number of new trade and economic agreements.

Involvement of West German firms in the construction of various infrastructure projects in northern Africa has also increased. In individual cases, West German capital wins contracts directly connected with oil extraction. Thus,

¹ *Bulletin des Presse- und Informationsamtes der Bundesregierung*, Bonn, February 14, 1974, p. 189.

² *Handelsblatt*, Düsseldorf, April 11, 1974, p. 7.

in January 1974, the Deminex company signed an agreement with Algeria's state-owned SONATRACH company on mineral prospecting in the Sahara.

The FRG is also making progress in expanding economic ties with Libya. What has drawn the attention of West German industrial and financial circles is that the industrialisation under way in that Arab country has created a promising market for West German technology. This enables the FRG to switch from paying for Libyan oil in hard currency to payment through deliveries of equipment. According to assessments in the West German press, Libya is interested in further expanding her economic relations with the FRG and is giving them every support.¹

Thus, for example, West German firms were awarded 17 out of the 25 contracts for the construction of industrial projects which the Libyan Government had put up for international competition. They represented a value of 2,000 million marks.² At a cost of 100 million marks West German firms built an automobile tyre factory in Libya with a production capacity of 450,000 tyres a year.³ In 1974, the Klöckner-Humboldt-Deutz concern began negotiations with the Libyan Government on the erection of a building materials plant at a total cost of 500 million marks.⁴ With a view to stabilising oil deliveries and oil prices, the Government of the FRG shows a readiness not only to take part in the construction of industrial and agricultural production capacities, but also to finance them. As far as possible, however, the West German monopolies seek to increase their capital investments primarily in the oil extracting industry.

The more active West German policy in northern Africa also affects Morocco and Tunisia. West German monopolies have long regarded these countries as a good area for expansion. This is facilitated by preferential terms for the foreign capital, the virtual absence of any threat that foreign assets might be nationalised, and close political ties with the FRG. In regard to the "Moroccanisation", carried out in individual cases from time to time, Mohamed Benhima, the Moroccan Minister of Trade, Economy and Fi-

¹ *Bulletin des Presse*, March 1, 1974, pp. 270-71.

² *Handelsblatt*, April 8, 1974, p. 4.

³ *Handelsblatt*, January 15, 1974, p. 7.

⁴ *Handelsblatt*, March 22-23, 1974, p. 11.

nance, has indicated that it would in no way affect West German firms.¹

The efforts of West German monopolies to broaden the geography of their capital investments extend also to Sub-Saharan countries. Between 1971 and 1973, private West German investments were more than tripled in Nigeria and Benin, and more than doubled in Senegal. New capital investments of more than 1,000,000 marks were made during that period in the economies of such countries as Gambia, Niger, Ivory Coast, Ghana and Togo. West German investment in Liberia increased from 155.2 million to 164.7 million marks.

The characteristic feature of the FRG's African policy—the attempt to “couple the economic interests of the developing countries with the raw material needs of the West German economy”² manifests itself in Tropical Africa as well as northern Africa. Thus, for example, under an agreement signed in January 1974 in Munich between Zaire and a consortium of West German companies, eight West German firms received exclusive rights for the construction of a number of industrial enterprises in the north-eastern part of the country, as well as rights jointly with Zaire to extract recently discovered minerals in that area.³

The creation of favourable conditions for the activity of private monopoly capital in African countries is a subject of constant interest to the West German ruling circles. Members of the government and representatives of industrial and finance capital are frequent guests in African countries. The concerted efforts of the government and monopoly capital have resulted in a steady growth in the volume of private West German investments in Africa. From 1970 through 1973 it grew by more than 700 million marks (South Africa excluded).

With a view to facilitating the expansion of foreign capital in the Third World, various theories are advanced in monopoly circles designed to justify the participation of Western states in the development of the young states and at the same time to camouflage the neocolonialist essence of this “participation”.

¹ *Handelsblatt*, March 14, 1974, p. 4.

² *Afrika heute*, No. 1/2, 1974, p. 7.

³ *Ibid.*

This is the reason for the heightened interest of West German monopolies in the development of the iron and steel and manufacturing industries and the construction of electrical engineering and chemical enterprises, home appliance manufacturing plants, and enterprises in the light and food industries in African countries. In recent years, West German concerns have won contracts for building such enterprises in various regions of Africa. The choice of country frequently depends on the level already achieved in the development of the manufacturing industry, as well as on the attitude to foreign capital. Favourable possibilities for the West German industrialists are opening up, for example, in the rapidly growing clothing and textile industries in Morocco. Shipping semi-manufactures and equipment to Morocco, they can in time expect to expand commodity export and enter the markets of Africa, Europe and North America. In the context of the international division of labour, Morocco could play for Europe the same role that Mexico plays for the US.

The practice of setting up enterprises with incomplete production cycles has become widespread. The monopolies employ a variety of methods to put the economies of the young states under their control. For example, at the largest tractor plant in northern Africa built in Algeria with the help of the West German firm DIAG, no provision was made for the production of fuel injectors for the diesel engines. The West German newspaper *Die Wahrheit* pointed out that this important part, as well as expensive spare parts for the production equipment, would be shipped from the FRG for decades.¹

There has been more and more talk in the West German neocolonialist circles in recent years about the need to implement a "strategy of social development" in the newly free countries.

This interest in the social problems of the young states is by no means dictated by humanitarian feelings. The big monopolies are interested not only in a certain modernisation of the economies of the developing countries but also in creating normal—from an employer's point of view—conditions for the reproduction, sustenance and training of the labour force. Noting that the volume of the internal

¹ *Die Wahrheit*, Berlin (West), March 20, 1973, p. 5.

market and the growth of productivity depend on the level of social security, education and medical services enjoyed by the population (labour force), West German economists suggest a greater investment in the "human factor".¹

The ruling circles of the FRG act from strictly class positions when they seek involvement in the socio-economic transformations of the young states: their objective is to protect the interests of the local and foreign bourgeoisie, and their actions are aimed at preserving and strengthening private capitalist relations in the newly free countries and steering the development of social institutions so as to pattern them after those in the capitalist West.

The role and importance of the social aspect of the FRG's expansion in the Third World increased sharply in the 1970s. This has had its effect on other aspects of West German neocolonialism. Measures connected with the export of capital have been reviewed and adjusted, and economic and technical "assistance" programmes, as well as the "cultural policy" abroad, have acquired a social accent.

Of all the means employed in pursuing the new course, number one and growing in importance year after year is "technical assistance". Funds allocated by the West German Government for "technical assistance" go for the construction in Africa of centres for training technical, administrative and teacher personnel; for setting up centres for training activists in the trade union movement, directors of peasant co-operatives, and leaders of women's and youth organisations; and building "model" agricultural enterprises to demonstrate capitalist methods of work organisation. Between 1956 and 1971, the FRG spent 999.2 million marks on "technical assistance" for Africa (an average of 45.7 per cent of the total amount spent for this kind of assistance to all developing countries).² By 1972 the number of recipient African states had grown to 38, as a consequence of which their share of the funds allocated rose to 55 per cent.³

¹ Frederick Harbison und Charles A. Mayers, "Investitionen in den 'Faktor Mensch' und wirtschaftliches Wachstum". In: *Soziologie der Entwicklungsländer*, Stuttgart-Berlin, 1968, pp. 55-68.

² *Handbuch der Entwicklungshilfe*, Baden-Baden, II A O11 BR97. Lieferung, November 1972, p. 2.

³ *Ibid.*, p. 3.

In an effort to impede the process wherein capitalism is falling into discredit in the Third World, the West German neocolonialists are searching intently for an alternative to the noncapitalist way of development that is attracting the peoples of the newly free countries. Using every means—from “aid” to the export of social-reformism—they are trying hard to install a stable mechanism of capitalist relations in the economic and social life of the young states of Africa. However, the “modernisation” which the Western political analysts specialising in the developing countries so like to speak of, in essence does not go beyond the framework of limited bourgeois reforms whose objective is to stem the growth of the national liberation revolutions and prevent them from developing into social revolutions.

5. JAPAN: ECONOMIC DIPLOMACY

Japan “discovered” Africa a little over ten years ago, and Japanese monopoly capital began showing keen attention to African countries only in the late 1960s and early 1970s, marking a turning point in Japan’s African policy. If in the 1960s it was rightly called “economic prospecting”, in the 1970s it can be defined as “economic incursion”.

The external factors presently influencing Japan’s policy, as well as that of other imperialist states—the growing might and influence of the world socialist system, the intensification of the national liberation movement, and the deepening of inter-imperialist contradictions—played a big part in this policy’s extension beyond the bounds of Southeast Asia into new regions—Africa and Latin America.

A big role is also played by the internal factors that enable Japanese monopolies to wage an offensive on several fronts. The high level of economic development and high rate of accumulation achieved in a rather short period of time have created considerable reserves of free capital which Japan seeks to use to the best advantage (since 1970, Japan has been second among the capitalist countries in volume of “aid” given to developing countries).

At the same time, the beginning of the 1970s was marked by a worsening of the country’s economic condition. Growth rates dropped too. That is why the monopoly circles in Tokyo set the following three basic tasks for the country’s

diplomatic corps in the 1970s: to secure (1) stable capital investment spheres, (2) sources of raw materials and fuel, and (3) the possibility of compensating for Japan's imports with the sale of finished goods.

In order to gain favour with African countries, Japanese leaders seek to convince their governments of Japan's readiness to promote the economic progress of developing countries, and hence of the necessity to "redouble" efforts toward mutually advantageous co-operation. But there are also objective reasons for such statements. On the one hand, they are conditioned by the context into which Japanese monopoly capital is placed by the internal processes taking place in the young states. On the other hand, Tokyo is indeed interested in seeing a certain amount of economic and technological progress in the developing countries with an eye to making fuller use of them in the international capitalist division of labour.

"Economic diplomacy" or, in other words, the diplomacy of "economic co-operation" serves as an instrument of Japan's political manoeuvres in Africa. The methods of economic diplomacy are characteristic of Japan's postwar foreign policy activity as a whole. Deprived of military power because of its defeat in the war, and forced to shun methods of armed intervention, Japanese imperialism regards economics as its main instrument of foreign policy. At the same time, Japanese diplomacy attempts also to play on the African peoples' natural animosity toward the former colonial powers. In Africa as in Asia, Japan advertises her affiliation with the "Afro-Asian bloc" and the need for joint struggle against the "white man's capital".

Visits to the continent by two government delegations, one in 1970, and the other in 1971, laid the foundations for the development of Japan's African policy in the 1970s. After these visits, the government worked out a long-range foreign policy programme with respect to African states. It reflected the basic results of the expansion of Japanese monopolies during the preceding ten years and spelled out the difficulties and advantages of Japanese penetration of the continent. In addition, it substantiated the need for continued expansion of economic ties with Africa.

Since 1974 the energy crisis has brought about certain changes in Tokyo's African policy. The crux of these changes is that Japan has been giving greater attention to both

economic and political co-operation with African states in view of the enhanced economic and political role of that region. In this connection, the first visit to Africa by a Japanese Foreign Minister in the history of Japanese-African relations took place in the autumn of 1974. The Japanese press viewed it as the first step in "Japan's new diplomacy" with regard to Africa.¹

In carrying out her economic policy in Africa, Japan makes particularly active use of numerous trade, economic and cultural delegations. Besides discussing questions relating to their specific field of interest, these delegations also consider the prospects of relations with Africa in the future and conduct negotiations with African officials on a wide range of questions. One of the largest of such delegations went to Africa in early 1974 to look into investment possibilities in Kenya, Zambia, Tanzania, Nigeria, Ivory Coast, Gabon, Zaire and Algeria.

In the past decade Africa has moved closer, as it were, to the Japanese islands, located many thousands of kilometres away. The use of giant ore carriers and tankers over the international shipping lanes has led to a natural reduction in freight costs. (Previously, distance was one of the obstacles to developing Afro-Japanese trade relations).

Although Africa's share in Japan's overall foreign trade balance has not changed substantially, the absolute import-export figures are growing very rapidly. From 1965 through 1974, Japanese exports to Africa grew 7.5-fold, to reach \$4,930 million in 1974, and import from African countries over the same period increased 15-fold (to reach \$2,935 million in 1974).²

However, despite the pre-eminent growth of import from Africa, African states suffer a chronic deficit in their balance of trade with Japan (in 1974, it totalled \$1,995 million³). This is the greatest impediment to further expansion of ties with Africa at the present time. African leaders are demanding that Japan sharply increase her import of local commodities, especially agricultural products and the output of their extractive industries. The first attempts

¹ *Sankei Shimbun*, November 10, 1974.

² *Monthly Bulletin of Statistics*, U.N., New York, July 1972, pp. xvii-xviii; April 1974, p. xvi; September 1974, p. xviii; *Keidzai Tokei Geppo*, No. 6, 1975, pp. 121-22.

³ *Keidzai Tokei Geppo*, No. 6, 1975, pp. 121-22.

are in evidence to export, if not finished goods, at least semi-manufactures. This applies above all to the output of ore-concentration complexes (Zaire) and oil refineries (Algeria).

Among the measures that the Japanese side has begun to undertake to solve the chronic trade deficit problem is that of increasing the number and size of export credits granted to developing African countries. In 1972, of the total amount of export credits received by the Third World countries, 43.2 per cent, or \$790 million, went to Africa.¹

To improve the African countries' trade balance, Japan offers to invest capital in various branches of their economies, above all in the extractive industries, and in this way to increase the export of African raw materials, especially minerals. It should be noted that many African leaders willingly accept these proposals and welcome Japanese investments in the leading sectors of their economies. In January 1974, a Japanese delegation visiting Kenya was asked to "think over" the question of which sectors of the Kenyan economy it would be most advisable for Japan to invest in and how to expand trade between the two countries.²

By mid-1974, Japanese capital investment in African countries came to \$254 million, or 2.2 per cent of Japan's total foreign investment. Tokyo expects to bring this figure to \$1,050 million (2.5 per cent of total foreign investment) by 1980.

Through measures of this kind Japanese neocolonialism is trying to accomplish several things at once: to remove from the agenda the complaints made by African developing countries about its trade policy, gain a stronger foothold in their economies, raise the purchasing power of these countries, pave the way for the export of Japanese goods, and secure access to sources of raw materials.

As for so-called assistance, if one removes the camouflage of official formulations, one can see that its object is essentially to promote the activity of Japanese enterprises and thereby increase Japan's influence on the economies of the respective countries. In 1974, African states recei-

¹ *Keidzai kyoryoku gendzeo to mondaitei*, Tokyo, 1973, p. 170.

² *Daily Nation*, Kenya, January 26, 1974, p. 4.

ved \$29,600,000 from the Japanese Government under bilateral agreements, which constituted 4 per cent of the total "aid" given to developing countries. Having committed herself to increasing state "aid" to the developing countries to 0.7 per cent of her gross national product in the near future, Japan contemplates that African countries will be among its basic recipients.

It should also be borne in mind that in most cases Japan grants yen loans, that is, tied loans, which means that the money can be used for buying goods and equipment only in Japan.

The Japanese economic incursion into Africa implies also an expansion of scientific and technical co-operation, especially a growth in the number of technical specialists and experts sent into the countries of the continent, something in which Japan lags substantially behind Western Europe and the United States. Acting as envoys of the monopolies and the state, these people not only promote Japanese technical equipment and technology, which conduces to a growth of export, but also function as a vehicle of Japanese influence. A special role in this kind of penetration belongs to members of "volunteer" teams (the Japanese "Peace Corps") working in agriculture, forestry, mining industries, transport, construction, and sports and cultural organisations.

The Japanese monopolies work hard to convince free Africa that they are not pursuing political objectives in establishing and developing economic relations with various countries, and that they are not seeking any one-sided advantage from the expansion of these relations. However, Japan's economic interest in Africa itself predetermines the character of her policy in this region. One example of Japanese diplomatic manoeuvring can be seen in the sharp change in Japan's attitude to the Middle East crisis.

It is generally known that oil plays a considerably larger role in the Japanese economy than in the economies of other capitalist countries. The share of the liquid fuel in the country's energy balance amounts to about 80 per cent, as against 60 per cent for the European countries, and 40 per cent for the United States. Current estimates are that, despite the contemplated rapid development of the nuclear power industry, the share of oil in Japan's energy balance will remain unchanged between now and 1985,

At the present time, Japan gets 85 per cent of her oil from the Middle East and northern Africa, albeit through European and American intermediaries. The Japanese Ministry of Foreign Trade and Industry intends to strengthen economic and political ties with countries in these regions with the aim of direct financial and industrial participation in the exploitation of oil resources.

Prior to the October war of 1973, Japan actually took a neutral position with respect to the Middle East crisis, notwithstanding declarations of support for the Security Council resolution of November 22, 1967. The oil embargo imposed by the Arab states sharply aggravated the energy crisis in Japan and forced the government to re-examine its policy. Under pressure coming both from the Arab countries and from its own monopolies who had sustained big losses due to the oil shortage, it was compelled to give full support to the Arab side and to demand of Israel compliance with all the Security Council resolutions.

Special government representatives visited Middle East and northern African countries to explain Japan's "new policy" to Arab leaders.

The manoeuvres of Japanese diplomacy were not long in bearing fruit. In an interview with the newspaper *Asahi Shimbun*, President Hoari Boumédienne of Algeria noted that Japan could count on an uninterrupted supply of oil over the next twenty years if she maintained friendly relations with the Arab countries.¹ In a span of several months in 1974, Japan offered the Arab states more state loans and private credits than in all the preceding years of Japanese-Arab relations. Egypt alone received \$280 million in the form of state loans for restoring and widening the Suez Canal and for economic development, plus over \$1,000 million in private credits to pay for deliveries of Japanese equipment, oil prospecting, and the construction of industrial projects.²

The sharp turn in Japanese policy toward Arab Africa was undeniably prompted first and foremost by economic considerations. The birth of the new Middle East policy led to a re-examination of the Japanese Government's actions in Africa generally. Tokyo was determined not to allow political debacles like the failure of the old Middle East

¹ *Asahi Shimbun*, January 14, 1974.

² *Al Ahrām al-Iktisadi*, Cairo, March 1, 1974, p. 16.

policy to occur in dealing with resource-rich African nations.¹

A special place in Japan's activities on the continent is held by her relations with the racist regimes in the south. South Africa is Japan's biggest trading partner in Africa, accounting for about one-fourth of Japanese-African trade. In particular, Japan is the leader there in commercial sales of motor vehicles; the Toyota, Nissan and Toyo Kogyo automobile companies dominate one half of South Africa's car market. South Africa, which is bent on breaking the political and economic blockade against it, benefits in this respect from its relations with Japan. That is why the Government of South Africa declared the Japanese "honorary whites", with all the privileges that flow from this status.

Although the Japanese Government has no official diplomatic representation in South Africa and has formally prohibited its firms to invest capital in that country's economy (in the autumn of 1973 this ban affected, for example, the Nippon Steel Company, which wanted to invest about \$700 million in a steel production project),² trade relations between the two countries are getting closer. Japan has concluded several long-term agreements on the import of South African raw materials (iron ore, uranium, coking coal) and deliveries of Japanese ships and equipment to South Africa.

Despite Tokyo's official participation in the sanctions against Rhodesia, Japanese firms are trying to establish themselves on this market in various roundabout ways. These manoeuvres do not go unnoticed, however. In 1974, the Japanese Government was accused of violating the UN Security Council's sanctions against the Smith regime by making purchases of Rhodesian chrome through South Africa.

Japan's policy toward South Africa and Rhodesia enters into obvious conflict with her plans to strengthen political and economic relations with the independent states of Africa. The latter's dissatisfaction with this policy was expressed as early as in the spring of 1972 by an OAU delegation during a visit to Tokyo. The Japanese political leaders were even obliged to "promise" that the government would not encourage expansion of trade with South Africa, but they

¹ *The Japan Times Weekly*, June 8, 1974, p. 3.

² *Africa Digest*, October 1973, p. 98.

emphasised that it was impossible to "control" the trading practices of private firms because of the absence of restrictions on "free trade" in the country.

In the mid-1970s, the expansion of Japanese monopolies in Africa was stepped up considerably, and this process will no doubt continue. As noted at a conference of Japanese ambassadors in African countries held in Tokyo in June 1974, Japan should give closer attention to strengthening not only economic but also political ties with the African nations in view of their entrance into the international arena as an important political force.

In Japan's African policy there is certain to be a wider application of the principle of "partnership" (close co-operation) in carrying out various economic measures with other imperialist states. The Japanese ruling circles feel that this principle enables them to avoid "duplication" and to economise their own capital, and in fact gives them an opportunity to divide responsibility for the exploitation of African nations. Application of the "partnership" principle ranges from individual enterprises to international associations. In January 1974, the first multinational bank in the Arab world, the Investment and Finance Bank, began to operate with British, French, local and Japanese capital. Of its total assets of \$5 million, 16 per cent belongs to the Japanese side.

As for the financial, technical and scientific "aid" which Japan gives African countries, this aspect of the expansion of Japanese state-monopoly capital will continue to serve the purpose of acquiring spheres of influence in Africa.

6. ISRAEL: AGGRESSOR IN ISOLATION

Israel ranks among the smaller imperialist states which pursue an expansionist policy on the African continent. The Israeli ruling circles, however, persist in claiming that their country has always been and is a "friend" of Africa. Prior to October 1973, African public opinion tended to believe this to be so, and this fact left its mark on the forms and methods of Israeli penetration of Africa. However, experience showed that Israel's real objectives on the continent were little different from those of the big imperialist powers.

In the final analysis they amount to suppressing the national liberation revolutions in the Arab countries and subjecting the African nations to neocolonialist bondage.

Throughout the 1960s and early 1970s, Israel's neocolonialist strategy in Tropical Africa was aimed at creating a secure "rear" for the State of Israel in Africa south of the Sahara. The Israeli ruling circles strove to isolate this region from the Arab world, contribute to the emergence or strengthening of pro-Western regimes there, and cause division in the national liberation movements. Trade and economic expansion pursued the aim of using African countries as mineral and agricultural raw materials suppliers and a market for Israeli exports. Finally, on the ideological plane, Israeli actions came down to using every means available to promote the spread of anti-communism and anti-Sovietism in Africa, advertise the so-called Israeli miracle and the singular "Israeli" way of life among Africans, and popularise zionism.

Figuring among the postulates of Israeli propaganda were the myth that Israel was a developing country, the thesis proclaiming the common destinies of the African and Israeli peoples, and the assertion that "the State of Israel is the symbol of development".¹ But the ideologists from Tel Aviv said nothing about the fact that Israel was obliged for its rapid development and transformation into a modern capitalist state primarily to American assistance and a mighty influx of skilled personnel.

Israeli expansion in Africa was stepped up sharply in the early 1960s, when a large group of African countries gained independence. An "aid" programme, or a programme of "technical co-operaiton", on which Israel spent millions of dollars annually (prior to the 1970s), became the chief instrument of penetration.² In 1971, Israel had co-operation agreements with 30 African states. Technical assistance took the form of sending specialists and whole missions to African states; financing numerous training programmes, conferences, congresses, symposiums, etc.; and the granting of scholarships. Not counting the 100 experts working along UN lines, 450 Israeli experts worked every year (prior to the 1970s) in programmes abroad (half of them in Africa).

¹ *The Israel Year Book 1969*, Tel Aviv, p. 21.

² *Africa Report*, New York, February 1970, p. 7.

If we add non-governmental experts, then the number of Israeli specialists working in developing countries came to around 1,000.

Typical of Israel's actions in Africa were certain features determined primarily by its belonging to the category of smaller imperialist powers. Thus, the accent in Israeli aid was put on training African personnel. Every programme of "co-operation" between Israel and Africa was connected with the training of specialists both in Israel (theoretical training) and in Africa (practical training). Among the approximately 30 organisations accepting African students were universities and other educational centres, secondary schools and specialised organisations. Primary attention was given to such fields as agriculture, the youth and co-operation movements, public health, and military science. Africans who have gone through training in Israel number in the thousands. During 15 years (1957-1971), 15,000 students from developing countries completed their studies in Israel, and half of these were Africans.

The accent on personnel training is explained on the one hand by the great attention given in Israel to ideological work among Africans, and on the other hand by financial considerations: Tel Aviv's limited money resources make it impossible to finance the construction of costly projects in Africa.

The ideological work was carried out not only at special courses, but also through direct contacts between Israeli government, political and other representatives and prominent African figures; through the organisation by Israel of various international conferences, colloquiums and international exhibitions; participation in various international forums, including international conferences of Social-Democratic parties; tourist exchange, and so forth.

Another feature of Israel's penetration consisted in setting up so-called mixed enterprises in Africa. Contracts were usually drawn up for a five-year period, at the end of which the African side could buy out the Israeli share. Although these terms gave the African countries certain advantages, Israel came out ahead, too. In the first place, it received an opportunity to penetrate the African markets with a relatively small outlay of capital; second, the possibility of nationalisation was eliminated; and third, operation of the enterprises brought in good profits.

Finally, very characteristic of Israel was its participation in the military affairs of African countries. Israeli instructors trained Africans in various military specialities and engaged in the delivery of arms, military equipment and supplies. Israel concluded special military agreements with 11 African states.¹ According to the American *Political Affairs* magazine, Israel sold some \$20 million worth of arms a year, most of it to African countries.² Even many Israeli civilian programmes were essentially paramilitary. A clear example was the creation by Israel of militarised agricultural settlements in Africa (the moshav form of settlement), as well as special youth battalions (gadna). In some places, the youth formations became the nucleus of the national army.

Israeli-African military co-operation was designed above all to safeguard Israel's strategic interests.

A factor that must be borne in mind while speaking of Israeli penetration of Africa is Israel's own great dependence on world monopoly capital and Western Zionist circles. It is safe to say that Israel could not have been able to carry out its expansion in Africa without the many millions of dollars that came flowing in from these sources. Suffice it to say that more than one half of Israel's entire technical "co-operation" programme is financed from foreign sources, primarily from the United States and the Federal Republic of Germany.³

Of course, Israel has to give something in return for the money it gets, and as applied to Africa it looks like imperialist "partnership" in the business of exploiting the African nations. The USA used Israel whenever it was expedient to camouflage its own participation on some project or measure being carried out on the continent. This was observed most frequently in economic matters, when large Western monopolies were in fact operating behind a front of Israeli firms in Africa. A good example was the Israeli construction company, Motorola Israel, Ltd., which was involved in the creation of communication networks in a number of African countries (Liberia, Ghana, Ivory Coast, Niger, Zaire, Ethiopia, Kenya): it worked in close co-operation with the Ame-

¹ *Révolution Africaine*, Algeria, No. 467, February 2-8, 1973, p. 14.

² *Political Affairs*, New York, November 1972, p. 18.

³ *Révolution Africaine*, Algeria, No. 467, February 2-8, 1973, p. 16.

rican firm, Motorola Inc. of Chicago. The many instances of this kind of connection enabled the *New Outlook* magazine published in Tel Aviv to speak of "Israeli firms serving as a façade for American companies" in Africa.¹

As far as politics is concerned, imperialist motives show through in all of Israel's actions in Africa: Israel is not on the side of the struggling continent but on the side of its enemies. When in the late 1960s and early 1970s Nigeria was fighting for its unity, Israel supported the Biafra separatists. It also took an active part on the side of the imperialist forces in actions to foment a "civil" war in the south of Sudan.

One can trace the formation of a bloc between Israel and Africa's bitterest enemies, the racists of South Africa and Rhodesia. The zionists are strengthening their political, economic and military relations with them and support virtually all of their foreign policy actions. Israel also supplies arms to South Africa.² The roots of the alliance of Israel, South Africa and Rhodesia lie in the racist nature of these states and their determination to strangle the liberation movement of the African peoples.

Thus, Israel's policy in Africa is no different from the policy of any other imperialist power. That is why the independent African countries have scotched the expansionist ambitions of the zionists.

In 1972 and 1973, Israel's isolation on the African continent became especially clear. The overwhelming majority of the African countries broke off relations with Israel because of its unceasing aggression against the Arab nations. In 1975, only three African states maintained diplomatic relations with Tel Aviv. The failure of Israel's attempts to strengthen or at least retain its influence in this region is evident.

By the mid-1970s, the Israeli "co-operation" machinery almost ground to a halt. Only a small group of Africans were enrolled in courses in Israel designed for students from developing countries. Economic relations were also very limited. Only a few Israeli firms continued to operate in Africa under previously signed agreements. Afro-Israeli trade relations were also reduced to a minimum. But des-

¹ *New Outlook*, Tel Aviv, July-August 1966, Vol. 9, No. 6 (81), p. 24.

² *Political Affairs*, New York, November 1972, p. 19.

pite the setbacks it has suffered in Africa, Israel by no means intends to abandon its expansionist policy there. As they did in the late 1950s prior to the massive incursion into Africa, the Israeli ruling circles are waiting for the right moment to renew their activity in African countries. Obviously, if the Middle East conflict is settled, Israel's diplomatic relations with the African countries may be restored. If that happens the zionist state will try once again, taking into account past errors and altering its tactics, to achieve its former strategic goals on the African continent.

However, Israel will encounter formidable difficulties. The African countries remember the lessons of the past and do not intend to abide the expansionism of any power, including Israel's. Israel can mend its affairs in Africa only if it abandons its aggressive policy in the Middle East, carries out all the resolutions of the UN, and builds its relations with African states on the principles of real respect for sovereignty, non-interference in the affairs of other countries, and mutually advantageous co-operation. In conditions of international detente and a universal yearning for peace, obviously this is the only course that would benefit both the African countries and the people of Israel. Otherwise, Israel's policy in Africa has no future.

The forces of imperialism are doing everything they can to strengthen or preserve their positions in Africa. However, the growth of the anti-imperialist struggle on the continent is reducing all efforts to achieve these ambitions closer and closer to naught.

Part II
ECONOMIC ASPECTS

Chapter 4

**FOREIGN PRIVATE CAPITAL IN AFRICA:
MODIFICATION OF METHODS**

The collapse of the colonial system and the struggle of the African states for economic independence introduced substantial changes in the conditions under which foreign private capital could function in Africa. Gone forever are the days of its uncontrolled exploitation of the natural and labour resources of the continent. And the period following the proclamation of political independence during which the African countries were for various reasons unable to alter the rules under which foreign private companies operated proved to be short.

1. NEW CONDITIONS OF ACTIVITY

In the late 1960s and early 1970s many newly free countries of Africa, taking advantage of the shift in the balance of forces between the two opposing social systems to the detriment of imperialism and of the improved political situation in the world which came as a result of the peace policy of the socialist states, took decisive steps to reduce their economic dependence on the imperialist states. Of course, the governments of the African countries do not all hold the same attitude to foreign private capital; it depends on specific circumstances and the socio-political orientation they have chosen. Despite the differences, however, almost every-

where in Africa there is increasing determination to effect broader and tighter control over foreign capitalist property, and some countries are even moving from control measures to partial or complete nationalisation.

Libya and Algeria have nationalised the oil extracting industry, oil pipelines and oil refineries. Since the July revolution of 1952, foreign capital has lost its basic positions in Egypt. Zambia has nationalised the assets of the copper mining companies. In Sierra Leone, the controlling interest in the National Diamond Mining Company now belongs to the state. In the Malagasy Republic, a state enterprise has been created for the exploitation of water and energy resources; it has taken over all the installations formerly belonging to private, for the most part foreign, capital. Similar measures have been taken in Zaire, Benin, Nigeria and other countries.

Representatives of African countries have frequently spoken at international forums of their countries' desire to establish control over the activity of foreign capital. An important economic declaration was adopted at the Fourth Conference of Heads of State or Government of Non-Aligned Countries. It noted that every country has the inalienable right to control or nationalise its natural resources and to limit the activity of international monopolies. The declaration does not, in principle, reject the possibility of using foreign private capital, but notes that its investments must accord with national development plans. It stipulates that the activity of foreign companies should not run counter to the strategic interests of the developing countries.¹

The measures taken to institute control over the activity of foreign companies and the partial and in somewhat rarer instances complete nationalisation of such companies do not by any means signify that foreign capital is already on the retreat along the entire front or that it is threatened with the loss of all its positions in Africa. The actual state of affairs is much more complex. In addition to the moves to control, restrict or oust foreign capital, there are other trends as well. Parallel with a policy of increasing control over the activity of foreign companies and even nationalising them, many African countries persistently endeavour to attract

¹ *Documents of the Fourth Conference of Heads of State or Government of Non-Aligned Countries*, A/9330, 22 November 1973, pp. 66-67.

new foreign capital in the hope that it will promote the development of the national economy.

This latter trend is reflected, for example, in the frequent statements by Tunisian leaders that foreign capital is not exposed to any danger of nationalisation in their country because the government encourages foreign investments. Zaire is also undertaking steps to improve the "climate" for foreign investment. An increased inflow of foreign capital into Zaire has been observed of late, amounting to about 550 million zaires (\$1,100 million) in the period 1969-1973. Even countries with a socialist orientation are trying to find suitable ways to combine a policy of socialising the means of production with measures to attract foreign private firms (for example, by permitting the latter to set up their enterprises in free port zones).

Basing themselves on these and other similar facts, the drafters of the annual report of the Organisation for Economic Co-operation and Development (OECD) for 1972 observed that "the majority of developing countries have been actively seeking the benefits they can derive from the capital, technology and managerial skill offered by the private sector".¹ However, this conclusion is not altogether accurate. To be sure, there is no denying that in view of their limited sources of accumulation a number of African countries are indeed seeking to attract foreign private capital. Nonetheless, they are not abandoning their policy of increasingly strict controls (over incomes, reinvestments, taking profits out of the country, and so forth). Compared with the colonial period and even the recent past, this represents a substantial change in the conditions under which foreign private capital can function in Africa.

With the aim of strengthening the positions of foreign private capital, imperialism brings systematic ideological, economic and political pressure to bear on individual governments and on the African public as a whole. Constantly propagated, for example, is the bourgeois thesis that private capital is an especially valuable, dynamic and irreplaceable factor of economic growth. In the process of granting loans, concluding trade agreements, establishing customs preferences or rendering scientific and technical assistance, the im-

¹ *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, OECD, Paris, 1972, p. 64.

perialist states seek to obtain more favourable conditions for the activity of private capital from African governments.

However, as they pursue their policy of strengthening the positions of foreign private capital in Africa, the imperialist states are forced to take into account the changing conditions both in Africa and throughout the world. In the recent past, when they insisted on a "suitable investment climate", they usually had in mind that an African state would take the burden of creating an infrastructure upon itself, leaving all other economic activity (mainly in industry, trade and banking) to private, mainly foreign, capital, operating, moreover, under favourable customs, legal and currency regulations. Now, however, the Western power put a somewhat different meaning into the concept of "suitable investment climate".

First of all, even the more conservative circles in the West realise the need for certain economic and social reforms in Africa to eliminate at least some of the archaic institutions there and create the prerequisites for a more rapid development of the productive forces within the framework of the capitalist system. Thus, Robert McNamara, a prominent representative of American monopoly capital, calls for reform because, as he sees it, "social justice is not only a moral imperative but a political imperative. . . . Wherever there is a handful of privileged and a million-strong army of the poor . . . it is only a matter of time when a decision between the political cost of reform and the political risk of rebellion must be made".¹

A certain change can be observed in the attitude of the imperialist countries to the state sector. They now refrain from attacking it directly and openly as they had only very recently. They do not demand of developing countries complete subordination of industry to private capital. The imperialist states realise that conditions now are such that they cannot make excessive claims of this kind even on regimes that are well disposed toward them. At the present time the demand for a "suitable investment climate" is formulated very carefully and with reservations. It was pointed out in Lester Pearson's report, for example, that wherever it is compatible with their national goals the developing

¹ From Robert McNamara's speech to the Board of Directors of the International Bank for Reconstruction and Development on September 25, 1972. (Quoted from: *Afrika heute*, No. 1, 1973, p. 16.)

countries should clearly define the conditions for the activity of private capital. However, the report went on to say that improving the positions of the private sector as a whole was a major step toward improving the climate for foreign investments which would allegedly make an enormous contribution to the development of the economy.

In demanding a "suitable investment climate", foreign capital insists above all that foreign investors be assured that "they would be offered reasonable protection for the resources they were willing to provide, and an adequate return". This was stressed, for example, at a symposium on foreign investment in developing countries held in Tokyo in 1971. Representatives of international monopolies noted that "foreign investors were likely to consider carefully the various investment opportunities and select the most attractive conditions".¹ This policy apparently had the goal of motivating those developing countries of Africa which count on foreign private capital in their development plans to hurry with the business of providing more favourable conditions.

But pressure on the African countries (ideological, economic and political) aimed at obtaining broader spheres of activity and more favourable conditions for foreign private capital cannot by itself solve the problem. Private capital bears it in mind that in view of the irrepressible desire for genuine national independence and social progress political changes could come about in African countries that would place foreign investments in jeopardy. Under these circumstances, a second necessary prerequisite to an increase in the flow of private capital into Africa consists of state-monopoly measures taken by the imperialist states themselves.

After the disintegration of the colonial empires, the developed capitalist states gradually worked out systems for stimulating private capital investment in the Third World. The practices of each state have their own specific features, but in the main they consist in guaranteeing investments against political perturbations, granting state credits to firms investing capital in one or another form in developing countries, and creating specialised state investment companies to develop especially difficult and risky projects until such time as they are turned over to private capital.

¹ *Panel on Foreign Investment in Developing Countries*. Report on a meeting held in Tokyo from 29 November to 2 December 1971, U.N., New York, 1972, pp. 10, 11.

The aim of guaranteeing investments against political changes is to protect private capital from possible losses caused by nationalisation, bans on taking capital out of the country, restrictions on the transfer of profits, and so forth. The losses are borne by a state fund created for this purpose, and the taxpayers. Since such guarantees have proved to be a very effective means of stimulating the export of private capital, the practice has become widespread. According to OECD data, of the total private capital investments made in developing countries in 1971, the proportion insured was 43.9 per cent for Japan, 43 per cent for Denmark, 31.4 per cent for the USA, 20.2 per cent for the FRG etc.¹ Since only investments made in regions considered to be least safe are insured against political perturbations, it may be said that these percentage figures are rather high. State companies like, for example, the Overseas Private Investment Corporation (USA), Commonwealth Development Corporation (Britain), Deutsche Entwicklungsgesellschaft (FRG), Caisse centrale de cooperation economique (France), and Overseas Economic Cooperation Fund (Japan), which "prepare the soil" for private investments, engage in a wide range of activities.

As we can see, the conditions under which private capital is exported to Africa at the present time are complicated and contradictory. On the one hand, the African states more and more persistently seek to establish control over the activity of foreign capital and even nationalise it, but at the same time they do not reject the possibility of attracting foreign private capital and using it for their development. On the other hand, the imperialist states seek to strengthen the positions of private capital in Africa by taking energetic state-monopoly measures and assigning to private capital new functions (along with the old) generated by contemporary conditions.

2. STRUCTURAL CHANGES

After a certain decline in the period during which the colonial system was falling apart, the volume of private capital exports to developing countries increased in the 1970s,

¹ *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, p. 62.

and gradually approached the volume of "official assistance".

As can be seen from Table 1, the volume of private capital exports showed a noticeable increase only from the second half of the 1960s (135 per cent from 1966 through 1971, including grants). During that same period, the export of state capital grew by only 40 per cent (from \$6,431 million to \$8,997 million). As a result, the share of private capital in the total export of capital to developing countries

Table 1

Export of Capital to Developing Countries
by Developed Capitalist States (OECD Members)
(in millions of dollars)

	1961	1966	1968	1970	1971	1973	1975
Official development assistance (grants; loans on terms more favourable than market terms; contributions to international institutions)	5,197	6,003	6,316	6,840	7,718	9,351	13,585
Export of state capital in other forms (under bilateral and multilateral agreements)	916	428	731	1,144	1,279	2,463	3,024
Export of private capital (direct and portfolio investments, export credits)	3,106	3,959	6,377	7,019	8,399	11,449	21,962
Grants by private agencies	—	—	—	855	890	1,365	1,342
<i>Total net flow</i>	9,249	10,390	13,424	15,858	18,286	24,628	39,913

Source: *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, p. 42; *1976 Review*, p. 229.

rose from 33.6 per cent in 1961 to 38.1 per cent in 1966, and 50.8 per cent in 1971. In 1971, the volume of private capital exports exceeded official development "aid" for the first time.

The trend towards increasing the share of private capital in the total export of capital to the developing countries has a number of causes. On the one hand, the balance of payments deficits of some basic donor countries (for instance, the USA and Britain) have held up increases in official development assistance. On the other hand, the flow of private capital is once again being channeled to developing countries, where it is attracted mainly by natural resources (notably oil) and the manufacturing industry. Another important factor is that the political regimes in a number of developing countries have in the main defined their attitude to foreign capital. For its part, foreign capital has shown its ability to adapt to changing conditions and has accepted as inevitable certain new forms, such as participation in mixed companies involving local and foreign or state and private capital, "product sharing" agreements, and so forth. Furthermore, some countries have built up an infrastructure to a certain extent, and this has tended to stimulate private investors. The state-monopoly measures undertaken by the developed capitalist states have obviously also played a stimulating role. Be that as it may, however, a clear trend toward growing exports of private capital to developing countries was in evidence by the end of the 1960s. This fact

Table 2

Pattern of Private Capital Exports to Developing Countries
(in millions of dollars)

	1961	1966	1968	1970	1971	1973	1975
Direct investment	1,829	2,179	3,043	3,557	4,087	6,710	10,200
Bilateral portfolio	614	480	971	777	804	3,544	7,695
Multilateral portfolio	90	175	767	474	706	*	*
Export credits	573	1,124	1,596	2,211	2,802	1,196	4,067
Grants by private agencies	*	*	*	855	890	1,365	1,342
Total	3,406	3,958	6,377	7,874	9,289	12,815	23,304

* Figures unavailable.

Source: *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, p. 42. *1976 Review*, p. 67.

refutes the assertions of some Western economists that the Third World is already "of no interest" as a capital investment sphere.

Along with the increase in foreign private capital investments in the developing countries, some changes in the pattern of the capital investments themselves can be observed.

As can be seen from Table 2, all forms of private capital export show increases. Over a period of only ten years export credits increased almost fivefold. Direct investments are growing more slowly but nonetheless maintain their lead. In portfolio investments, there is a greater growth of multilateral investments, while ups and downs are observed in the growth of bilateral investments. By 1971, the following pattern emerged as a result of these changes: direct capital investments—44 per cent; export credits—30.2 per cent; portfolio investments—16.2 per cent; grants by private agencies—9.6 per cent.

As is known, statistics on capital movement have always been the least precise. This applies especially to private capital (data on the export of state capital are more reliable). Private companies have many reasons for concealing the real dimensions of their operations: their export and re-export of capital, profits, interest, dividends, etc. Besides this, in published generalised data, processes are examined almost exclusively from the standpoint of the capital exporters and not of the countries in which the capital is invested. OECD publications suffer from the same shortcoming.

On the basis of by no means complete and partly conflicting statistical material—into which we have introduced certain corrections by means of calculations, comparisons and evaluations—the following pattern and volumes of foreign private capital in Africa in the late 1960s and early 1970s emerge.

Direct private capital investments are the largest. At the close of 1967 their book value was \$6,600 million, and in the period 1968-1973 they grew by \$3,400 million to reach the substantial sum of \$10,200 million. But this is their book value. Their real value at current prices is of course incomparably higher. On the one hand, this happens because the book value is set according to prices in effect during the year the investment is made and is rarely and never fully adjusted after that. On the other hand, currency exchange

rates and the more or less rapid devaluation of currencies also have their effect.

At the end of 1967, direct private capital investments in northern Africa were concentrated predominantly in Algeria (\$702.5 million) and Libya (\$578.2 million), while in Sudan they amounted to only \$36.7 million. Half of the direct private capital investments in Central Africa fell to Zaire (\$480.7 million). Considerable investments were also made in Gabon (\$265.2 million) and Cameroon (\$149.5 million), while in Chad they were a mere \$17.8 million. The biggest direct capital investments in East Africa were in Zambia (\$421.1 million), Rhodesia (\$237.3 million) and Kenya (\$171.1 million). A more homogeneous picture was seen in West Africa, where direct private investments in six countries came to \$100 million or more in each: Liberia (\$299.5 million), Ghana (\$260.4 million), Ivory Coast (\$201.6 million), Senegal (\$153.8 million), Nigeria (\$110.8 million) and Mauritania (\$101.1 million). But there, too, in some countries foreign direct private capital investments were marginal; for example, Mali (\$6.5 million) and Gambia (\$2.3 million). In southern Africa, nearly all investments were concentrated in Angola and Mozambique (\$295.5 million).

From 1967 to the mid-1970s considerable changes took place in the distribution of capital investments as a result of nationalisation (for example, in Algeria, Libya, Zambia, etc.), the attraction of new capital (in Nigeria after the civil war), reinvestments, and so forth.

Information on the distribution of foreign direct private capital investments by individual states confirms the already observed fact that investments are concentrated mainly in the countries rich in mineral resources or in the relatively more developed countries with a capitalist orientation.

The foreign direct private capital investments in Africa belong mainly to monopolies of three capitalist states—the USA, Britain and France. American capital in Africa, which in the past was always smaller in volume than that of the old colonial powers, has moved into first place. American direct private investments grew from \$150 million in the beginning of the 1950s to \$3,000 million by the mid-1970s. Britain dropped to second place and France to third. The rest of the capitalist countries—Belgium, Italy, the FRG, Japan, Switzerland, Canada and others—taken separately

Table 3

Sectoral Pattern of Foreign Direct Private Capital
Investments in Africa in the 1970s
(in per cent)

Sector	Total	USA
Oil extraction (including refining)	40	73
Mining	20	14*
Manufacturing	18	4
Services (trade, banking, transport)	22	9
<i>Total</i>	100	100

* Including ferrous and non-ferrous metallurgy.

Calculated according to: E. A. Tarabrin, *The New Scramble for Africa*, Moscow, 1974, pp. 82-83; *Survey of Current Business*, September 1973, pp. 28, 29; *Development Assistance. 1971 Review*, p. 89.

had small investments, but they added up in 1968 to a rather impressive figure (\$1,500 million), approximately equalling the amount of Britain's investments.

Table 4

Net Change in Guaranteed Private Export
Credits to Developing Countries
(in millions of dollars)

Year	To Developing Countries as a Whole	Africa	Per cent to Africa
1967	1,007.1	296.6	29.5
1968	1,596.5	68.7	4.3
1969	1,978.2	234.9	11.9
1970	2,174.3	437.9	20.1
1971	2,802.2	595.5	21.2
1972	2,166.8	390.9	18.0
1973	2,312.7	653.4	28.3
1974	3,172.0	1,149.4	36.2
1975	5,438.1	2,666.5	49.0

Calculated according to: *Development Assistance. 1971 Review*, Table 21, pp. 196-97; *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, pp. 248-49, *1976 Review*, pp. 250-51.

As can be seen from Table 3, foreign direct capital investments in Africa are concentrated mainly in the extractive industries, especially in oil extraction. This is particularly characteristic of American capital. The capital investments of the old colonial states are more differentiated.

Export credits to African countries have grown rapidly in recent years due to competition on the markets and a certain change in the pattern of Africa's imports. In connection with the industrialisation of the continent, imports of machinery and equipment have been increasing, albeit slowly, and this growth is usually accompanied by governmental and private export credits.

Africa's share of private export credits to developing countries (17.1 per cent) is smaller than the share of the other two continents, Asia and Latin America. This, however, is quite natural because its proportion of the developing countries' foreign trade is also smaller. The per cent indicated roughly corresponds to Africa's share of the total imports of developing countries, which came to an average of 20 per cent during the five-year period under examination.

The distribution of private export credits to Africa is marked by a great unevenness by year and by country. But if uneven distribution from year to year is to a certain extent inevitable, unevenness by country is explained only by the exploitative essence of private capital.

Uneven distribution by country undeniably reflects the inclination of foreign capital to penetrate the bigger and relatively more developed countries, especially those with a capitalist orientation. That guaranteed private export credits are distributed unevenly can be seen from the fact that only seven countries accounted for 90 per cent of the total net growth of \$1,633.7 million between 1967 and 1971: Algeria (\$658.5 million), Liberia (\$336.1 million), Zaire (\$220.7 million), Libya (\$83.9 million) Zambia (\$69.4 million), Morocco (\$53.9 million), and Tunisia (\$48.8 million).

Of the former French colonies, the following countries received the biggest guaranteed private export credits between 1967-1971: Ivory Coast (\$54.4 million), Gabon (\$22.1 million), and—constituting an exception, one of the less developed countries—Niger (\$23.1 million). The list of former British colonies is headed by Kenya (\$33.0 million), which is followed by Uganda (\$32.8 million) and Tanzania (\$28.1 million). Missing from the above list are such large

and relatively developed countries as Nigeria, Ghana and Senegal. The explanation for this is that the period 1967-1971 was for all three of these countries one of repaying previously incurred debts. Ghana and Nigeria both had negative indicators —\$70.6 million and —\$40.9 million respectively).¹ Private export credits make up the greater and, what is particularly important, the most onerous part of Africa's indebtedness. It is onerous because the debt has to be paid over a short period and at a higher interest rate than other kinds of loans. We shall go into this aspect of the question later when we analyse the functions of private capital exports at the present stage.

The creditors of private export credits are industrial, banking and trading monopolies of Western Europe, Japan and the United States. The amount of credits given by different countries changes sharply from year to year depending on the economic situation and the condition of the capital-exporting country's balance of payments. By the end of 1975, the developing countries (including Africa) were most heavily in debt to Common Market countries, but their indebtedness to the USA and Japan was also substantial.

Portfolio investments of foreign private capital in the developing countries (including African countries) are growing relatively slowly. According to OECD data, their annual flow increased from \$704 million in 1961 to \$1,510 million in 1971. Approximately two-thirds of this capital, mainly bonds, comes from the United States and West Germany.

Portfolio investments as we know are very diverse in structure. They include small blocks of shares (not large enough to gain control of a given enterprise), the floatation of developing countries' bonds in the basic capital markets, certain types of bank credits, and also private capital (mobilised by international institutions and then offered to developing countries in the form of development loans) and so on.² A large proportion of the private capital that comes

¹ Calculated according to: *Development Assistance. 1971 Review; Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review.*

² Bank and other loans predominate in the structure of US portfolio investments in developing countries (59 per cent). Bonds rank second (37 per cent), while shares account for only 4 per cent (ref: *Bulletin of Foreign Commercial Information*, Market Research Institute, Moscow, March 16, 1974).

into African and other developing countries does so in a roundabout way—through the International Bank for Reconstruction and Development and regional development banks. These banks float bonds in West European and American capital markets, and the funds received are later set up as portfolio investments in developing countries.

But it is only as an exception that even the most developed African countries succeed in attracting foreign private portfolio investments in this form and then only when they have special connections with a specific capital market and enjoy the necessary support.

Portfolio investments flow to most African states in the form of loans made by West European private banks in convertible currencies. Algeria, Zaire and Zambia, for example, have received such credits. Usually they are granted to governments, central banks or various public agencies. The debtors are often private companies operating in Africa in oil extraction, mining, construction, transport, and so forth. These are usually foreign private companies, but sometimes (as a rare exception) they are companies with predominantly African capital. This kind of portfolio investment is encumbered with a high interest rate, usually exceeding the interest on six-month Eurodollar loans by 0.75 to 1.10 per cent. In 1970/1971, the interest on this kind of portfolio investment was from 6.5 to 11 per cent.

From the beginning of the 1970s, the OECD began publishing generalised, although far from complete, data on the financial resources made available to developing countries by private foundations and charitable organisations. These funds are earmarked primarily for health, education, scientific research and technical assistance. Some organisations, in particular American foundations, have years of experience, an efficient apparatus, and skilled personnel. They carry on systematic work to achieve their specific, ostensibly purely philanthropical goals, but in the final count promote the political and economic expansion of the imperialist states in the developing countries.

The geographical distribution of foreign private capital investments in Africa is typical of the strategy and tactics of capitalism. Never and nowhere has capitalism promoted harmonious development of the productive forces nor distributed them evenly by countries or regions. On the contrary, it has always created highly developed industrial cen-

tres, at the same time turning vast territories into a backward, agrarian periphery with a poorly developed infrastructure, small population and low income. This is now being repeated once again in Africa.

Of the 25 economically most backward countries in the world (according to UN data), 16 are in Africa. They are the ones most in need of assistance, yet foreign private capital is making a minimal contribution to the development of precisely these countries (Benin, Botswana, Burundi, Central African Republic, Chad, Ethiopia, Guinea, Lesotho, Malawi, Mali, Niger, Ruanda, Somali, Tanzania, Uganda, Upper Volta). With the exception of Guinea, where bauxite deposits are being developed, foreign private capital is not making any appreciable direct investments in any of these countries. The book value of foreign direct capital investments in these 16 countries in 1975 amounted to less than 6 per cent of the total for all of Africa. The total volume of foreign direct private capital investment in these 16 countries combined comes to less than that in Zaire, for example.

The least developed African states also get only a small share of the private export credits. The reason is that these credits are usually granted for the purchase of a specific group of commodities, and it so happens that the above-mentioned countries hardly buy those particular commodities at all.

The countries in this category also have little chance of receiving portfolio investments. They are unable to float bonds in the big capital markets on their own, and private banks are reluctant to give these countries credits. One might think that at least private agencies would be more generous to them in distributing their grants. However, this does not happen either because the agencies usually carry on their most intensive activity in countries where they have established close ties with private industrial monopolies and banks.

Thus, showing utter disregard for the countries with the least developed economies, foreign private capital actually aggravates the uneven development of African countries.

Even if one were to concede that the export of private capital to Africa to some extent promotes the development of the productive forces, the economically most backward

countries cannot avail themselves of even these minimal benefits that stem from co-operation with foreign private capital.

3. EXPANSION OF FUNCTIONS

The principal moving force behind the migration of private capital is the profit motive. It was the scramble for profits that brought private investors to Africa during the colonial period, and that is what is making them enroot themselves widely in Africa's economy today.

However, the specific objectives that private capital pursues can be quite varied. In some cases the aim is to get raw materials. In others, it is to acquire markets for the export of the monopolies' commodities, for example by means of creating subsidiaries in developing countries. In still others, it is to block the expansion of competitors. But of course the main thing is always the drive for a high rate of profit, and if an African country can ensure this kind of profit taking, then private capital surges into it, overcoming all impediments. In this respect, no fundamental changes have occurred. Changes are observed only in the specific conditions, forms and methods of its activity.

There has emerged, however, an entirely new political function of capital export. It is connected with the collapse of the colonial system and is subordinated to the principal strategic task of imperialism, which is to keep the developing countries within the framework of capitalism, to prevent them from choosing the noncapitalist way of development, and to implant capitalist production relations. The very character of this task has predetermined the secondary role of private capital, for its fulfilment involves spending large sums of money (in the form of "aid") over a long period of time without the possibility of seeing rapid repayment and the corresponding profit. Quite naturally, therefore, certain capitalist states or alliances of states (the Common Market, for instance), with the participation of some international capitalist institutions (the International Bank for Reconstruction and Development, for example), have taken this task basically upon themselves. Private capital, however, could not stay out of the picture altogether because, under the present conditions of the predominance of state-monopoly capitalism, the state and private capital are orga-

nically linked with each other. The export of private capital to developing countries is gradually beginning to carry out certain new, previously nonexistent functions.

The major task of foreign capital in Africa includes establishing control over raw materials sources. The situation on the fuel and raw materials market in the 1970s has made foreign private capital even more anxious to protect its positions in the extraction of oil, gas, copper, uranium, iron ore, phosphates and so forth.

In the past, control over raw materials by the imperialist states was ensured by the colonial regimes and the fact that the total assets of subsidiaries operating in Africa were in the hands of foreign companies. But this period and this form of control over raw materials now belong to the past. The young African states are fighting for the right to be the masters in their own house. As a result, more and more mixed or joint companies are now being created in the extractive industry as well as in other branches of the economy in Africa. According to published data, of the 1,013 enterprises created in developing countries by American firms during the period 1958-1967, only 445, that is, less than half, were "wholly" American property. The American companies owned the greater portion of the shares in 298 companies, and the lesser part in 189 (81 cases were unascertained). In Africa, of the 69 new companies, American capital had "full" ownership in 36, more than half the shares in 15, and less than half the shares in 15 (data on three companies unavailable). In the early 1970s, mixed companies were already widespread.

The appearance of many mixed companies in Africa is an expression of the forced retreat of foreign private capital under the impact of the national liberation movement. In these companies, foreign capital shares its influence to a greater or lesser extent with some local partner, takes his interests into account, and foregoes part of the profits. At the same time, mixed companies are a widely used instrument through which the monopolies often manage to maintain their control over the raw materials sources or particular industry they are interested in.

It was not only erosion of the positions of imperialism that led to the rapid spread of mixed and joint companies in Africa; a substantial role in this was played by the intensified competitive struggle between the former metropo-

litan countries (Britain, France, Belgium) and new aspirants to economic predominance in Africa (the USA, FRG, Japan and others). Countries or companies which formerly had no access to African raw materials are usually willing to make big compromises with an eye to gaining a foothold inside the continent. Even such giant Japanese monopolies as Mitsui and Kobe Steel agree to participate in mixed companies. To broaden its positions in East Africa, the American firm Mansfield Tire and Rubber Company even agreed to cooperate with the state corporation (which is considered particularly undesirable) of Tanzania in the production of automobile tyres. With the same purpose in mind Philips is creating mixed enterprises in Kenya and Nigeria.

The trend toward reducing the relative share of foreign capital is more and more in evidence, and things even go as far as production sharing agreements and management contracts (especially in northern Africa). Under agreements of this kind, foreign companies take it upon themselves to do the geological prospecting, organise production and manage the project (including marketing the output). In return they get the raw materials they need.

It would be wrong, however, to assume that every mixed company invariably signifies the edging out of private capital. It is often merely a screen behind which foreign capital exercises its complete or almost complete dominance. This is true especially in cases where the local partners are weak, incompetent, or infected with the money-grubbing virus. Furthermore, the influence of the foreign investor is determined not only by his share in the capital investment but also by the fact that he is the one who has the technological know-how and the skilled technical and administrative personnel. Not infrequently the products can be realised only by using his means of communication, transport facilities and marketing outlets. In manufacturing, where the production of individual parts may be distributed among subsidiaries located in different countries, no subsidiary could function without links with the centre.

Despite the trend toward a reduction of the relative share of foreign capital, raw materials in Africa continue to be extracted by companies in which foreign private capital predominates. This applies especially to Tropical Africa. Nonetheless, substantial changes in the activity of private capital are also in evidence. African governments, regardless

of their socio-political orientation, are more and more firmly upholding national sovereignty. There is no doubt that an end will be put to uncontrolled activity by foreign mining and other companies on the continent.

Another function of the export of private capital—the struggle for markets—is coming into prominence. Although the African market is smaller than those of Latin America and South Asia, foreign private capital is showing growing interest in it in view of the difficulties being encountered in realising goods.

All the current forms of private capital export to Africa—direct investments, portfolio investments, export credits and so forth—to one extent or another serve the aims of the struggle for the African market. Thus, direct investments in the manufacturing industry are used to capture the market “from within”. According to a study made by the Emergency Committee for American Trade, foreign investments are linked primarily with the desire to satisfy a market demand which cannot be covered by exports from the United States. To be sure, this trend is less pronounced in Africa than, say, in Western Europe. The purchasing power of the population of most African states is weak, and that is why the struggle for markets in African countries is still rarely conducted by means of direct private capital investment in the manufacturing industry. Such investments are nonetheless made, but only in some branches of the light and food industries where there is a more or less developed market for their output.

So far, foreign capital has not created production capacities in Africa that are geared more to markets in neighbouring or even more remote regions (as, for example, in Hong Kong and Singapore) than to the internal market. In Africa, this situation obtains only in Dakar and Abidjan, whose light industry is partially export oriented.

Economic integration will undoubtedly increase the interest of foreign private capital in direct investment in manufacturing because opportunities will open up to vie for the internal markets of several countries simultaneously. Integration processes in Africa have not yet brought about any noticeable changes in this respect possibly because the groupings so far created have been passive or lacked sufficiently clear prospects.

Hence, export credits have become the principal form of the export of private capital to Africa. They are a powerful means of realising output. As on any other market, success on the African market is most easily achieved if the offer of goods is accompanied by the granting of credits. Some types of goods with a high cost per unit (large machines, complete sets of equipment, ships, airplanes, etc.) are virtually impossible to sell without extending credit. The amount and repayment periods of credits often play a more important role in Africa than price and quality. Africa's principal trading partners have generously granted these credits on the one hand to enhance their influence in Africa, and on the other because of the general difficulties they have had in selling their industrial goods. Capitalist countries and companies have even competed in the business of granting credits, a practice also dictated by their desire to preserve their influence on the markets or to capture new ones.

As mentioned above, the export of private capital is designed to fulfil one principal function—to bring in the highest possible return. However, some Western economists argue that the profit rate on capital investments in develop-

Table 5

Influence of Guaranteed Private Export Credits
on the Growth of Africa's Imports
(excluding South Africa)
(in millions of dollars)

Year	Total Imports	Growth of Imports Over Preceding Year	Net Growth in Guaranteed Private Export Credits	Ratio 4 : 3
1967	8,120	-110	297	—
1968	8,660	540	69	12,8
1969	9,450	790	235	30,0
1970	11,000	1,550	438	28,2
1971	12,500	1,500	596	39,7
1972	13,780	1,280	391	30,5
1973	17,830	4,050	653	16,1
1974	27,590	9,760	1,149	11,2
1975	37,990	10,400	2,666	25,6

Calculated according to data in: *Monthly Bulletin of Statistics*, U. N., New York, December 1973; *Ibid*, December 1976; *Development Assistance. 1971 Review*, pp. 196-97.

ing countries is very moderate. For example, the OECD's annual report for 1972 said, "As to the current cost of contractual debt, including both development lending and export credits, the average interest rate is about 4.5 per cent per annum. The rate of return on direct investment is still a subject of considerable research, but an average figure of 10 per cent per annum on book value seems plausible".¹ These estimates are unquestionably overtly conservative.

According to American statistical data, the average rate of profit on direct US private capital investments in Africa was 26.9 per cent in 1970. It was the highest in oil extraction—31.1 per cent. Then came the mining industry—16.6 per cent, manufacturing—10.0 per cent, and other industries—17.1 per cent. Leaving out oil extraction, the rate averaged 15.8 per cent.

Even these data, however, must be regarded as underestimated and approximate. Private capital has always concealed the real dimensions of its profits. And it has sufficient reason for doing this in Africa too because the countries there are trying to control the movement of private capital. Foreign capital uses the most varied ways of camouflaging its profits in order to avoid taxation and control. Invoices at lowered prices might be issued on raw materials delivered by African subsidiaries to a company's basic enterprises. Or conversely, prices for machines and goods delivered to subsidiaries are artificially raised. Thus, a portion of the African subsidiaries' profit disappears, only to reappear on the balance sheets of the company's basic enterprises. The same picture is observed when the centre grants credits at higher than the market interest rate. Companies also write up nonexistent licence purchases, pad expenses, and pay out big fees or bonuses to the top management personnel, foreign experts, consultants and so forth.

The most important source of profit is the exploitation of labour, which is low paid, insufficiently organised and weakly protected from the standpoint of social security. It has been reported that the cost of labour-intensive parts produced by subsidiaries of West German companies in some developing states, including the cost of shipping them to Western Europe, is 40 per cent lower than that of similar parts

¹ *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, p. 76.

produced in the FRG itself. With this kind of thing in mind, some American firms are contemplating developing in African countries associated with the Common Market certain branches of the manufacturing industry requiring a large input of unskilled labour.

Smaller outlays for environmental protection constitute another factor influencing the rate of profit. In 1973, US industry was forced to allocate 9.8 per cent of its total domestic investment for building protective installations. Abroad, however, American companies spend much less for environmental protection—on the average, 6.2 per cent, the figure being only 2.1 per cent in ferrous and non-ferrous metallurgy (as against 19.9 per cent in the USA) and 6.5 per cent in the chemical industry (compared with 12.3 per cent in the USA).¹ Although there are no figures available on the proportion of the total investment necessary for environmental protection in Africa, it may be assumed that the actual proportion allocated for this purpose is not very large due to weak controls and lower requirements.

The net profit of foreign companies depends also on the taxes they must pay. In Liberia, for example, undistributed profit and income derived by foreign companies from trading operations outside the country are not taxed. Therefore, holding companies readily choose Liberia as their centre, and a large trading fleet operates under the Liberian flag.

The granting of credit is another source of profit. Private credit costs the recipient very dearly. The OECD report for 1971 said that more than half of the developing countries' total debt payments went to private creditors, although private sources accounted for only one-fourth of the total debt. In the report for 1972 it was again noted that 80 per cent of the developing countries' payments applied to their trade debt (arising mainly from private export credits), although this debt represented only slightly over one half of the total stock of debt outstanding.²

The materials of the meeting of African Ministers of Industry held in May 1971 in Addis Ababa, prepared by the UN Economic Commission for Africa, contain indirect but

¹ *Bulletin of Foreign Commercial Information*, Market Research Institute, Moscow, October 16, 1973.

² *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, p. 75.

telling evidence of the exploitative essence of foreign private capital. According to these data, the so-called foreign enclave, which includes the non-African population and foreign corporations, appropriates the greater and constantly increasing part of the gross income of the Subsaharan countries.

The experts with the UN Economic Commission for Africa concluded that African communities have really gained little from the presence of a prosperous colonial and semi-colonial type of "foreign enclave".

All this goes to show that no essential changes have taken place in the functions of the export of private capital. Whatever modifications they may have undergone consist merely in foreign capital taking a broader approach to the question of the profitability of its investments in developing countries. Multinational companies now evaluate the significance of their overseas investments not only according to rate of profit they get directly, but also more broadly, in terms of how the activities of overseas subsidiaries affect the profit picture of the whole concern.

The new strategic tasks of imperialism in the Third World have also given rise to some new functions of the export of private capital which may be called socio-political.

As noted earlier, at the present stage the Western powers are endeavouring to impede the spread of socialist tendencies in the developing countries and to stimulate the formation of a capitalist social structure in them. They have gradually come to the conclusion that preservation of the Third World's obsolete structure does not help but actually impedes the achievement of set goals. Many Western ideologists and economists began as early as in the 1950s to advocate giving increased assistance to the young states and modernising their economies so that they could more actively integrate themselves into the world capitalist economy. Those theorists based their recommendations on the premise that the capitalist system cannot exist encapsulated strictly within the bounds of North America and Western Europe; for American, French, British or any other capitalism to "flourish", a "prosperous" world capitalist economy is essential, and this is inconceivable without Africa, Southern Asia and Latin America.

Over the last two decades, capitalist countries have announced many programmes and undertaken a series of mea-

asures along governmental lines to achieve the goals outlined therein. Each programme had its own target, but as a rule the programmes were limited and poorly financed. The Peace Corps, the Alliance for Progress, the various economic, scientific, technical and military "assistance" programmes, the International Development Association, the regional development banks, and funds of every kind did not justify the hopes pinned on them. And since both the tactical and the strategic aims of imperialism in the Third World correspond to the vital interests of monopoly capital, the latter's active involvement in fulfilling the tasks set became perfectly natural and inevitable.

At the same time, there are contradictions between the long-term interests of capitalism as a system and the immediate interests of private capital. The immediate objective—to extract profits from developing countries—is achieved best of all with minimal expenditure on the creation of an infrastructure, extremely low production costs, and maximal exploitation of labour. The long-range aims, however, entail bigger investments, political manoeuvring and even financial losses. When faced with this dilemma in the past, foreign private capital in the developing countries always gave preference to its immediate interests.

The situation changed somewhat in the 1970s. On its own initiative or as the executor of and participant in government-financed programmes foreign private capital began to carry out socio-political functions in the developing countries. First and foremost this relates to the problem of forming a new social bulwark for capitalism.

Foreign private capital is trying to enlarge the chances of influencing the ruling circles in developing countries. It attracts their representatives with top positions in company subsidiaries, helps them acquire shares or simply gives small blocks of shares to the most "loyal". The local bureaucratic bourgeoisie formed with the help of foreign private capital constitutes one of the foundations of capitalism in the developing countries.

Foreign capital is modifying its approach to a certain part of the local work force with an eye to creating a body of loyal employees. They get better education, qualifications and wages, and are granted certain privileges.

But private capital nonetheless cannot fully rely on the local cadres it has trained, for not infrequently it has been

from their midst that vivid personalities have emerged to head the national liberation struggle.

Particular attention is given to the formation of a numerically large petty and middle bourgeoisie. In the past, foreign private capital did not encourage the creation of a local bourgeoisie in Tropical Africa, considering it to be a potential competitor. Now, private capital takes part in measures aimed at creating African small private enterprises. For example, Northern Nigerian Investments, Ltd. specialises in setting up local enterprises in the light and food industries, hotels, restaurants and shops.

The creation of a local petty bourgeoisie is an important element of imperialism's strategy in Africa. With systematic efforts it can produce certain results. However, there are also powerful countervailing factors. On the one hand, characteristic of capitalism is a tendency to ruin independent urban and rural small-scale commodity producers who cannot survive the competitive struggle against large-scale production. On the other hand, the scientific and technological revolution is also leaving its mark. The probability that a large and stable section of the petty bourgeoisie can be created is now incomparably smaller than at the beginning of the century.

As a result of economic development, a large army of wage earners will be created in Africa; the working class will grow and gather strength. The enhanced role of the working class and the growth of its class consciousness and organisation will create favourable conditions for further struggle against the domination of foreign private capital. At the same time, the growth of the state sector will also be an important factor in the African economy.

As the events of the 1970s show, the trend toward nationalisation of foreign private assets is making increasing headway, and the future of foreign private capital in Africa is evidently not very bright. In any case, its activity there will be subjected to increasing regulation and control.

**A NEW COURSE
IN THE POLICY OF "AID"**

1. A MAJOR INSTRUMENT OF NEOCOLONIALISM

The role and significance of a new form of economic relations between developed capitalist and Third World countries, so-called economic and technical aid, had become fully evident by the 1970s. The form itself had emerged under the influence of a number of socio-economic factors, the development of state-monopoly tendencies in contemporary capitalism, and processes taking place in the young states. Also of great importance was the enhanced economic and political influence of the socialist system in the world arena.

As L. I. Brezhnev, General Secretary of the CC CPSU pointed out in his report to the 24th Congress of the CPSU, "The features of contemporary capitalism largely spring from the fact that it is trying to adapt itself to the new situation in the world. In the conditions of the confrontation with socialism, the ruling circles of the capitalist countries are afraid more than they have ever been of the class struggle developing into a massive revolutionary movement. Hence, the bourgeoisie's striving to use more camouflaged forms of exploitation and oppression of the working people. . . ." ¹

The above fully applies also to the basic conditions giving rise to the phenomenon of "aid", now one of the major

¹ *24th Congress of the CPSU*, Moscow, 1971, p. 20.

instruments of imperialism's neocolonialist policy. At the same time, as a politico-economic category, "aid" is the natural result of the development of the basic laws of capitalism as a system, and in its main features is fully determined by these laws. "Aid" has a direct relation to the export of capital, a fundamental feature of imperialism. At the same time, the development of state-monopoly capitalism imparts to it a number of specific features which distinguish it from the export of private capital. Representing the export of state capital, "aid" transcends the goal of the individual capitalist, namely, extraction of maximum profit, which is a law of capitalism and of the export of capital. The modern capitalist state—the spokesman for the common interests of a given country's class of capitalists as a whole—sometimes deems it expedient to effect the transfer of material resources to one or another developing country on easier terms than those on the market, that is, on terms that private capital could not offer. The gratuitous transfer of part of the financial resources in the form of grants or subsidies is the extreme expression of this tendency.

It is mainly political factors that motivate the developed capitalist countries' decisions to grant resources to developing states on easy terms. They have become especially important in conditions marked by the deepening of the general crisis of capitalism and the weakening of its positions in the Third World countries. The capitalist "donor" country regards easy-term credits or subsidies as an important way to strengthen its positions in a given developing country, support the ruling regime it likes and influence socio-economic processes.

Because a substantial part of the capital flow to Africa had been in the form of loans, by the time they won political independence most African countries were heavily encumbered with debt, totalling \$3,300 million in 1961.¹ As a result, to this day many African countries, despite their financial straits, have to make regular outlays of large sums of money to their former colonial overlords for debt servicing and repayment.

By the time the developing countries achieved national

¹ *World Bank. International Development Association. Annual Report 1969*, Washington, p. 48.

independence, clear-cut flows of state and private capital to developing states had taken shape. Private capital investments were directed as a rule into highly profitable areas of material production and trade, and were compensated by a return flow in the form of profit; state capital was invested in low-profit or non-profit spheres which helped create generally favourable conditions for maintaining the colonial order of things and for private investment.

Although "aid" arose in the era of the collapse of the colonial empires, it nonetheless bears features characteristic of the colonial period. Its clear-cut division according to the "spheres of influence" of the major capitalist powers is one indication of this. Although about two decades have passed since most of the countries of Africa won their political independence, the basic donor countries still concentrate the export of state capital within the limits of their former colonial empires and do everything they can to keep imperialist competitors out. (This is now called "special" or "traditional" ties).

In the period 1969-1971, for example, of the average sum of \$893.2 million a year granted by France in the form of "aid", \$712.5 million, or 80 per cent, went to countries in the franc zone; and of the \$413.8 million which Britain allocated for this purpose, \$344 million went to Commonwealth countries, with only \$1.7 million going to countries outside the Commonwealth.¹

The interest of the young states themselves in receiving outside resources has surfaced as a new factor. The tasks involved in speeding up development, overcoming economic dependence on imperialist states, raising the standard of living and cultural level as rapidly as possible, and switching to modern production techniques in industry and agriculture require attracting large sums of money from abroad. In many cases the countries concerned cannot accomplish all these tasks unaided or can do so only at an extremely slow pace.

In this connection, some developing countries regard state aid as the most acceptable. They feel that in this case the objective of deriving maximum profit takes a backseat, and consequently they can expect to receive financial re-

¹ *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, pp. 141, 142.

sources either gratuitously or on considerably easier terms than from private sources.

Some developing countries entertain the illusion that so-called multilateral assistance is especially preferable, that is, assistance given through international organisations like the International Bank for Reconstruction and Development and the International Development Association, which allegedly ensure a high degree of impartiality in the choice of a recipient country and of projects to be financed.

During the 1960s, the industrialised capitalist countries, which constitute the basic markets for the developing countries, increased their domestic production by 4.8 per cent a year. This rate enabled the developing countries (not counting the principal oil exporters) to expand their exports to the capitalist states by only 4.5 per cent a year.¹ Thus, for each per cent of growth of the developed capitalist countries' gross domestic product there was only a 0.94 per cent growth in Third World exports.

A different relationship obtained between the developing countries' (excluding the basic oil exporters) economic growth rate and the growth of their needs in imported goods. The annual growth of their domestic product in the 1960s was 5.0 per cent; the corresponding growth of imports was 5.7 per cent.² The ratio of these two indicators was thus 1 : 1.14.

With this ratio between the growth of the developing countries' gross domestic product and the increase in imports it required, the annual 4.5 per cent increase in export earnings could finance an economic growth rate of no more than 4.0 per cent a year. The developing countries could secure the additional 1 per cent a year growth only by using external resources in the form of aid and private capital investments.³

¹ *Financial Resources for Development. Trade Prospects and Capital Needs of Developing Countries During the Second United Nations Development Decade.* Report by the UNCTAD Secretariat. 22 December 1971, TD/118, Supp. 3, pp. 44, 47.

² *Ibid.*, pp. 43, 52.

³ Considering the fact that the gross domestic product of all developing countries in 1969 totalled \$263,000 million (*Ibid.*, p. 70), then with an average capital intensity of investments equal to 3, a 1 per cent growth of gross product requires capital investment amounting to \$7,800 million ($\$2,600 \text{ million} \times 3 = \$7,800 \text{ million}$),

Hence, the retarded growth rate of exports to the basic industrialised capitalist states, the fluctuation and falling of prices on the major types of raw materials exported by the developing countries, and the obstacles the developed states put up to developing the export of manufactured goods from these countries—all this led to a situation when the export earnings of the Third World countries proved insufficient to maintain a minimally required rate of economic development.

The imperialist states regard the dependence of the developing states on foreign sources of accumulation as something that creates a favourable opportunity for them to pursue a neocolonialist policy and to impose upon the young states such forms of economic and social development as would deprive them of prospects of changing their unequal position in the world economy and achieving economic independence.

2. SOURCES OF CONTRADICTIONS

The meaning of "aid" as an instrument of neocolonialism gradually became clearer and clearer. And by the end of the 1960s, a series of contradictions arose around this problem between the industrially developed capitalist "donors" and the developing countries, which the former have characterised as the "aid crisis".

What are the distinctive features of this crisis?

Most of the developing countries are deeply disappointed with the results of their economic development during the first decade of their independent existence. The hopes that the assistance of developed capitalist countries would substantially accelerate the economic growth rate and help bridge the tremendous gap in levels of economic development were not justified.

Some bourgeois economists (K. B. Griffin, J. L. Enos) have pointed directly to the negative results of the developing countries' use of foreign aid. "If anything, aid may have retarded development by leading to lower domestic

which roughly corresponds to the net flow of resources in the form of capitalist aid at the end of the 1960s plus the balance on private capital investments.

savings, by distorting the composition of investments and thereby raising the capital-output ratio.”¹

Capitalist countries have shown an obvious reluctance to increase the volume of aid to a point where it might at least relatively correspond to the growing needs of Third World countries for foreign credits on easy terms and reflect the growth of the national product of the developed capitalist countries.

On the whole, the volume of capitalist aid grew from \$4,965 million in 1960 to \$7,984 million in 1970. However, there was no increase in resources going to Africa during that period. In fact, there was even a drop in volume in some years. During the period 1960-1966, aid to Africa averaged \$1,669 million a year; it fell to \$1,601 million and \$1,562 million in 1967 and 1968, respectively, and only between 1968 and 1970 went up again to an average of \$1,669 million.

In 1971, aid to all developing countries, including African countries, rose nominally to \$9,030 million, and in 1972, to \$10,194 million. However, this growth in dollar value was due primarily to changes in the currency exchange rates of some capitalist countries. Furthermore, the rise in the amounts of aid was actually nullified by the devaluation of the dollar and the general price increases on goods and services financed through aid programmes. Thus, with a nominal 11.5 per cent growth of credits in 1972 over the preceding year, the real flow of funds increased by only 1 per cent.²

As for Africa, its share of total development aid fell substantially over the last decade: from 30 per cent in 1960 to 22.5 per cent between 1968 and 1970.

The nominal indicators on volume of aid published by the official statistics of the capitalist countries require substantial corrections. It should also be borne in mind that in OECD publications aid is shown in “net” form, that is, minus payments on the principal of previously granted credits but without account taken of interest payments, and it is also expressed in current prices. Thus, in order to get

¹ *Economic Development and Cultural Change*, Vol. 18, No. 3, Chicago, 1970, p. 326.

² *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1973 Review*, OECD, Paris, 1973, pp. 181-82.

an idea of the real volume of aid funds coming into developing countries, account must be taken of the outflow in the form of interest, and the fall in the purchasing power of capitalist currencies due to the steady growth of prices for goods supplied.

The volume of interest payments on state credits alone grew from approximately \$200 to \$250 million at the beginning of the 1960s to \$846 million in 1972. Simultaneously, the prices for the goods and services financed through aid went up. According to OECD figures, prices on goods supplied under "official development assistance" rose by 41.7 per cent between 1961 and 1972. The cost of "technical assistance" went up even more. The OECD estimates, for example, that the wage rates of experts sent to developing countries by the main capitalist states went up by 71.2 per cent during the period referred to above.

As a result, despite a nominal increase in "official development assistance" from \$5,197 million in 1961 to \$8,654 million in 1972 (at 1961 prices), it amounted to \$6,107 million, that is, it grew by only 17.5 per cent. Funds provided by the donor countries for technical assistance during that period were more than tripled (from \$600 million to \$1,842 million); however, their real volume grew only to \$907 million, that is, by 50 per cent.

Applying the above-cited indicators of the decline of the purchasing power of capitalist aid to African countries, the inevitable conclusion is that the real volume of aid at the beginning of the 1970s was even smaller than at the beginning of the 1960s. An additional deduction of at least \$240 million, representing the amount African countries pay annually in the form of interest on state credits, should be made from this volume.

It was shown above that the volume of capitalist aid to developing countries is growing extremely slowly and is actually falling with respect to African countries. However, the Third World countries' needs for outside resources steadily grow as their economies develop. According to UNCTAD estimates, by 1980 the domestic resources of the developing countries will fall short of the amount needed to ensure minimally required growth rates by a figure of from \$21,800 million to \$28,500 million. For the African countries, this deficit will be from \$1,500 million to \$4,500 million depending on the estimated variant of the economic

growth rates. Projections for the 1970s do not provide grounds for optimism, as can be seen from Table 6.

Table 6

Current State and Projection of African Countries' (excluding Libya) Needs for Foreign Resources
(in \$1,000 millions)

	Projection 1980	
	Minimal	Maximal
Gross domestic product	69.0	74.1
Gross domestic savings	12.9	13.9
Gross domestic investment	14.4	18.4
Savings gap	1.5	4.5
Imports of goods and services	19.9	22.7
Exports of goods and services	17.7	19.2
Trade balance	-2.2	-3.5
Factor income payments*	-4.0	-4.4
Trade gap	6.2	7.9

* That is, net income taken out of the country in the form of interest, profits and dividends on foreign private and state capital invested in developing countries. Source: *Financial Resources for Development. Trade Prospects and Capital Needs of Developing Countries During the Second United Nations Development Decade*. Report by the UNCTAD Secretariat. 22 December 1971, TD/118, Supp. 3, pp. 70, 71.

From Table 6 it can be seen that in terms of value capitalist aid to African countries at the end of the 1960s seemed to cover the needs of the continent for foreign resources. In fact, however, these resources contributed to the direct financing of economic growth only to a small degree. The bulk of the aid funds was spent on covering the deficit listed under "Factor income payments", that is, it was used to pay interest, profit and dividends on foreign private and state capital invested in African countries. And only a small part (\$400 million) was spent productively to cover the deficit in trade and services. The gap between domestic savings and domestic investments, amounting to \$400 million, reflects this additional volume of resources drawn from foreign sources.

Future possibilities to make productive use of resources received in the form of aid are considerably less favourable

ble. A growing volume of resources coming from the outside will be spent on repaying the mounting debt and the payment of profit and dividends.

According to calculations made on the basis of assessments of the main capitalist countries' GNP growth trends and of the possible increase in the share of aid in the gross product compared with its present level, the volume of aid to African countries may grow to \$2,600 million by 1980 (on a net basis).

However, despite the projected 1.5-fold increase in capitalist aid to African countries by the end of the current decade, the shortage of funds necessary for economic development will grow considerably, to amount to from \$3,600 million to \$5,200 million (the latter figure being the more probable).

The above estimates are noteworthy also for the following reason: the ratio of the part of foreign resources spent for productive purposes to the part spent to repay the debt indicates that to make a real contribution to the economic development of Third World countries it is necessary not only to increase the volume of aid but also to radically change the terms on which it is given.

However, current trends with respect to both the volume and terms of capitalist aid hold out no hope for the developing countries in this respect.

Dissatisfied with the low volume of resources coming from the main capitalist states on easy terms, the young independent states are demanding that the volume of aid correspond to the growth of the national product of the donor countries. Of late, all the main capitalist states have agreed in principle that the annual volume of official state assistance on easy terms should amount to 0.7 per cent of GNP of each creditor (or 1.0 per cent if private sources of financing are included). However, none of the five principal "donors" (the USA, Britain, France, the FRG and Japan) had fulfilled this task by the time set in a UN resolution—the middle of the Second Development Decade (mid-1970s). Moreover, US official development aid fell from 0.56 per cent of GNP in 1962 to an unprecedented low of 0.23 per cent in 1973.¹

¹ *Coopération pour le développement. Efforts et politiques. Examen 1974*, OECD, Paris, 1974, p. 230.

The policies of the other capitalist "donors" are essentially the same. In 1973, the share of West Germany's development aid was 0.32 per cent of GNP. Britain promised to increase the share of aid from 0.37 per cent to only 0.43 per cent by the mid-1970s. France announced its intention to hold the volume of aid at a level between 0.6 and 0.7 per cent of GNP, although in 1961 it was 1.41 per cent.

Substantial and generally unfavourable changes took place also in the structure of the various kinds of financial resources flowing to the developing countries.

Table 7

Structure of Net Flow of Financial Resources from Developed Capitalist States to Developing Countries

	Average for		
	1960-1962	1969-1971	1975
Official development assistance	59.3	45.8	35.2
Bilateral grants and grant-like flows	45.4	22.1	16.2
Bilateral loans	7.9	16.2	9.2
Contributions to multilateral institutions	6.0	7.5	9.8
Other official flows	6.9	6.5	7.8
Bilateral	5.7	5.4	7.6
Multilateral	1.2	1.1	0.2
Private flows	33.8	47.7	57.0
Direct investment	19.7	22.9	26.5
Bilateral portfolio	5.4	6.0	14.0
Multilateral portfolio	2.1	3.5	6.0
Export credits	6.6	15.3	10.5
Total net flow	100.0	100.0	

Source: *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, p. 46. *1976 Review*, p. 229.

From Table 7 it can be seen that the share of "official development assistance" fell from almost 60 per cent in the beginning of the 1960s to less than 46 per cent by the end of the decade.

Changes unfavourable to the developing countries also occurred in the structure of official aid itself. Although its nominal volume grew, the increase came exclusively from

loans granted on a bilateral basis and in the form of contributions to the funds of international credit organisations. However, the proportion of resources given gratuitously was almost halved, and there was a steady decline in their absolute volume, which in 1970 was almost \$660 million less than in 1961.

In statistical data published in capitalist countries, the category of "other official flows" includes export credits granted by state credit organisations (like the Export-Import Bank of the United States), and also the shares and securities of international financial institutions acquired by Western countries. All these kinds of resources are made available to developing countries not on easy terms but terms close to those existing on the international money market.

The change in the correlation between grants and loans led to a steady deterioration of the terms of capitalist aid. To conceal this process, OECD statistics in 1969 stopped showing the average terms for the total flow of state credits. Mixing the statistical indicators and thus making them incomparable, the OECD now publishes information only on so-called official development assistance. Nonetheless, even in the doctored form the data testify to a deterioration of the terms of capitalist aid.

Private export credits are an important type of financial resources coming into the developing countries. An ordinary means of trade policy in relations between equal partners, they have an extremely adverse effect on the economies of young developing states. The usual repayment period for these credits is from 2.5 to 6 years, and payments often begin before construction of the financed project is completed. Thus the recipient country is deprived of the chance to make payments on the loan from the income of the enterprises built on the borrowed funds. The prices for equipment delivered against such credits are as a rule considerably higher than world market prices, which leads to a substantial rise in the real rate of interest, reaching 10 and even 20 per cent per annum.

Export credits, both private and official, are at the present time the basic factor in the growth of the developing countries' indebtedness to capitalist creditor countries, and the condition of this debt is becoming one of the Third World's most acute problems.

An important factor in the worsening of the conditions of capitalist aid is the widespread practice of "tying" credits. The recipient of tied aid is obliged to use the money received for buying goods in the donor country. Not infrequently a credit is granted on the condition that it be used to build a specific project in the developing country which for one or another reason is to the advantage of the creditor country. Technical assistance is also in fact of a tied nature. As a rule, grants are used by the donor state itself to pay the specialists it sends to the developing country.

Tied credits are a very symptomatic thing. The intensification of the inter-imperialist struggle for markets, the instability of the domestic economic situation, the deterioration of the balance-of-payment position in a number of capitalist countries, the United States above all, and serious currency upheavals—all these are factors that have determined, along with other forms of state-monopoly protectionism, also the policy of tied aid.

For capitalist states, the tying of credits serves as a powerful means of accelerating the export of goods and services. According to available figures, every million dollars which the United States has spent under aid programmes without any restrictive conditions imposed on the recipient created additional markets for only \$360,000 worth of American goods. The recipient country was free to spend the rest of the money to purchase the goods it needed in other, more favourable, markets. Other capitalist creditors are in approximately the same situation.

As a result of tying, however, the United States has been able to secure growth of its exports to \$760,000 for every million dollars worth of aid, i.e., more than twice as much as with untied credits. The policy of tying has the same effect on the exports of other developed capitalist states, none of which are interested in lending developing countries money from which a competitor may profit. Each capitalist country strives to keep the sale of its traditional export commodities as much as possible within the framework of ordinary commercial relations, protecting them in every way against competition from its own commodities sold within the framework of aid. As a result, a kind of "division of labour" is formed between ordinary commercial export and the sale of goods in the context of aid. In line with this, it has become a function of "aid" to inten-

sify the sale of non-competitive commodities, and this is done to a large extent by edging out from the market suppliers from other industrial countries.

But it turns out that it is only the developing countries that lose out. The inevitable result of restricting the right of the buyer to select the most advantageous commodity supplier is that selling prices become inflated in accordance with the laws of capitalist competition. Not infrequently, the recipient country has to buy goods under an aid agreement at prices 30 to 40 even more per cent higher than the prices for similar goods on the world market. Irrational shipments of commodities linked with the sources of financing cause additional losses. As a result of the higher prices for goods and services the real economic benefit flowing to the developing countries from capitalist aid is substantially reduced, while the burden connected with its use correspondingly grows.

The gap between prices for tied deliveries and competitive goods means a substantial increase in the cost of credits granted under aid programmes. Calculations show that a 3 per cent per annum interest rate on credit granted for a 20-year period is actually almost doubled if the prices for the financed goods are 30 per cent above world prices (and this is a normal occurrence under tied aid). This tying, which has become widespread, nullifies the widely advertised "liberalisation" of Western aid; at an actual 6 per cent per annum, the capitalist countries' official credits on easy terms are little different from ordinary commercial credits.

Tying leads to a number of highly unfavourable consequences for the economy of the recipient country. As a rule, it exacerbates the problem of financing internal outlays for building a given project, which frequently amount to one half and sometimes an even larger part of its total cost. The use of local materials, transportation and manpower is an important factor not only in keeping construction costs down but also in promoting the economic development of the aid-recipient country. However, the capitalist creditor, in order to build up his own exports, tries to make as large as possible the share of the recipient country's outlay for building a given project that must go for imports. This forces the overall cost of the project up, creates obstacles to the development of local industry and employment

growth, and ties the project, once it is built, to sources of spare parts and auxiliary materials in the developed capitalist countries.

The policy under which capitalist creditors tie their aid to specific projects whose construction is the most advantageous to them leads to violations of optimal choice, i.e., to the financing of construction that is not of priority importance from the standpoint of the interests of the aid-recipient countries, and this always means a substantial loss to their economies.

3. THE BURDEN OF DEBTS

One of the most acute problems of the developing countries is their huge and ever growing foreign debt. Concentrated, as it were, in the debt problem are not only the shortcomings inherent in the contemporary forms and terms of aid and other kinds of international capitalist credit, but also the difficulties in the development and structural reorganisation of the economies of the newly free countries and the unwillingness of the developed capitalist states to effectively help overcome these difficulties and create conditions which would help reduce the debt burden.

During the 1960s, the foreign debt of the developing countries grew more than fivefold, and by 1976 reached the astronomical sum of nearly \$100,000 million (including granted but not yet utilised credits). The payments made by Third World countries to developed capitalist states to service and repay the debt have gone up accordingly.

The steadily growing foreign debts make the developing countries use an increasingly greater gross volume of outside resources in order to keep the net inflow of resources at the same level. Simultaneously, there is a constant growth in the volume of resources which must be used productively enough to enable the country to pay out the bigger and bigger sums in hard currency in the form of debt repayment. However, the conversion of the developing countries' national product into international means of payment encounters difficulties because of unfavourable trends in the world market.

In the first half of the 1970s, the rate at which developing countries repaid their debts grew considerably faster than their export earnings. They had to cover their foreign

currency deficit by attracting aid and private credits and by using previously accumulated reserves of gold and foreign currency. In its turn, such external financing creates conditions for the further growth of the debt and an accelerated outflow of material resources from the developing countries in the form of repayments and profits on foreign capital investments.

While the volume of state loans granted at relatively easy terms grew by 6 per cent a year, the volume of commercial credits increased by almost 20 per cent a year. The developing countries' unpaid debt swells by \$6,000 million to \$7,000 million every year, and its structure worsens because in the total debt amount the share of credits given on rigid market terms is growing. The situation for the developing countries is aggravated by the fact that the grace periods for previous state credits on easy terms expire in the 1970s.

All the unfavourable phenomena discussed above are in full measure characteristic with respect to African countries. By the end of 1972, the aggregate debt of the independent African states amounted to \$16,300 million, as against \$3,300 million in 1961.¹ The flow of payments made by African countries to capitalist creditors has grown to an even larger extent: from \$172 million in 1961 to \$1,267 million in 1972, that is, more than 7.3-fold. The growing volume of payments on the debt eats up a larger and larger part of the resources coming into African countries in the form of various kinds of credits and grants. In 1965, debt payments ate up 24.6 per cent of the sums received, and in 1972—34.8 per cent. This unfavourable trend can be seen even more clearly when the volume of debt payments is compared to amounts received in the form of loans. In 1965, 52.9 per cent of the money African countries received through loans had to be paid to creditors, and in 1972, such payments amounted to 55.7 per cent of the sums received. Loans granted to African countries by capitalist creditors have in fact ceased to be a source of material resources for development, since the greater part of the money derived from new loans is spent on debt repayment.

¹ Detailed statistics on the foreign debt published by the International Bank for Reconstruction and Development cover 86 developing countries, including 38 African states.

Since foreign aid to developing countries is as a rule not given in money but in commodity form, it cannot directly serve the purpose of debt redemption. At best, commodities received by way of foreign aid can partially replace the country's commercial imports and thus enable it to save a certain amount of currency resources for making payments on the debt. Hence, as before, export earnings are the developing countries' major source of currency for debt redemption. The ratio of export earnings to outstanding debts is a factor of indebtedness which gives an idea of the degree of the debt burden. For African countries as a whole, it was 10.7 per cent in 1970. In a number of African countries it has increased significantly in recent years and in some cases exceeded 20 per cent (Tunisia, Egypt).

The rapid growth of the developing countries' foreign-credit debts led to a number of critical situations in the last 10 to 15 years, in which some debtor countries were unable to meet their obligations, failed to make payments on time, and were faced with the necessity of asking their creditors for concessions. Since 1957 such critical situations arose in 10 developing countries (three of which were African—Ghana, Liberia, and Egypt). In the course of negotiations, which recurred three or four times with some countries, Western creditors were obliged in 20 instances to agree to extending the repayment time on debts totalling \$3,000 million. This is not to imply that these concessions were made at the first request. As a rule, a capitalist creditor meets a developing country half way only when the danger of its defaulting on its payments becomes inevitable.

Capitalist creditors seek to take advantage of the difficult financial situation of a debtor country and use the concessions they have to make in its favour as an instrument by which they can impose upon the latter the kind of domestic financial policy they want and strengthen their own economic positions. In the course of negotiations over the settlement of debts, capitalist creditors unite into unofficial groups, or clubs, as they are called, with the aim of increasing the pressure on the developing countries. This device makes it possible to impose upon the debtor states conditions that sometimes run counter to the principles of economic relations for which these same capitalist powers had voted at various international forums, in the UN

and in UNCTAD. The donor countries have come to the conclusion of late that in many cases it is more convenient to operate under the cover of the prestige (and financial resources) of international credit agencies.

Three rounds of negotiations were conducted in London with Ghana during the period 1966-1970, at which time the terms for the rescheduling of loans were dictated by Britain and West Germany, the main creditors. Formally, however, the negotiations were conducted under the aegis of the International Monetary Fund. In other cases, rescheduling negotiations were conducted under the direction of the International Bank for Reconstruction and Development.

Ordinarily, at the first stage of negotiations the creditors ask the debtor country to submit all the necessary information regarding its external obligations and current liquid assets. If such materials are not available, the "creditors' club" makes an independent investigation, which usually takes several months. To make the debtor more "tractable", no additional credits are granted during this period regardless of how badly they are needed.

Typical of the policy of capitalist creditors is their unwillingness to revise debt repayment agreements on a scale or on terms that would provide for a fundamental solution of the problem. Usually, they agree to not more than a two- or three-year extension of the repayment time; moreover, the rescheduling does not apply to the entire amount of payments falling due in that period, but usually one half or at best 70 per cent. Consequently, it is not long before the situation again becomes critical and the debtor must raise the question of a new agreement and an additional extension of the repayment time.

Following their customary practice, creditor states that have to make concessions on one thing try to compensate for them in another. A postponement of payment, or moratorium, does not at all mean that the debtor can stop meeting his obligations altogether. A moratorium applies only to payments on the debt balance, but interest payments go on throughout the moratorium period. Moreover, the creditors try hard to set a higher interest rate for this period. Thus, Ghana had to agree to a 6 per cent interest rate during the moratorium; the government's request that the interest rate not be set any higher than 3 per cent was

rejected. Terms of this kind mean that the debtor country ultimately ends up paying an even greater amount than prior to the moratorium because during that period the higher interest is charged on the greater debt amount as well.

The neocolonialists retreat only when a debtor country shows firmness and reveals the machinations of the creditors.

The new government of Ghana headed by Colonel Acheampong, which came to power after a military coup in January 1973, made a thorough study of the foreign debt situation and decided that a unilateral rejection of the repayment terms imposed by Western powers was imperative. Ghana recognised her entire long-term and short-term debt without reservations. What was objectionable were the conditions relating to the granting and use of medium-term credits, which accounted for a large part of the total debt (\$294 million of a total debt of \$888.3 million). Investigations revealed that a substantial part of the contracts under which Western firms had granted medium-term credits (and which were guaranteed by government agencies of the respective countries) were arranged through deceit, bribery and so forth. Ghana refused to recognise the validity of such deals and the total debt of \$94.4 million connected with them. She declined to pay interest, amounting to \$72 million, on the part of the debt for which payments had been deferred. As for the other part of her foreign debt, Ghana agreed to repay it without interest over a 50-year period with no payment during the first 10 years and on the condition that the projects which had been financed by the credits proved to be economically effective.

4. THE PROBLEM OF EFFECTIVENESS

The problem of the economic effectiveness of the outside material resources which developing countries attract is one of the least studied problems of international economic relations. The research and periodical literature of the capitalist countries, which carries a vast amount of information about individual aspects of the international movement of capital, gives primary attention to the quantitative side of the question (although even in this it commits considerable distortions) but as a rule avoids evaluations of its

qualitative side and makes no analysis of the results of aid from the standpoint of the interests of the developing countries.

To analyse the effectiveness of capitalist aid it is essential first to determine what place this aid holds in the system of contemporary state-monopoly capitalism, and to take into account the economic relations with developing countries that are formed under its influence. Two aspects are closely intertwined in the policy of aid. One stems from the desire of contemporary imperialism to preserve and wherever possible to strengthen its positions in the developing countries. The other is connected with the performance of the economic functions of the imperialist system, the chief among which are the export of capital and the export of commodities.

Accordingly, two approaches to the aid policy of the principal capitalist countries can be distinguished. In the first place, aid is regarded as an important instrument for bolstering regimes which the imperialist donor favours and a means of strengthening the political and economic positions of a given capitalist state in a particular developing country. Here, the question of the economic effectiveness of the aid recedes into the background. The volume of aid is determined by the need to create an "impressive effect" in the recipient country; hence a substantial part of the aid resources is spent on handouts to the ruling elite and erecting prestigious non-industrial projects. To achieve "political stability" considerable funds are spent on strengthening the police apparatus and the armed forces.

In the second place, the capitalist state, without ceasing its efforts to influence the politics of the recipient country, pursues also its immediate economic aims. These may consist both in capturing or expanding markets for its commodity exporters and in creating more favourable conditions for capital investments in the economy of the given developing country.

As a specific form of the export of state loan capital (albeit offered primarily in commodity form), aid is not organically connected with the results of its use. The state credits or the grants of the capitalist donor stimulate a growth of the creditor country's commodity exports. However, the repayment and servicing of a loan, as well as the realisation of the surplus value materialised in the commodities

delivered under the credits granted, have no relation to the productive use of the loan capital. The capitalist creditor (this is especially characteristic of the International Bank for Reconstruction and Development) can set strict requirements with respect to the technical side of the project financed with his aid, and control the expenditure of the funds supplied. But he never links the question of loan repayment with the results of the operation of the financed project. Within the framework of aid the government of a recipient country always figures in the agreements as the guarantor that the obligation will be met. That is why the capitalist creditor countries are interested first and foremost not in the productive use of the financial resources they supply but in the general state of the economy and the credit solvency of a prospective borrower.

One review of the activity of the IBRD¹ notes that the bank maintains a close relationship with its borrowers throughout the life of each loan and claims the right to give "continuing attention throughout the life of each loan to the general economic and financial conditions in the borrowing country" in order to "ensure that the maintenance of service on Bank loans is not jeopardized by the emergence of conditions which might be prevented".

The basic type of economic assistance given by capitalist countries is "projects aid", that is, the financing of the building of specific projects for the national economy. The usual condition on which the foreign credits are granted for this purpose is that the project promises to be sufficiently profitable commercially. This is held to be the major criterion of the overall economic significance of the project and hence of the effectiveness of the entire investment. However, there are big differences between cost-accounting profitability indicators and indicators of effectiveness for the national economy. An assessment from the standpoint of the national economy takes into account a considerably greater number of indicators, plus a whole complex of possible direct and indirect consequences of realising the project. But most importantly, it considers the effect of the project's operation over the long term which makes it pos-

¹ *IBRD. Policies and Operations of the World Bank, IFC and IDA*, Washington, 1962, p. 42 (quoted from *World Politics*, Princeton, Vol. XXI, No. 3, April 1969, p. 435).

sible to better assess the project's importance to the country's economy as a whole.

The project-by-project approach suits the capitalist creditor above all because it opens up for him a ready and secure market for the kind of industrial goods it has developed. "Projects aid" also makes it possible to exert pressure on the recipient country for one or another political purpose. In a work dealing with the effectiveness of foreign assistance, American economist Hollis B. Chenery says: "Probably the most important . . . is the fact that furnishing aid on a project-by-project basis allows the donor to remain uncommitted."¹

Since the nature of the financed project is geared above all to the job of expanding the commodity exports of the country furnishing the aid, the most attractive from the point of view of the donor are large, capital-intensive installations with a complete production cycle. The so-called demonstration effect is also an important factor, i.e., the project should give the impression of being a visible and obvious contribution to the country's economic development without any complicated or deep-going investigation into its effectiveness. Additional features of a "good" project are: a clear-cut demarcation between the period of construction and the period of operation; simplicity of the procedure of delivering the necessary capital equipment; and the financial independence of the project.

Of considerably less interest to the "donor" are projects that do not have a high import content, even though the developing country may have great need for them. Various projects for developing agricultural production may serve as examples. As a rule, a substantial share of the outlay for such projects goes to maintain a staff of experts to direct the work of expanding agricultural production and oversee the execution of agrotechnical measures. Regular expenditures for furnishing credit to farmers are also required. As Kenya's experience shows, the share of expenditures for imports in such projects does not exceed 25 per cent, a considerable part of the total cost of the project is accounted for by current expenses, and the period during which buildings or other structures are erected or expanded

¹ *Developing the Third World: The Experience of the Nineteen-Sixties*. Ed. by Ronald Robinson, Cambridge, 1971, p. 217.

is inseparable from the period of productive activity. The contribution that a project makes to the country's economy is sometimes not visible or obvious, and the economic benefits may be distributed among a large number of farmers and thus be inconspicuous.

Programmes for the development of education, public health, housing construction and so forth are also considered "unprofitable".

As a result of this approach to the choice of projects for financing, foreign assistance covers only a very small part of the total outlays for their construction within the framework of national development plans.

At the same time, if projects meet the requirements of the donor countries, the latter may even impose their assistance even though the advisability of building the projects may be very doubtful from the standpoint of the vital interests of the recipient country.

It frequently turns out that completed projects operate far below full capacity because their output does not find sufficient demand in the local market or because the raw and other materials they need have to be imported and require outlays of foreign currency which is in short supply.

As a result, a number of large projects (dams, railroads) in which not only "aid" funds but considerable resources of the developing countries themselves are invested operate far under capacity and constitute essentially idle capital. This kind of freezing of assets drawn from the meagre national resources of developing countries is a typical occurrence, in particular, for Africa.

Thus, the Roseires dam in Sudan, built in 1966 with financing by the IBRD and the IDA, is in effect unutilised (according to data for 1975). After putting about \$ 50 million of its own resources into its construction, Sudan is getting no return from this investment and moreover is obliged to pay interest on the loans received from the bank and its affiliate.

There are serious doubts, for example, as to whether the building of a £100 million power complex on the Niger River in Nigeria is economically advisable. The existence of considerable reserves of oil and accompanying natural gas in the country gives grounds for considering it to be more economically profitable to build thermal electric power stations.

The same may be said of the Owen Falls complex in Uganda, the Akosombo Hydroelectric Power Station in Ghana and others. And yet, capitalist countries and international financial organisations continue to offer assistance for the construction of more hydroelectric projects in Africa.

This approach is also typical in transportation facilities construction. For example, Sudan was offered "aid" for the construction of the Khartoum-Port Sudan highway, running parallel to the existing railway whose tonnage capability was far from being fully utilised.

5. SOME PERSPECTIVES

The 1970s are marked by an upsurge of the developing countries' struggle against imperialism and their fight to break out of their unequal position in the capitalist economic system and secure genuine economic independence.

The results of the first decade of the independent political existence of most African states, which coincided with the First United Nations Development Decade, made them take a closer look at the activity of the developed capitalist countries in the field of aid. On the whole, the results of this assessment were not very comforting. The flow of resources from the capitalist countries had failed to eliminate the tremendous difference in levels of economic development between them and the Third World countries. The gap continued to widen. The OECD's 1972 Review of the development co-operation efforts and policies of the main capitalist countries said: "It is now abundantly clear that the present scope of such efforts can do nothing to reduce these differences; it can only prevent them from widening at a faster rate than they are doing."¹

During the 1960s the average annual growth of the gross national product of the main developed capitalist countries was \$110,000 million. During this period, the nominal volume of aid grew by \$345 million a year, that is, by 0.3 per cent of GNP. This volume could in no way be called "ruinous" to the donor countries. From the standpoint of the interests of the young states' development the real contribu-

¹ *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, p. 32.

tion of capitalist aid not only did not grow over the decade but substantially declined. The average per capita volume of official development assistance, which increased between 1961 and the beginning of the 1970s from \$3.65 to \$4.05 mainly due to the rise in prices on goods delivered, actually declined by 15 per cent in real terms.

Throughout the 1960s, for most developing countries, African countries included, there was a steady deterioration of the conditions in which social reproduction could take place. A major element in the process of social reproduction is the exchange of a substantial part of the national product in the foreign market, yet for most African countries there was a steady worsening of the terms of trade, that is, in the ratio of the index of export prices to the index of import prices. The UN Economic Commission for Africa (ECA) has calculated that between 1960 and 1970, the African countries lost more than \$6,000 million through changes in their terms of trade, the loss in 1970 alone being about \$700 million. Thus, the worsening of the external conditions of reproduction imposed losses on them equal to about 40 per cent of the resources they received during that time from the capitalist countries in the form of aid. African and other developing countries sustained considerable losses also as a result of the monetary crisis in capitalist countries in the early 1970s. The two devaluations of the dollar meant a direct loss to countries that had accumulated reserves of that currency.

The experience accumulated by African countries convinced them that the imperialist powers' aid policy and the volume of aid they are able to give to a developing country are determined not by the latter's real needs for additional resources but by some particular economic, political, or strategic interest of the donor in each specific case.

It would seem that priority in granting aid should go to the poorest countries, countries with the lowest per capita income, the least developed productive forces and the lowest standards of living. These countries, moreover, are frequently in an unfavourable geographical position which impedes economic development, such as having no outlet to the sea or occupying an island remote from the main industrially developed zones. Yet these countries, classified as "least developed", are as a rule also the least attractive as prospects for capitalist aid.

Another sign of the aid policy crisis is the tendency that has appeared of late in capitalist countries to put in question the validity of taking per capita national income or product and its rate of growth as objective indicators of progress in economic development. What is proposed instead is to use less definite data relating to the social sphere, such as the literacy rate, the level of medical services, reduction of the death rate, etc.

Without denying the importance of these indicators, it should be noted however that they are secondary to the basic and decisive indicator which characterises the degree of development of the productive forces, on which, in the final analysis, the state of the social sphere depends as well. Furthermore, although statistics on the distribution of the national income among the various social groups in African countries are very incomplete, nonetheless there is irrefutable evidence that instead of helping to reduce social inequality capitalist aid has increased it.

No small part of the aid resources flowing into African countries oriented toward the development of capitalist relations has fallen into the hands of a corrupt bourgeois elite, a bureaucracy which has used it for personal enrichment, the building of private residences, the purchase of expensive automobiles and luxury items. Foreign aid has promoted the emergence of local small-scale and medium-scale industrial and trading enterprises and thereby stimulated the growth of class antagonisms among different groups within the population.

Resources received from abroad have sometimes been used by local governments as a justification for not enacting progressive tax laws, and this has also tended to perpetuate social inequality.

These negative effects of the use of foreign aid in many Third World countries became so pronounced that even the more conservative agencies in the field of international financing felt obliged to speak of them openly. In his speech at the Third Session of UNCTAD, President of the IBRD Robert S. McNamara said that a study of national income distribution in more than 40 developing countries showed that the share of the national income going to the poorest groups of the population not only did not increase but even shrank.

To eliminate social inequality it is important to narrow

the gap between urban and rural standards of living. Despite the fact that the rural population is in the absolute majority in the developing countries, especially in Africa, by far the greater part of foreign aid resources is used for the development of urban regions. According to OECD estimates for developing countries as a whole, about 80 per cent of the aid funds furnished by capitalist states were used in cities and only 20 per cent in rural localities, whereas the population figures for the respective zones in the developing countries are in approximately the same but inverse proportion.

This lopsided distribution of resources had the inevitable effect of deepening the antagonism between town and country, and was an additional factor intensifying the migration of the rural population to the cities, causing a growth of unemployment, and giving rise to a number of other negative socio-economic consequences (for example, an increased demand by the urban population for imported foodstuffs). The aid agencies show little interest in investments in rural localities, especially if they are not connected with the expansion of the production of commodities designated for export to the industrial countries. This is so particularly because this kind of aid requires a long period of day-in-and-day-out work before it yields its fruits. The development of a rural area calls for precise co-ordination of work embracing not only agricultural production itself but also the development of local transportation and the organisation of systems of a farm credit, public health and education, including technical training. Western theoreticians and political figures are not averse to talking about all these "fashionable" problems but prefer not to deal with their concrete solutions.

The inability of capitalist aid to help Third World countries accomplish the basic tasks of their economic development compels its organisers to seek other channels for its use. Lately, for example, the participation of aid agencies in birth control programmes in developing countries has been widely advertised. Even such a strictly business establishment as the IBRD had begun financing such programmes. From 1970 to mid-1972 it furnished \$44 million for this purpose. Indeed, if you can't get a substantial growth of per capita income in developing countries by means of aid, why not try to lower population growth?

Other "fashionable" channels into which aid is pumped are endeavours to improve the nutritive value of food used by the population of some developing countries; the financing of research in the field of agriculture, science and technology; the elaboration of measures to increase employment. Numerous international meetings and symposiums are convened on these questions, and in individual cases valuable research is carried on. However, the results of all this activity find practical implementation in the developing countries themselves only to a very small extent. Even the official review of the state of aid is very pessimistic: "The developing countries have reaped no benefits yet from all this talk and paper..."¹

Thus, for example, in the context of helping to "improve nutrition", American aid agencies widely advertised gratuitous shipments, effected under public law No. 480, of about one million tons of a nutritive mixture of maize and soybean milk and also of a wheat-soybean mixture. In 1972, the US Agency for International Development (AID) announced that it was ready to make a new contribution to a greater supply of protein for developing countries by making shipments of roasted ground wheat with a soybean supplement, corn fodder for livestock, and wheat flour.

However, in practical terms the significance of these products for improving nutrition proved to be small. Millions of people in African and other developing countries showed no desire to use these new and unfamiliar food products. Others did not want to pay more for them than for their traditional foodstuffs.

At the same time, aid programmes to develop sources of animal protein have been ineffective. Fish catches in the developing countries have grown in recent years, but a considerable part of the yield is exported to the industrial countries, among other things for processing into livestock feed or fertilisers.

In the developing countries as a whole, growth in production of animal produce barely keeps ahead of population growth. At the same time, because of the high prices for meat in the main consumer countries, large internatio-

¹ *Development Co-operation. Efforts and Policies of the Members of the Development Assistance Committee. 1972 Review*, p. 30.

nal corporations in the livestock and farming business operating in developing countries accelerate its production for export. As a result, a shortage of meat is created in local markets and prices soar, becoming prohibitive to the average local consumer.

* * *

The attitude of African countries to foreign aid is exemplified by their demand for equal rights with creditor countries in matters relating to the granting and use of aid resources. This trend was clearly seen during the lengthy negotiations between African states and the Common Market over the terms of a new agreement. The African countries demanded equal rights in administering the European Development Fund, the "Nine's" basic agency through which credits were granted to associated states. Moreover, in the opinion of the African states, the fund should give preference to countries in the most difficult economic condition.

Similar demands were heard at the conference of heads of government of the (British) Commonwealth countries held in Ottawa in August 1973. The Kenyan delegation, for example, called for the immediate establishment of a joint development bank of the Commonwealth countries to be managed collectively by all its members.

The feeling in many developing countries is that assistance from the capitalist states is not only the latter's moral duty but their direct responsibility to compensate for the losses inflicted over the years of exploitation.

At the same time, the developing countries realise that an increase in the volume of external resources and easier terms for receiving them cannot solve the urgent problems of economic and social development unless they are accompanied by a fundamental restructuring of the whole system of relations with the imperialist states. Many delegates at the Third and Fourth Sessions of UNCTAD called for measures to promote the expansion of the developing countries' exports to the developed capitalist states, especially of manufactured goods.

At the initiative of the developing countries, the Sixth Special Session of the UN General Assembly in April 1974 adopted a Declaration on the Establishment of a New International Economic Order and a Programme of Action, which

contained a number of important demands upon the developed capitalist states. In the field of financing the Third World's economic development, for example, they were urged to fulfill the programme for net flow of financial resources to developing countries as outlined in the international development strategy for the 1970s, that is, to bring the volume of the capitalist countries' state aid to 0.7 per cent of their gross domestic product and subsequently to exceed this level.

International finance institutions were called upon to fulfill the role of development financing banks without resorting to political discrimination against developing countries or tying assistance to political conditions. A number of demands were aimed at promoting the industrialisation of young states. In particular, a call was addressed to the state aid agencies and international finance institutions of the developed capitalist countries to "respond favourably" to requests from developing countries to finance the construction of industrial projects.

It was also demanded of the developed countries that they undertake a number of urgent measures to resolve the critical balance of payments situation in the developing world and neutralise the adverse consequences for development of the growing foreign debt burden, in particular by reorganising payments so that they would amount to no more than 5 per cent of a country's export earnings and by granting loans at more favourable terms than in the past.

The course of events shows that the developing countries, almost half of which are African, are no longer willing to reconcile themselves to a passive role of "aid recipients" and insistently demand that the unfair and unequal economic relations imposed upon them by imperialism be abolished.

**AFRICAN
COUNTRIES' UNEQUAL POSITION
IN TRADE WITH CAPITALIST STATES**

One of the ways in which the imperialist states carry on their economic exploitation of developing countries, along with the export of capital and "aid", is through nonequivalent trade. Under contemporary conditions this is not only a reliable but also the best disguised instrument of neocolonialism. Representatives of the West make every effort to create the illusion that trade between the capitalist states and African countries is conducted on the basis of "equal" relations between "independent partners".

An objective analysis, however, shows that the dominance of the monopolies in the world capitalist market, and the backwardness and one-crop nature of the African countries national economies are still a source of nonequivalence and inequality in the economic relations between the young African states and representatives of big monopoly capital. Of great significance in this regard are the close structural links that had been forged during the colonial period and still exist between the two groups of states.

As a result of nationalisations and other measures which the newly independent countries have undertaken in recent years to restrict the activities of foreign capital, the possibilities of exploiting these countries in the production sphere have been somewhat narrowed. The neocolonialist policy of imperialism is designed to compensate for the

losses sustained in that area. That is why increasing attention is given to creating conditions for exploiting African and other developing countries in the field of trade, through unequal exchange.

Estimates made by various experts of the annual losses Africa bears from nonequivalent trade, despite certain differences (from \$700 million to \$4,200 million), testify to the vast additional profits extracted by foreign capital to the detriment of the young states. Nonequivalent trade clearly demonstrates that contemporary imperialism retains its plunderous and exploitative nature.

1. NONEQUIVALENCE AS A TYPICAL PHENOMENON

As a rule, the principle of equivalence operates in the exchange of commodities, that is, a certain value is exchanged for an equal value. The exchange of two commodities is equivalent if both contain the same amount of abstract socially necessary human labour. However, cases in which complete equality between alienated and acquired labour does not exist in the act of exchange are not rare. But absence of equality in value between two products being exchanged does not necessarily mean that the economic principle of equivalence has been violated, for cases where deviations from equality in value are economically justified, that is, when they are determined by the normal conditions under which the laws of commodity production and exchange operate and in which deviations of price from value are characteristic, cannot in essence be considered examples of nonequivalent commodity exchange.

This proposition as applied to international commodity relations defines nonequivalent trade between two countries as the manifestation of divergence between the world prices according to which trading agreements are effected and the international value of the respective commodities.¹ What should be considered are not individual instances of such divergence but only the most substantial ones connected with conditions and causes of a long-term nature. Thus,

¹ The international value is determined by the amount of abstract labour socially necessary for the production of commodities in the countries which are the basic producers and suppliers of the given goods for the world market.

nonequivalence manifests itself in prolonged and substantial divergence between the world prices according to which foreign trade transactions are carried out and the international values of the respective commodities. This kind of nonequivalence is characteristic of the pattern of relations in the international market between African countries and developed capitalist states. In this case, it is a question of nonequivalent trade in the narrow sense of the term.

As a result of nonequivalent commodity exchange in the international capitalist market, a gap is created between world prices for raw materials and agricultural and tropical produce on the one hand, and prices for industrial manufactured goods on the other. This gap has a detrimental effect on the national economies of the young African states which are traditional exporters of raw materials and importers of industrially manufactured commodities.

The existence of price scissors, defined in international statistics as an indicator of the terms of trade, is confirmed by data on the exchange of the same commodities at different times. At the third conference of UNCTAD held in April 1972, in Santiago, Chile, it was pointed out, for example, that as a result of unequal trade and the widening price scissors, one ton of African coffee or cocoa could buy 30 per cent less of ferrous metals, 26 per cent less of textile machinery, 67 per cent less of medicines, and 44 per cent less of fabrics in 1970 than in 1960. Comparisons are even more striking when peanuts, bananas or cotton are taken as the base.¹

Thus, the continuing drain of national income (or, accordingly, of social labour) from Africa to the developed capitalist states can be seen most clearly in the exchange of African raw materials and agricultural produce for the industrial goods of the Western monopolies.

There are occasions when prices on certain African exports go up temporarily, but these increases are usually accompanied by price rises on a number of imports from former metropolitan or other capitalist countries. Most frequently, however, price increases on African exports do not compensate for the losses incurred due to higher prices for imports. Moreover, the benefit from a rise in prices for African goods often goes to the European or American firms that

¹ *Le Monde*, April 27, 1972.

handle the exporting, while the African producers are paid for their goods at lower purchase prices.

We should also bear in mind that there are other negative factors that tend to intensify the unequal nature of trade, such as transportation and insurance costs, fluctuations in the exchange rate of the currencies of capitalist countries and the consequent fluctuations in the amount of money the buyer pays to the importers, and the declining quality of imported commodities. Although all this does not directly affect the value-volume ratio of imports, it does often alter it to the detriment of the African states.

Many Western economists belittle the nonequivalent trade problem and try to show that it is on the wane anyway. In their view, the "good will" of the Western countries and the structural changes that have occurred in their economies due to their economic progress enable many Third World countries, particularly those that are developing a market economy (that is, the capitalist mode of production) to get increasingly higher prices for their exports. This fact, they say, coupled with the technical and financial assistance of their "Western friends", serves as an important prerequisite to future economic growth.

Naturally, we cannot agree with assertions of this kind. Statistics, for example, show that the problem of backwardness and the one-crop system in many developing countries is not only still there but is to a certain degree getting worse. In 1960, per capita national income in Africa was approximately one-twelfth of that in Western Europe. In 1972, the gap widened to almost one-seventeenth. In 14 African countries, 30 to 45 per cent of the economically active population produce some one product—coffee, cocoa, peanuts, etc.

From the standpoint of the problem of nonequivalence, the assertion that export prices for the developing countries' commodities are rising deserves special attention. A trend in this direction has indeed been observed in recent years. However, it should be borne in mind that the growth of world market prices affects almost all commodities, not only exported but imported as well, and hence the gap continues to exist to the detriment of Africa. Moreover, the freezing of world prices during certain periods between 1970 and 1973 applied only to a few commodities produced in tropical countries. This can be seen from the following table.

Table 8

Groups of Goods	Groups of Countries	1967	1968	1969	1970	1971	1972
Means of production	Advanced	103	100	104	107	118	133
	Developing	100	100	104	107	114	126
Food products	Advanced	107	102	104	109	120	134
	Developing	101	102	105	114	112	127
Other agricultural produce	Advanced	98	96	100	100	108	124
	Developing	94	94	101	98	98	112
Mineral raw materials	Advanced	105	104	107	122	145	154
	Developing	102	102	103	104	119	136
Non-ferrous metals	Advanced	135	142	158	167	151	150
	Developing	156	165	187	191	160	161

Calculated according to *Monthly Bulletin of Statistics*, UN, New York, July 1973.

Table 8 shows the lag in the developing countries' export prices as compared with the prices of the developed capitalist states in conditions of a general trend of rising world prices.

Thus, the assertions that the trend toward higher export prices for African goods on the world market eliminates non-equivalence are designed merely to mask the existing unequal economic relations (trade relations above all) between the countries of Africa and the imperialist states.

2. THE RANGE OF INEQUALITY

Nonequivalent trade does not account for all the instances and forms of unequal relations between African countries and developed capitalist states. Even if commodity exchange between them in the international market is formally carried on according to the general rules and principles of commodity-money relations, equivalence is very palpably disturbed owing to the tremendous differences in levels of economic development between the states taking part in the exchange.

Karl Marx pointed out how the law of value undergoes substantial modification in relations between different countries in the world market. He noted that "the relationship between labour days of different countries may be similar

to that existing between skilled, complex labour and unskilled simple labour within a country. In this case, the richer country exploits the poorer one, even where the latter gains by the exchange...".¹ Marx's analysis helps us understand how the developed capitalist countries exploit African countries in the process of trade. In view of the difference between the two groups of countries in the level to which their productive forces are developed, the African countries must exchange at least one workweek for one workday of a Western country, and consequently are unable to realise the internal (national) value of their commodities in the international market. Thus, the very formation of international value and the sale of commodities at international value include the element of inequality and exploitation. The developing countries' economic backwardness and low productivity, which lead to this inequality, are not accidental and cannot be explained by geographical conditions or racial peculiarities. They stem directly from the fact that the African countries by and large still have the colonial type of economy that was imposed upon them by the imperialist states. The result is that conditions are created for such unequal economic relations that may be characterised as nonequivalent in the broad sense.

It is an indisputable fact that the former metropolitan countries deliberately implanted the one-crop system in their colonies. And it is the one-crop system of agriculture that continues to be an impediment to the developing countries' economic growth, inasmuch as they are unable rapidly to effect the necessary structural changes that could free their economies from this legacy of the colonial period.

The dominance of the colonialists in the African countries led to the following economic and social consequences which now underlie many indirect forms of nonequivalence:

1. Great economic backwardness and a low level of development of productive forces result in low productivity in the production of export commodities compared with productivity in other countries exporting the same type of commodities. This forces the African countries to sell their products at prices that are not only below international value but below national value. As a result, the African exporter

¹ K. Marx, *Theories of Surplus-Value*, Part III, pp. 105-106.

does not even get the full equivalent of the local labour expended in the production of the given commodities.

2. African countries are producers and exporters primarily of agricultural produce. The existing price gap between agricultural and industrial commodities (despite recent price increases) creates the basis of nonequivalence in economic relations between them and the developed capitalist states.

3. The lopsided development of the economies of the former colonies which determines the one-crop character of their exports is another source of nonequivalence in their economic relations with the developed capitalist states.

4. The general socio-economic backwardness and fierce exploitation of the local population during the colonial period explain why to this day the wages of local workers in most African countries are extremely low. The labour power of these countries is purchased by foreign monopolies that own plantations and other means of production at incredibly low prices.

Theoretically, the cheap labour in African countries should make African commodities more competitive and hence put them into a more favourable position in the international market. However, the advantages of low production costs flow only to the monopolies that control the production and foreign trade of these countries.

5. Monopolies still control the key positions in the economies of a considerable number of African countries. Sources of energy, the richest and often the only developed mines, the best land and so forth are concentrated in their hands. This gives them a chance in many cases to direct the development of the national economy of an African country according to their own aims and interests. A series of unequal relations develop on this basis which enables monopoly capital to extract additional profits at the expense of the African countries.

6. The developed capitalist states impose unequal relations on African countries by capitalising on their monopoly in the transportation field. Africa's domestic transport is still poorly developed, so that shipping to and from other countries is effected by sea, air, rail and other means of transport that are in the hands of monopoly companies.

African losses due to this situation have grown significantly in recent years. For example, according to official statistics, in 1970, freight rates advanced by more than 72

per cent in comparison with 1968, and by another 84 per cent in 1972 (the 1968 figure itself was approximately 127 per cent to the 1960 figure).¹ The share of transportation costs in the price c.i.f. of cocoa beans shipped from Western African to West European ports grew from 3.8 to 5.9 per cent in the period 1961 to 1972, and to US ports, from 5.5 to 8.9 per cent.²

A similar monopoly situation obtains in the insurance field, and insurance costs increased by more than 132 per cent between 1968 and 1972.³ Any further improvement in the capitalist shipping and insurance markets will have serious consequences for the continent, because African countries as a rule do not have their own shipping and insurance companies and thus always have to buy these services for their export-import business.

7. The former colonies of European powers are in a state of dependence on their former metropolitan countries also because of the currency systems they "inherited" from them. The currencies of these countries are most often a "neo-colonial edition" of the currencies of the respective European states, with all the consequences for their parity that flow from this. The result is unequal relations mainly in the business of importing from the capitalist states, when the African countries are in effect purchasers not only of commodities but also of foreign currency.

8. During the colonial period, a metropolitan country held a monopoly or near-monopoly on commodity exports to its colonies. As a rule, other states had little or no access to that market. This enabled the metropolis to sell low-quality goods and at arbitrarily high prices in its colonies. After colonial dependence was abolished, however, the former metropolitan countries to one extent or another retained their role as the principal suppliers of industrial and other goods to their former colonies.

This kind of dependence is maintained on the basis of carefully preserved economic and other conditions carried over from the past: mutually complementary markets; the corresponding development of the productive forces and communications; the cultivation of certain tastes, attitudes and

¹ *Marketing and Distribution System for Cocoa*. Report by the UNCTAD Secretariat. Geneva, February 27, 1973. TD/B/C. 1/132.

² *Ibid.*

³ BIKI. Supplement No. 8, 1972.

consumption habits among the elite of African society, the existence of an already-created organisation of production, trade and transport meeting the needs of the former metropolis; common language, monetary system and so forth.

Thus, the economic, social and other consequences of colonialist dominance still keep the newly independent African countries in a position in which they have no chance to function as truly equal partners of the developed capitalist states in international trade.

Hence, nonequivalence in trade cannot be reduced merely to departures of international prices from international value. When we speak of trade between developed capitalist states and former colonies we must take into account the inequalities which stem from the internal organisation and structure of the latter's economy and which give rise to nonequivalence in the broad sense. The sphere in which nonequivalent trade manifests itself includes the domestic market of the developing countries. The foreign monopolies, having retained their position in the national economies of the former colonies, have a chance to acquire the latter's export commodities right in the domestic internal market. Such nonequivalent forms of commodity exchange still exist in Africa and lead to a redistribution of income in favour of the foreign owners of capital.

The two basic forms of nonequivalent trade, i.e., nonequivalence in the narrow and the broad sense—should be differentiated. This approach is of great theoretical and practical importance. The point is that the problem is often and erroneously examined only in connection with deviations of international prices from the international value of export or import commodities, while manifestations of nonequivalence in the broad sense and the African states' losses that accompany it are not taken into account.

The two forms of nonequivalence should be differentiated also for the purpose of ascertaining what steps the African states could take to limit and ultimately to eliminate inequality and exploitation. Nonequivalent trade in the broad sense is closely linked with the problem of overcoming the consequences of colonialism and ending the dominance of foreign monopoly capital in the economies of African countries. Manifestations of nonequivalence in the narrow sense are above all determined by the dominance of the monopolies in the world capitalist market and by the price mechan-

ism which has a negative effect on the African countries' balance of trade.

Analysis of the different forms of unequal trade shows that in the final count the general and basic causes of non-equivalent trade are the economic backwardness of the African countries, the one-crop nature of their economies, and the dominance of the monopolies of the capitalist states both in various sectors of the developing countries' economies and in the world capitalist market.

Along with these basic causes there exist various secondary forms of inequality. In view of the limited demand in the domestic market, exports remain the principal and often the only possibility of selling the total quantity of the one-crop commodities produced (cocoa, rubber, peanuts, etc.). When demand for them falls in the international capitalist market, considerable quantities remain unrealised, resulting in a net loss for the national economy of the country concerned. This often compels the producer country to realise its export commodities in the international market at any price. As a result, African countries are constantly losing out in the competitive struggle and depend on all the demand and price fluctuations in the world capitalist market. This influence of the world market becomes especially baneful when the economies of the developed capitalist states are in one of their cyclical recessions, at which time the developing countries are subjected to especially intensified pressure from the capitalist monopolies. As a result, the commodities of African and other developing countries are sold at lower prices in the international market than comparable goods of the developed capitalist states.

Market fluctuations which are caused by a different supply and demand relationship and which bring individual exporters or importers additional profits or losses within the bounds of the ordinary, in this case become a manifestation of nonequivalent trade in the broad sense.

Consequently, in view of the one-crop nature of the economies and exports of African countries and due to the monopolies' domination of the international capitalist market, the supply and demand factor, which is the cause of individual deviations of price from value, acts as the direct cause of nonequivalence.

The specific nature of the influence of the change in the supply and demand relationship on African foodstuffs leads

to big losses from nonequivalent import as well. It is noteworthy that in the 1970s the prices on North African wheat exports continued to fall by an average of about 5 to 7 per cent a year, while overall the market was firm.

A similar situation is observed with respect to tropical agricultural produce. Between 1968 and 1972, prices declined sharply (most of all for cocoa, 25-28 per cent; coffee, 18-22 per cent; bananas, 17-21 per cent; and oranges, 14-19 per cent).¹ With world consumption of these commodities growing faster than production growth (in the given period by approximately 5 to 6 per cent), the only explanation for this movement of prices is that their basic or only exporters are African and other developing countries, while the basic customers are the EEC countries and the USA.

In analysing the increase in prices for these commodities in 1973 and 1974 (especially for cocoa), it should be taken into account that the price level had been considerably depressed in the preceding period. For example, the average annual increase of the international price for cocoa in 1973, which was about 8 to 10 per cent (compared with 1972) could not make up for the fall from £292 a ton in 1970 to £224 a ton in 1971 (the 1968 price was £308 a ton).²

The examples cited attest to the need for a highly differentiated approach to the various factors and conditions causing unequal commodity exchange between African countries and developed capitalist states.

3. THE SCIENTIFIC AND TECHNOLOGICAL REVOLUTION WIDENS THE GAP

The scientific and technological revolution is making a considerable impact on the pattern of world trade and the trends of price changes for individual commodities and commodity groups. These changes have a big effect on the foreign trade of developing countries, being an additional factor contributing to its nonequivalent nature. Many circumstances must be taken into account in analysing this problem.

Whereas the scientific and technological revolution in the developed capitalist countries is proceeding at a rapid rate,

¹ Calculated according to data published in BIKI and the Bulletin of Semi-monthly Prices.

² BIKI. Supplement No. 3, 1972, p. 372.

in the developing countries, including African countries, the development of modern technology, automation of production processes, and the application of scientific advances to production are almost nonexistent in national enterprises. New technology and scientific achievements are being introduced mainly at enterprises belonging to foreign monopolies.

For scientific and technological thought to develop and its achievements to be put into practice, large numbers of highly skilled people (scientific workers, engineers and other specialists) and fundamental changes in the skill structure of the working class are essential. Yet it is in this area that the developing countries, and the African countries in particular, are far behind the developed capitalist countries. Furthermore, the scientific and technological revolution has promoted considerable improvement in communications, and this has had a big influence on the conditions of foreign trade between countries and continents.

What effect do these circumstances have on the degree of nonequivalence in trade between developed capitalist countries and African countries?

The latter's continuing lag in economic and technological development as a consequence of the unevenly distributed impact of the scientific and technological revolution increases the degree of inequality between the two groups of countries in the world capitalist market. This inequality affects the national value of export commodities. The international value of a commodity is determined by production conditions, i.e., by its national value in the countries or groups of countries which are the basic exporters of the given commodity. In practice, however, the concentration of the achievements of the scientific and technological revolution in a limited group of advanced industrially developed capitalist countries introduces modifications into the process of price formation in the world market.

Commodities exported by the developed capitalist countries to African countries (and other developing countries), are produced in conditions of the scientific and technological revolution and high productivity, and this tends to bring their national and international value down. This circumstance could lead to a decline in the international market prices for these commodities. In most cases, however, this does not occur, above all because, despite growing produc-

tivity and declining costs, the monopolies continue to sell the commodities at high monopoly prices considerably exceeding their value. General nonequivalence in this case emerges as a consequence of the unequal economic and competitive strength of the countries. Furthermore, there is the effect of the advantages which the former metropolises and other imperialist states have secured for themselves in individual African countries, through such things as economic integration (association with the Common Market, for example), the developed capitalist countries' monopoly position in the transportation and insurance fields, the use of well-established trade marks, and so forth. Of substantial importance in conditions of the scientific and technological revolution is the imperialist states' monopoly on technical innovations, patents and inventions, which enables them, especially through multinational corporations, to increase the inequality in their economic relations with African countries.

For a long time, Africa's capitalist partners sought to preserve and expand the existing technological gap by selling unsophisticated and unimproved machinery to developing countries, justifying this by saying that they were not yet ready for modern implements of production. Nowadays, however, this policy, which pursued the aim of securing a market for obsolete machinery and equipment, increasingly meets with failure. Instrumental in this are the developing countries' economic ties with socialist states, and the African countries themselves are putting up increasingly stiffer resistance to the capitalist monopolies, more and more often forcing them to display a certain flexibility and to export modern machinery to Africa.

It should be stressed, however, that the monopolies supply this technology in ways and on terms that allow them to hold on to a great part of their advantages. African countries purchase a considerable number of licences and patents that often do not reflect the latest scientific and technological advances. Besides this, the capitalist states sell patents, licences, and trade marks on the condition that the developing countries use them only for the needs of domestic production or for export to a limited number of states, thus allowing the monopolies to retain the basic markets for themselves. In supplying modern machinery and licences, capitalist states often keep certain technical details of the

technology a secret, so that in order to put it into operation the African countries have to invite highly paid Western specialists. At the same time, the capitalist countries not infrequently impose a number of restrictions having to do with prices, advertising and so forth, raise prices when shipping spare parts, and often stipulate other economic and political conditions. All this contributes to the emergence of new forms of inequality in economic relations.

The scientific and technological revolution has an influence on yet another aspect of relations between capitalist and African countries: by supplying their enterprises and subsidiaries in developing countries with modern, highly productive technology, the capitalists secure for themselves all the advantages of the scientific and technological revolution in their domestic market. As a result, the individual value of the commodities of the capitalist monopolies in the internal market is lower than the price of local commodities of the same kind. However, the capitalist enterprises sell their goods at prices exceeding their individual and social value and thereby engage in nonequivalent trade at the expense of the African consumers.

When analysing statistical data on commodity prices in the international capitalist market and the losses which the African countries bear as a consequence of unequal economic relations with the developed capitalist countries, the following circumstance should be taken into consideration: often operating in the world market as exporters of commodities produced by one or another African country are large capitalist firms which buy up goods from small local producers (peasants, handicraftsmen, etc.) at a low price dictated one-sidedly by the buyer, and then sell the same goods in the international market at a high or normal price. As a result, the African producers get only part (often a very insignificant part) of the international prices for their commodities. Statistics on the prices of such commodities in the international market in essence conceal the fact that the real price received by the African "exporters" is considerably lower and that they have thus become the victim of unequal trade. Not infrequently, capitalist monopolies register shipments of raw materials or semi-manufactures from their African subsidiaries for the needs of the basic enterprise as sales, whereupon the prices are set completely arbitrarily and can be considerably higher or lower, depending on vari-

ous considerations (fiscal, trade, etc.), than world market prices.

* * *

The conditions and causes of unequal economic relations between developed capitalist states and African countries stem on the one hand from the essence of capitalism at its imperialist stage and on the other from the economic backwardness of the African countries. The profound economic inequality on which nonequivalence is based cannot be eliminated at once, and will therefore continue to be a source of exploitation of African countries for a long time to come. However, the countries of Africa cannot and should not reconcile themselves to a position that turns them into an object of imperialist robbery. Besides general efforts aimed at overcoming economic backwardness and lopsided development, they are taking concrete measures to restrict and eliminate the conditions and factors giving rise to nonequivalence. These measures include developing the structure of their economies and accordingly of their exports, restricting the freedom of actions of foreign monopoly capital and instituting government control over them, training national cadres, and developing their own science and technology.

Of paramount significance in all this is the economic, scientific and technical co-operation between African and socialist countries. The role of this co-operation cannot be judged merely by the socialist countries' share of trade with African countries. Even with the relatively small volume of trade and other economic ties with Africa, the socialist countries exert considerable influence on the policy of the imperialist powers, compelling them to make concessions and lessen their exploitation of the African peoples. All this helps the developing countries in their struggle to strengthen their economic independence and works to limit the unequal, nonequivalent relations with imperialist states.

IMPERIALIST INTEGRATION IN THE SYSTEM OF NEOCOLONIALISM

In their effort to keep the developing African countries within the system of the world capitalist economy, the neo-colonialists today use not only the bilateral approach but also collective means, above all on the basis of imperialist integration.

The European Economic Community works in a particularly systematic way along this line. It is worth noting that it has worked out a special approach to Africa, taking into account the specific features of the young national states there. The EEC's tactics are continually being modified under the influence of changes taking place in the developing African countries and in international relations. The strategic aim, however, remains the same: to preserve and as far as possible to strengthen the economic and political positions of European finance capital on the African continent.

1. WAYS AND MEANS OF EXERTING INFLUENCE

The EEC's collective neocolonialism has economic, political, ideological, and military-strategic sides to it. While fully appreciating the comprehensive significance of all these

aspects in the general policy of bringing EEC influence to bear on the developing countries of Africa, we shall examine primarily problems of an economic nature.

TRADE AND ECONOMIC PROTECTIONISM

The European Economic Community was created and continues to function as a closed state-monopoly grouping. The entrance of Britain, Denmark and Ireland into the EEC did not alter this characteristic feature. The basis for this description is the EEC's foreign trade policy, which has come down to creating a customs union and protecting it from third countries by a common external tariff.

In the hands of West European finance capital, the EEC customs union became an effective instrument for trade discrimination against, and applying trade and economic pressure on, third countries, including developing countries. Discrimination also constitutes the basis of the trade and economic policy the EEC pursues specifically with respect to African developing countries, as exemplified by its differential approach to external partners. The degree to which the EEC eases its trade discrimination is different with different countries, and has usually been determined by the size of the concessions they agree to make (on a reciprocal basis) in favour of EEC commodities. This principle has been fully applied in trade and economic relations with African countries, above all with those that became associated with the EEC, and also with the Mediterranean countries.

In Africa, the EEC's trade and economic ties have been the closest and most varied with the 18 associated countries. The terms of association were regulated by the Yaounde Convention. A special tariff system was created within the framework of the association. From July 1, 1968, the industrial goods of the associated countries could be imported into the EEC freely, without any tariff or non-tariff restrictions. At the same time, a common tariff barrier was erected against the corresponding goods from third countries.

At first glance, this arrangement was favourable for the goods of the associated countries. Given other equal conditions, their goods could prove to be more competitive in the EEC market than goods from non-associated countries. However, the EEC did not permit the free access to its market

of all the agricultural products exported by the associated countries. Some types of produce came up against the EEC's agrarian protectionism, and this was extremely unfavourable to the associated countries because their export possibilities were determined primarily by agricultural production (over 80 per cent of their total exports). Actually, the tariff quotas on a number of agricultural products provided for in the Yaounde Convention restricted rather than encouraged the associated countries' export to the EEC countries. The Common Market fully or partially liberalised the import only of those agricultural products which the EEC economy needed, and applied collective agrarian protectionism to other goods.

In return for the tariff preferences they granted, the EEC countries received substantial reverse preferences from the associated countries. Under the provisions of the Yaounde Convention, a substantial "customs disarmament" of the 18 countries took place with respect to EEC commodities. The fact that these countries could, with preliminary consent of the Council of Association, retain or introduce certain import duties and quotas did not in essence change the significance of the reverse preferences which the EEC enjoyed in the 18 African countries.

Owing to the economic backwardness of the African countries and the archaic socio-economic relations prevailing in them, the reverse preferences were of considerable benefit to the Community's monopoly capital and intensified the exploitation of the internal market of the African countries.

The EEC pursued two basic economic aims: to effect under the new historical conditions a redistribution of African markets and sources of raw materials in favour of its own monopolies, and to eliminate the privileged position of the former metropolitan countries and broaden the base of collective neocolonialism in the interests of European monopoly capital as a whole. For example, the Yaounde Convention unified the tariffs of the associated countries for EEC goods. It completely abolished the preferential system of the metropolitan countries in their former colonies and banned discrimination of any EEC state not only in trade but also in the flow of capital, services and labour power. The associated countries were to give the Common Market members equal treatment in trade and the export of capital.

In agreeing to association with the EEC, the African countries were also counting on attaining certain economic goals: first, to protect themselves with the EEC's common external tariff and stimulate their exports to Europe; second, to get financial and technical assistance from the EEC to speed up economic development and institute needed changes in their socio-economic structure. With a view to strengthening its own positions, the EEC assisted in the accomplishment of these tasks to a certain extent, but only under its control. Thus, the plans of the EEC and the African countries within the framework of association were realised with unequal benefit.

The associated countries' real benefits in the EEC market were determined by the level of preference they enjoyed, which corresponded to the customs duties charged under the EEC's common external tariff on similar goods of third countries. The higher the EEC import duties, the more the exports of third countries were impeded and the exports of the associated countries stimulated. In this way, the EEC's common external tariff served as the basis of its preferential treatment of the associated African countries. Since the signing of the First Yaounde Convention, however, this basis has been substantially undermined by a number of factors, and primarily by the trade policy pursued by the EEC with respect to non-associated countries. In accordance with a "general liberalisation", African countries' preferential margin also shrank. For example, the *ad valorem* duty under the EEC's common external tariff was less in 1971 than in 1960 for coffee by 56.3 per cent; cocoa beans, 55.6 per cent; fresh pineapples, 25.0 per cent; cloves, 25.0 per cent; coconuts, 25.0 per cent; black pepper, 15 per cent; vanilla, 23.4 per cent; tea, 100 per cent; palm oil, 33.4 per cent. From July 1, 1971, the Common Market introduced a so-called general system of preferences in favour of developing countries. As a result, the association's preferential system started gradually to lose its significance for the African countries.

The associated African countries expressed obvious dissatisfaction with the process of declining preferences in the EEC market. They demanded changes in the EEC's trade policy in their favour, but this was possible only by way of increasing EEC protectionism with respect to goods of third countries. But a move like this could conflict with

the economic and political interests of the EEC in other regions of the Third World. By lowering the duties of the common tariff the EEC sought to attract other developing countries as trading partners on special terms. The upshot was the EEC's trade with third countries in Africa, Asia and Latin America, as well as with developed capitalist countries, expanded at a considerably faster rate than with the 18 associated African states.

The state of the associated countries' trade and domestic economy shows that throughout the entire period of association with the EEC their economic development proceeded

Table 9

Dynamics of EEC Foreign Trade During the Period 1958-1971
(1958 = 100)

	Imports	Exports
Total EEC foreign trade	306	319
Trade		
with developed capitalist countries	329	390
with developing countries	259	208
with Latin America	219	214
with Asia (excluding Japan)	312	306
with Africa (excluding South Africa and the 18 associated countries)	322	260
with the 18 associated countries	180	197

Source: *Beilage zur Monatsstatistik des Aussehandels*, Statistisches Amt der Europäischen Gemeinschaften, No. 10, 1972, pp. 2-3.

to a larger extent under the influence of economic relations with the Common Market than on the basis of changes in their socio-economic structure.

The tariff preferences granted by the EEC to the associated countries were essentially a means of orienting the latter's production. They were divided into two categories: (1) those provided for in the Yaounde Convention, and (2) those named in separate trade agreements concluded in accordance with Protocol No. 1 of the Yaounde Convention and provisions of the EEC's agrarian policy.

The preferential rates on first category of commodities were equal to those in the EEC's common external tariff,

and amounted to 20 per cent for bananas (without a special customs quota for the FRG); coffee, 15 per cent; cocoa beans, 4 per cent; aluminum, 5 per cent; copper (in rods), 8 per cent; cotton fabrics, 13-15 per cent; clothing, 17 per cent; tinned pineapple, 32 per cent; lead and zinc, \$13.2 per ton, etc. Certain raw material commodities—bauxite, tea, cotton, and others—had no preferential rate since they were imported by the EEC duty free.

For the second category of commodities, special agreements provided for duty free import or preferential rates equal to the duties of the EEC's common external tariff. Thus, oil seeds, including peanuts, enjoyed no preferences because their import into the EEC was not subject to duty. At the same time, the common external tariff called for a 10 per cent duty on unrefined oils and 15 per cent for refined oil (9 per cent for palm oil). There were no preferences for the export of citrus fruits from the associated countries, because they came under the EEC's agrarian protectionism.

In regard to tariff preferences granted by the EEC, the 18 associated countries were divided into three groups: for the former French colonies (excluding Togo) the preferential rules amounted to an average of 12 per cent *ad valorem* and applied to virtually all the imports of these countries from the EEC; for Burundi and Ruanda, they were restricted to a specific group of commodities; and for Zaire and Togo, only a nondiscriminating tariff system was used.

In analysing the preferential system for the commodities of the associated countries in the EEC market, British economist Charles Young, in an article entitled "Association With the EEC: Economic Aspects of the Trade Relationship", attempted to ascertain the "trade creation" and "trade diversion" effect of this system in both groups of countries and determine the "gains from preference" for the African countries. He came to the important conclusion that the "provisions of the Yaounde Convention have caused no trade creation, but only a certain amount of trade diversion. . . . Direct preferences seem neither to have created nor diverted trade; reverse preferences seem to have diverted trade. Thus dynamic advantages have accrued only to the EEC."¹

¹ Charles Young, "Association with the EEC: Economic Aspects of the Trade Relationship". In: *Journal of Common Market Studies*, Oxford, Vol. XI, No. 2, 1972, p. 135.

As concerns the gains realised by the 18 countries as a result of preferences, Charles Young calculated them on the basis of the value of the exports and the duties of the EEC's common tariff. However, he made a serious mistake by abstracting himself from the advanced prices at which EEC

Table 10

Static Gains from Preference for the 18
Countries in the EEC Market

Commodity	Exports in 1969 (millions of dollars)	Common External Tariff of the EEC (per cent)	Gain (millions of dollars)
Cocoa beans	201.8	4	8.1
Coffee	163.4	7	11.4
Bananas	45.9	20	9.2
Tobacco	4.9	23	1.1
Palm oil	25.5	9	2.3
Other food oils	51.3	10	5.1
Aluminum	23.3	9	2.1
Plywood, veneered sheets	114.7	13	1.9
Total:	630.8		41.2

Source: *Journal of Common Market Studies*, December 1972, Vol. XI, No. 2, p. 135.

commodities were sold in the associated countries. Yet the price mechanism plays a very important role in the withdrawal of part of the national income of the African countries by the EEC monopolies. Nonetheless, we present Table 10 with Young's figures as a matter of some interest.

The "gains", however, comprised only an insignificant percentage of the tremendous losses which the 18 countries sustained in their trade with the EEC. Thus, in 1969, the 18 countries overpaid the European monopolies the following amounts per ton of the indicated commodities as compared with the prices paid by non-associated developing countries (the exporter country is shown in parentheses); tin-plate and roof iron, \$63 (France) and \$50 (Belgium); sheet steel, \$93 (France); cast-iron and steel pipes, \$15 (France) and \$25 (Belgium); cement, \$6 (France), \$2 (FRG), and \$10 (Belgium); metal-working machine tools, \$875 (Italy) and

\$331 (Britain); automobile tyres and hose, \$60 (France); sugar, \$13 (France) and \$11 (Belgium); confectionary, \$352 (France) and \$191 (Holland).¹

The various manifestations of the general crisis of the world capitalist system have an extremely adverse effect on the economies of the associated countries (and of all developing countries in Africa). These include inflation, periodic declines in economic growth rate, the chronic monetary crisis, and devaluations of the French franc, the pound sterling and the US dollar, which have caused forced devaluations of the currencies of African countries in the franc and sterling zones and a depreciation of these countries' reserves. The EEC has also failed to provide for a mechanism within the framework of association to stabilise the export prices and export earnings of the 18 African states.

FINANCIAL AND TECHNICAL INFLUENCE

Another lever by which the EEC exerted increasing influence on the trade and economic orientation of the developing African countries were the Common Market's collective finance agencies, the European Development Fund (EDF) and the European Investment Bank (EIB). The EDF was especially important, for through it the EEC financed a number of technical and economic projects in Africa within the framework of development "aid". However, only the 18 associated African countries received EDF "aid". At the same time, almost all African developing countries received such "aid" from imperialist countries on a bilateral basis. What then was the role of the EEC's collective "aid"?

In the legal instruments of association, financial and technical "aid" was defined as consisting of measures requiring extraordinary efforts on the part of the EEC members aimed at ensuring (through participation in capital investments) the steady economic and social development of the associated African countries. However, analysis of the EDF's activity during the period it functioned shows that the EEC's real aim was to create a favourable investment climate in these countries for monopoly capital and to en-

¹ Mordechai E. Kreinin, "Some Economic Consequences of Reverse Preferences". In: *Journal of Common Market Studies*, Vol. XI, No. 3, March 1973, pp. 161-72.

able Europe's financial oligarchy to control the processes of structural changes which the African countries were in objective need of.

To achieve these aims, the Community afforded the associated countries "aid" in two forms: in the form of grants (gratuitously) and in the form of loans (on relatively favourable terms), with gratuitous "aid" predominating. The EIB extended only loans to the associated countries, and the proportion of total "aid" these loans represented gradually grew. Thus, distributed as grants were 100 per cent

Table 11

Distribution and Forms of EDF and EIB Aid

	Under the First Yaounde Convention			Under the Second Yaounde Convention		
	To the 18 associated African countries	To colonies and dependent territories	Total	To the 18 associated African countries	To colonies and dependent territories	Total
EDF	666	64	730	828	72	900
Including:						
Grants	620	60	680	748	62	810
Loans on preferential terms	46	4	50	80	10	90
EIB loans	64	6	70	90	10	100
Total	730	70	800	918	82	1000

Source: *Intereconomics*, Hamburg, No. 3, March 1972, p. 85.

of the first fund (\$581.25 million), 93.1 per cent of the second fund (\$730 million), and 90 per cent of the third fund (\$918 million).¹

The trend towards granting loans to the associated countries was clearly growing because this met the interests of the imperialist powers. But these countries preferred grants because loans had to be repaid, and in convertible currency.

In one sense, furnishing gratuitous grants worked to the advantage of the Common Market, too. The nature of these grants gives the EEC grounds for actively intervening in the

¹ *Intereconomics*, Hamburg, No. 3, March 1972, p. 85.

determination of the basic directions of "aid" and penetrating the associated countries economically and politically. The main feature of the EDF "aid" was that the associated countries could not use it as they saw fit in the interests of their economy, particularly for strengthening the state sector. In principle, this is generally typical of all the financial and technical assistance which the imperialist states give the developing countries.

The EEC influences the structure of financed projects in many ways, one of the more important among which is through specialised organisations and EEC technical bureaus which conduct preliminary studies of projects to be financed by the EDF. Needless to say, these organisations and bureaus give primary attention to projects that best of all meet the interests of the EEC. Thus, in addition to dictating the choice of the basic directions of financial and technical assistance, the EEC, using direct and indirect methods, also dictates the choice of projects. An important role in this respect has been played by the procedure of preliminary approval of the projects worked out in the associated countries by the relevant EEC bodies.

The EEC devoted a great deal of attention to diversifying the associated countries' agriculture; however, it encouraged the production of only those tropical commodities that were of interest for the market of the EEC member countries.

Technical "aid", to which the EEC attaches great importance, includes economic programming, special and regional economic development studies, conducting the necessary economic and technical studies and working out the corresponding projects, and so on. General technical co-operation envisages the sending of experts, advisers, technicians and instructors to the associated countries, supplying materials, working out projects and studying the prospects for the development and diversification of the economy of a given country, working out model projects, making market analyses, providing scholarships in universities and specialised institutes, and so on.

Despite its broad range, EEC "aid" is insufficiently effective. Above all, it is insignificant in volume and irrational in its basic directions. The EEC pays little attention to the development of production, and especially of industry. Basically, EEC financial and technical "aid" is directed towards the creation of an economic and social infrastructure. A large

part of the aid is used to diversify agricultural production.

At the same time, it is obvious that regardless of the EEC's aims the recipient countries get some benefit from the "aid" they receive. The importance of developing the economic and social infrastructure of the African countries should not be underestimated. That and other measures carried out on funds furnished by the EEC expand the internal market and create conditions for greater investment activity. They also promote class differentiation in the African countries.

The financing of technical assistance projects and general technical co-operation programmes through EEC grants is also dictated by ideological and political considerations. The EEC members know that the countries associated with the Common Market have opportunities to receive technical assistance from other states as well, including socialist states. The EEC took this financial "burden" upon itself on the strength of the fact that a certain amount of influence can be exerted on the direction of a country's economic and social development through technical assistance (giving technical assistance is connected with direct contacts between people, that is bearers of ideological and political ideas).

In countries that have entered into agreement with it, the EEC carries out numerous economic aid projects with the aim of steering the countries toward the development of private capitalist enterprise, that is, onto the capitalist road of development. Analysis of the pattern of expenditures along the basic lines of aid and within the framework of each line reveals the substance of the EEC policy: to seize control over the processes of structural changes which the economies of the developing countries objectively need, and to regulate these processes with an eye to the interests of the EEC itself. Thus, European imperialist integration binds the African developing countries to the world capitalist economy.

2. BROADENING THE BASE OF COLLECTIVE NEOCOLONIALISM

While collective neocolonialism is the essence of the European Economic Community's economic and political relations with all developing countries of Africa, Asia and

Latin America, it had stood out most prominently in the association of African countries with the Common Market.

Collective neocolonialism enlarges the sphere of expansion of European finance capital and enables it to bring effective political and economic pressure to bear on developing countries. From this standpoint, it meets the interests of all the imperialist EEC member states.

Three basic tendencies can be singled out in this respect: (1) expansion of the Community by admitting other European states; (2) expansion of the association by drawing new developing countries into it by various means; (3) creation in developing countries of a socio-economic structure that meets the requirements of monopoly capital.

The trends towards broadening the base of collective neocolonialism are inseparable from the general trend towards expanding Western European integration, which was reflected in as early a document as the Treaty of Rome (Part IV, articles 237, 238). However, prior to the late 1960s, the general trend made headway mainly through association of underdeveloped countries with the Common Market. After the association of the 18 African countries and several other overseas territories of France and Holland came the association of Greece and Turkey and of the East African countries, Uganda, Kenya and Tanzania (after the extension of the Yaounde Convention in 1969, the EEC concluded an association agreement—the Arusha Agreement—with them on special trade and economic conditions).

Despite the negative consequences of association, many developing countries did not object to establishing special trade and economic relations with the EEC. True, most of them approached these questions with great caution and expressed no desire for full association on the terms of the Yaounde Convention, even though this limited the preferences they received.

For example, under the Arusha Agreement, the three East African countries secured for themselves duty free import of about 59 commodities into the EEC. The EEC member states pledged not to impose quantitative restrictions on the import of most of these countries' commodities. Import quotas were applied, however, to some specific commodities (coffee, cloves, tinned pineapples) which were of special importance for the export of the 18 associated countries, and this in practice imposed restriction on the export of the

East African countries. The Arusha Agreement contained a clause on mutual rights and obligations. Consequently, the EEC monopolies got a chance to penetrate (although on a smaller scale than under the terms of full association) the economies of the East African countries.

The trade agreements between the EEC and Mediterranean states also had a number of specific features. But they too created opportunities for the penetration of EEC monopoly capital into the economies of those countries, most of which (especially the African ones) were lagging in their economic development.

The EEC concluded association agreements with Morocco and Tunisia (1969), Cyprus and Malta (1972), and established a reciprocal preferential system with Spain and Israel (1970), and Lebanon and Egypt (1972).

The agreements with the Mediterranean countries provided for lowered duties on imports from these countries and reverse preferences in favour of the EEC. These measures were carried out successively, and their stages were different for the different countries. The following reductions expressed in per cent of import duties on industrial goods were provided for by the end of the first stage (the year it ended is shown in parentheses): Spain—from 10 to 32.5, the EEC—from 20 to 70 (January 1, 1977); Israel—from 10 to 30, EEC—up to 50 (September 30, 1975); Malta—25, EEC—to 70 (March 31, 1976); Cyprus—15, EEC—to 70 (December 31, 1977); Egypt—from 30 to 40, EEC—to 55 (December 31, 1977); Tunisia—from 20 to 30, EEC—100 (August 30, 1974); Morocco—without reverse preferences, EEC—100 (August 30, 1974). Actually, at the first stage, the Mediterranean countries' tariff for EEC industrial goods was lowered by an average of 40 per cent, while the Common Market's tariff was reduced from 50 to 100 per cent. With respect to agricultural products, however, which make up 50 to 60 per cent of the Mediterranean countries' exports to the Common Market, the EEC's trade preferences are limited.

Each EEC member country seeks to direct Common Market policy as a whole towards securing its own economic and political interests in the Mediterranean. Thus, France, wishing to safeguard the Common Market's neutrality in the Middle East conflict, demanded that privileges similar to those given to Israel be made available to the Arab coun-

tries. The EEC agreed and immediately began negotiations with Egypt and Lebanon.

The economic significance of these agreements should not be underestimated. The energy crisis that gripped the capitalist world, and its consequences for the economies of the European countries, revealed how great the EEC's interests are in this region. In future, the importance of these countries in the energy balance of the EEC will grow, and as a consequence of this so will the tendency for the EEC to establish closer economic ties with them. The EEC's penetration of the Mediterranean countries causes anxiety in Washington and sharpens inter-imperialist contradictions.

For a long time, differences between France and her Common Market partners impeded the further expansion of the EEC through the addition of new members from among the developed European countries. However, by the end of the 1960s France's position on this question had changed. Britain, Denmark and Ireland became regular members of the EEC as of January 1, 1973. After the Labour government came to power in Britain (March 1974), relations between Britain and her EEC partners were again strained. Nonetheless, the agreement concluded so far remains in effect.

The enlargement of the Community through the admission of Britain was accompanied by an expansion of the EEC association system through the addition of a number of African and non-African countries. In 1975, a total of about 20 Commonwealth countries were linked with the EEC by special agreements. In accordance with an EEC decision, Africa was given the following options: to establish relations similar to the association of the 18 African countries (the Yaounde Convention), to enter into association comparable to that of the three East African countries under the Arusha Agreement, or to negotiate a special trade agreement.

A report entitled *Intra-African Cooperation and Africa's Relations with the European Economic Community*, prepared for the UN Economic Commission for Africa by a team led by professor K. Phillip, examined three possible directions international economic relations might take: (1) a global line, whereby the approach to all developing countries would be the same (with some preferences for the least developed countries); (2) a line of segmentalising economic co-operation by countries and regions: North America with Latin America, Japan with the countries of Southeast Asia

from Korea to the Philippines, and Europe with Africa; (3) a line of isolation, whereby developing countries would seek to isolate themselves from the developed countries and to cooperate with other developing countries only. The report noted that for the poorest countries the last line would lead to unfavourable consequences.

The imperialist powers, looking towards the economic redistribution of world regions to the benefit of their monopolies, combine the first two lines of economic co-operation with developing countries, giving preference in practice to the second, that is, segmental co-operation. The experience of international relations over the last two decades shows that under the pressure of their urgent socio-economic problems many developing countries agree to the conditions of segmental co-operation. At the same time, they seek to make maximal use of the advantages of global co-operation, but only to the extent permitted by segmental co-operation.

Britain's entry into the EEC brought about an enlargement of the scale and foundations of collective neocolonialism, which now seeks to embrace almost all of the developing countries of the African continent. There is movement towards the creation of a Euroafrican economic complex—something that many representatives of the imperialist circles of France and Germany were after even prior to World War II.

The entire history of the economic and political relations between developed capitalist and developing countries shows what kind of results can be expected if this trend materialises. Indications of this can also be seen in the "special relationship" between the EEC and the associated African countries—a relationship which has not promoted the development of mutually advantageous economic exchange between the two groups of countries. Instead, the association has only increased the dependence of the African associated countries upon the EEC and the influence of European monopolies on their economies.

The Israeli aggression against the Arab states and the effective although limited use by Arab and African countries of the "oil weapon" in the struggle against imperialism have brought out a new aspect of collective neocolonialism. The EEC reacted quite flexibly to the Afro-Arab solidarity against the Israeli aggression. It immediately assumed the posture of the African and Arab peoples' friend

and advanced the idea of creating under its aegis a new neocolonialist Afro-Arab-European alliance. The plans for such an alliance are yet another manifestation of the tendency towards broadening the foundations of the EEC's collective neocolonialism.

It should be emphasised that there is growing uniformity in the terms of the African countries' trade with the Common Market and the opportunities for the monopoly capital of individual EEC member countries to penetrate the African continent. Under the influence of European imperialist integration, the neocolonial systems of the former metropolitan countries are being "dissolved", and their mechanism, which would countervail the Community's mechanism, is being paralysed. The countries of Africa are gradually being turned into a zone of expansion for the monopoly capital of all the EEC countries, despite the fact that France and Britain still retain considerable influence in many parts of their former empires. Reflected in this are two conflicting processes running simultaneously within the framework and under the influence of West European imperialist integration: on the one hand, the process of redistributing the world capitalist market in favour of the Common Market monopolies, and on the other, the process of turning Africa into an integral part of the world capitalist economy.

As mentioned earlier, one of the trends in the process of broadening the foundations of the EEC's collective neocolonialism amounts to creating in African countries a socio-economic structure meeting the needs of monopoly capital. Backwardness is a poor foundation for the activity of monopoly companies, and the socio-economic structure of African countries enters into contradiction with the political and economic interests of the EEC. It becomes a factor which prevents the full extension of the laws of capitalism to the Third World and puts certain limits to the activity of monopoly capital.

Consequently, diversification of the socio-economic structure of the developing countries becomes an important factor for capitalist integration and the functioning of the world capitalist economy as a whole. This is something the EEC strategists are coming to realise more and more, and they are no longer so categorically against the efforts of the developing countries of Africa to change their so-

cial and economic structure. The EEC does, however, try to place the directions and scope of these changes under its control.

Capitalist integration uses a varied collection of methods and devices of state-monopoly regulation to steer the process of changing the socio-economic structure of the African countries in the desired direction. This situation is of particular significance for countries with an ill-defined class differentiation, such as, for example, the countries of Tropical Africa. It is no accident that the EEC has turned its attention to these countries. Its chief aim is to prevent the number of countries that have chosen the socialist orientation and the noncapitalist path of development from getting any bigger.

However, the basic contradiction of our times, the contradiction between the two world systems—socialism and capitalism—is deeply reflected in the Third World as well. There, two opposite tendencies clash: one towards the capitalist way of development, zealously encouraged by imperialism, and the other towards the socialist orientation of young national states, as dictated by their objective socio-economic needs. The place which the developing African countries will occupy in the world economy will depend largely on which path of development they follow and on the depth and nature of the socio-economic changes that will be made in the coming decades.

It has been demonstrated that success in solving the complex problems facing the developing countries of Africa ultimately depends upon which path of development they choose. In this respect, the countries that have embarked on noncapitalist development have already made significant progress in the economic, political and social spheres. This has made an appreciable impact on the whole situation on the African continent, including the relations between the developing countries of Africa and the EEC. Proceeding from these considerations, let us examine the objective foundations of present-day economic relations between Western Europe and Africa.

3. AFRICA AND THE TACTICS OF THE NEOCOLONIALISTS

In pursuing their objective of broadening the foundations of collective neocolonialism, the developed countries of the West make the most of the developing countries' strong interest in establishing special trade and economic relations with the EEC. This interest stems primarily from the international division of labour that has taken shape historically and the geographical proximity of Europe and Africa.

At the present time, Western Europe and Africa are economically interdependent. There is a difference, however, between the objectively existing mutual dependence of the economies of the two continents and the views of the bourgeois ideologists of collective neocolonialism on the creation of a single Euroafrican economic complex.

Under the conditions of imperialism, Euroafrica will never become a mutually-complementing economic complex, inasmuch as the EEC countries' only interest is in further gearing Africa's economy to the needs of the West European economy and in the predatory exploitation of Africa's natural riches. Another factor that must be taken into consideration is the agrarian and raw material nature of Africa's economy, which in conditions of national independence has undergone only insignificant changes. The African continent still accounts for only 2.9 per cent of world production. The manufacturing industry provides only a little over 10 per cent of the continent's gross product, with half of that coming from handicraft production. Greater changes may be expected in the economies of African countries in the future, of course. But the unequal nature of the interdependence between the West European and African economies will exist for a long time to come.

Table 12 gives some idea of the scope of the mutual dependence of the economies of the EEC and Africa.

Africa occupies an important place in the EEC's trade with developing countries. The EEC imports from African countries chiefly fuel and mineral raw materials, sorely needed by the European economy. At the beginning of the 1970s, the share of various groups of commodities in the EEC's imports from Africa was as follows: foodstuffs and live animals—9.2 per cent; beverages and tobacco—3.1 per cent; cotton—25 per cent; oil seeds—14.8 per cent;

Table 12

Share of Developing Countries in the Foreign
Trade of the EEC
(per cent)

	1960		1971		1973	
	Export	Import	Export	Import	Export	Import
Foreign Trade of the EEC	100.0	100.0	100.0	100.0	100.0	100.0
Share of developing countries	24.6	26.4	18.4	17.5	16.9	13.0
Share of African developing countries	11.1	9.4	7.1	6.5	5.6	4.6
Africa's share in EEC trade with developing countries	45.1	35.6	38.6	37.1	32.9	35.2

Source: *Commodity Trade Statistics*, United Nations, 1960 and 1971, Nos. (1-1), (1-2), (1-3), (1-4), (1-5), (1-9), (1-10), *Yearbook of International Trade Statistics 1974*, New-York, 1975, Vol. I, pp. 24, 25.

mineral raw materials (excluding fuel)—11.4 per cent; mineral fuel—25.5 per cent; manufactured consumer goods—4.2 per cent; machinery and means of transport—0.3 per cent; other industrial goods—0.2 per cent.¹ Of all commodity groups the most important to the EEC are mineral raw materials and fuel. Their share will most probably grow faster than that of other goods.

The EEC holds first place in the foreign trade of African developing countries. For example, in 1972, the EEC accounted for 63.1 per cent of the total imports of these countries and 66.0 per cent of their exports.² These figures and an analysis of the activity of European monopolies show that Africa's dependence on the EEC market is slowly diminishing.

At the present stage, neither of the basic forms of economic co-operation used by the EEC in relation to developing countries, i.e., association (under the Second Yaoun-

¹ *Commodity Trade Statistics*, United Nations, 1960 and 1971, Nos. (1-1), (1-2), (1-3), (1-4), (1-5), (1-9), (1-10).

² *Monthly Bulletin of Statistics*, United Nations, No. 10, 1973, pp. 112-13.

de Convention and the Arusha Agreement) and the Generalised System of Preferences (GSP), has met the needs of the African countries. After the enlargement of the EEC, the influence of primarily the negative aspects of both forms grew.

In July 1971, the EEC introduced a limited system of preferences providing for duty free import from developing countries of a number of industrial goods and semi-manufactures listed in points 25 to 99 of the Brussels Nomenclature. Duty free imports, however, are permitted only within the framework of specific import quotas. The preferences do not extend to a large proportion of processed and unprocessed agricultural commodities. At the same time, with respect to agricultural goods included in points 1 to 24 of the Brussels Nomenclature, the EEC retained the right to take protective measures when necessary, that is, to restrict or ban their import into the Community.

The preferential system that Britain and Denmark introduced also provides for duty free import of many commodities from developing countries, while Ireland lowered duties by one-third. Britain extended duty free import to many agricultural goods as well.

Britain, Denmark and Ireland did not use an import quota system and extended the system of preferences to some types of raw material.

As we can see, the EEC preferences were of less importance to the developing countries than those of Britain, Denmark and Ireland. Within the framework of the enlarged EEC, the system of preferences is gradually being unified by drawing the tariff systems of Britain, Denmark and Ireland closer to the Common Market system. Consequently, the developing countries are losing part of the tariff preferences which they enjoyed in British, Danish, and Irish markets.

According to estimates made by the UNCTAD secretariat, unification of the Generalised System of Preferences within the framework of the EEC will mean a loss of about \$2.5 million a year for the developing countries. Owing to the enlargement of the EEC and trends towards liberalisation in trade between developed capitalist countries, the preferential margin for 50 per cent of the developing countries' exports will be reduced. Taking this into account, the developing countries are raising the question of supplement-

tary trade and economic relief in the EEC market to make up for the loss.

Most African countries are interested in a privileged position in the EEC market. At the same time, they have been demanding radical modification of the terms of association, seeking to combine the advantages of association with the advantages of the Generalised System of Preferences. The African countries stuck to this position at all stages of negotiations with the enlarged Common Market over the terms of the convention.

The magazine, *30 jours d'Europe*, noted that during the parliamentary conference of the association (1973) in Kinshasa, all 18 countries demanded continuation of their privileged relations with Europe, despite some criticism of them. The criticism covered a broad range of questions, and came not only from the 18 countries. The new candidates—the former British colonies—were especially critically-inclined, because under the conditions of the enlarged EEC the British customs tariff became higher than it was before. Therefore they insisted that the terms of association be changed. In this respect, their interests coincided with the interests of the 18 countries (despite contradictions stemming mainly from the similarity of their export structure). It was not accidental that the African countries associated with the Common Market invited 19 Commonwealth countries to take part in the discussion concerning relations with the EEC at the Brussels conference held in December 1972 at the ministerial level.

Such consultations are a new development in relations between African and other developing countries and an expression of their greater solidarity in the struggle against monopoly capital. African developing countries are more and more firmly taking a united position vis-a-vis the coordinated neocolonialist policy of the imperialist EEC member countries.

Concrete steps in this direction were taken at a conference of the ECA member countries, held from February 19 to 23, 1973, in Accra, at the ministerial level. Representatives of countries associated with the Common Market and representatives of Commonwealth countries discussed the EEC's economic policy in Africa for the first time at that conference. It was noted there that the EEC sought to secure the African markets forever, that it wished the African

countries to remain suppliers of cheap raw materials for the capitalist world, and that association with the Common Market impeded the industrialisation of Africa and created great difficulties in the development of intra-African co-operation.

The views of the developing countries came even closer together during the first and second meetings in Brussels, in July and October 1973. Fifty-two countries took part in those negotiations: the nine EEC countries, all the countries associated with the EEC, the English-speaking Commonwealth countries of Africa, the Caribbean (Barbados, Guyana, Jamaica, Trinidad and Tobago, the Bahamas) and the Pacific (Fiji, Tonga, Western Samoa), plus Ethiopia, Liberia and Sudan.

At all stages of the negotiations, the developing countries put the following basic demands to the EEC: to abolish reverse preferences because they hamper the young states' economic development; to introduce an effective mechanism for establishing stable and fair export prices and stimulate exports from the associated countries to the EEC; to increase the volume of financial and technical aid through the EDF to a level that would ensure rapid economic development for these countries; to allow associated countries to decide for themselves how funds allotted to them for economic development are to be used; to broaden and stabilise preferences on the associated countries' commodities, which are steadily declining due to the liberalisation of the Community's common external tariff, the enlargement of the Community, etc.; to make it possible to pursue an independent trade and economic policy with respect to third countries and freely develop economic relations with them.

The demands and common platform of the African countries forced the EEC member countries to retreat from their positions somewhat and display "generosity". An important factor in this respect was the EEC Commission's memorandum of March 1973, which in the view of the West European members of the EEC actually constituted the basis of a new convention.

The memorandum envisaged the following basic changes in the terms of association: the countries participating in the future agreement would have greater independence in their trade and economic relations with third countries, pro-

ceeding from the most-favoured-nation principle; the EEC, while adhering to its general agrarian policy, would reduce the taxes on tropical products; a mechanism for stabilising the exports of associated countries would be created (establishing guaranteed export prices, a stable volume of exports, and the payment of compensation to associated countries when export earnings fall); financial and technical assistance from EDF funds would be increased and used primarily in building infrastructure projects; EDF financing would be furnished for regional projects in Africa. It was also indicated that special attention would be given to assisting the least developed of the associated countries.¹

The memorandum contained a number of points which coincided with the demands of the African countries. Especially tempting to them was the point on creating a mechanism to stabilise prices and export earnings—something theretofore not provided for by any system of preferences. The recognition by the nine members of the EEC of the need to stabilise prices on such important exports as sugar, coffee, peanuts, cotton, bananas, etc., is a definite achievement of the African countries. However, a sober assessment should be made of the practical effect of this mechanism in a situation where the monopolies are dominant and still able to use the price formation mechanism in the world capitalist system largely to their own benefit. It should be stressed that the EEC countries were not in unanimous agreement on a number of the memorandum's propositions. As it was being discussed in May 1973, representatives of Britain, Ireland, Denmark and the FRG proposed that the EEC accept the African countries' demand to abandon reverse preferences. At the same time they spoke out against a mechanism to stabilise prices and export earnings. For its part, France urged that the character of the Yaounde Convention be preserved. Similar contradictions between individual EEC member countries also came out at a meeting of the Council of Ministers on October 15, 1973. France felt that the EEC's association with African countries should be based on the principle of reciprocal tariff concessions and preferences. In this respect, France even got support from Senegal and Ivory Coast. The rest of the de-

¹ *Revue du Marché Commun*, No. 167, 1973, pp. 302-303.

veloping countries, however, held to a different point of view.

All the changes notwithstanding, the new convention which the EEC signed with the developing countries was still discriminatory. In principle, discrimination was somewhat eased by the provision allowing the associated countries to build their trade and economic relations with third countries on the most-favoured-nation principle.

Despite the fact that they have made certain concessions, the West European powers still seek to preserve the long-standing unequal international division of labour and still fail to give the African countries real assistance in creating a national manufacturing industry or in building an independent economy.

Many developing countries felt obliged to agree to the terms of the convention, although the governments and broad sections of the public of these countries are fully aware of the neocolonialist character of the EEC.

The long negotiations over the new convention showed that anti-imperialist tendencies continue to mount in all developing countries, including those that are associated or may be associated with the EEC.¹ Some of the concessions which the 46 associated countries won by combining their efforts are embodied in the new convention signed in Lome. Among these are the EEC's withdrawal of its demands for reverse preferences, and its commitment regarding the stabilisation of the developing countries' export earnings from certain of their exports. At the same time, the convention creates a base for further penetration into the economies of the associated countries by the monopolies. For this reason, the developing countries are struggling for the elimination of closed neocolonialist groupings and for a major restructuring of international economic relations on the basis of genuine equality, respect for state sovereignty, and mutual benefit.

¹ Most developing countries which enter into treaty relations with the EEC on the basis of the document signed in Lome feel that the term "agreement" rather than "association" corresponds to the new system of relations.

SOCIAL AND IDEOLOGICAL PROBLEMS

Chapter 8

**BOURGEOIS SOCIAL SCIENCE AND
THE IDEOLOGICAL EXPANSION
OF NEOCOLONIALISM**

At the new stage of the national liberation revolution—the stage of struggle for economic independence and social emancipation—the progressive ideology of scientific socialism acquires growing importance. The progressive circles of the developing countries of Africa are in need of ideological tools that would facilitate the choice of way of further social development and methods of achieving genuine national independence and social progress. It is quite natural therefore that in present conditions the development of a scientific ideology and mass political consciousness and the influence on them of world socialism have become focal points of sharp struggle between the forces of progress and the forces of reaction. Imperialism does not intend to give up its already considerably weakened positions in the former colonies and dependencies without a fight. Having lost direct political dominance over part of mankind, it is trying to create a new system of keeping developing countries in a state of dependence and exploiting them. To this end, neocolonialism substantially intensified its ideological expansion in the developing countries in the 1970s.

The national liberation revolutions are growing in depth and breadth under the influence of many factors, the most important being the continuing struggle between the two world systems. In his report on the occasion of the Fiftieth

Anniversary of the Union of Soviet Socialist Republics, L. I. Brezhnev said: "The CPSU has always assumed, and still assumes, that the class struggle between the two systems—the capitalist and the socialist—in the economic and political, and also, of course, the ideological domains, will continue. That is to be expected since the world outlook and the class aims of socialism and capitalism are opposite and irreconcilable."¹

As it steadily mounts, the ideological struggle as a form of the class struggle between the two world systems also embraces the zone of the national liberation movements.

1. THE USE OF SCIENCE

In recent times, the attention of the ruling circles of capitalist states has been drawn to the fact that in the course of the socio-economic changes in many Third World countries, including those in Africa, new social forces are being formed which have increasing influence on the domestic and foreign policies of the young states.

Where the political activity of the popular masses has been the greatest, revolutionary democrats have come to power, and in these countries, a course towards socialism has been proclaimed. The short period of the independent existence of the young states has shown that it is precisely the political activity of the broad masses that influences both the character of important political decisions taken by the leadership, and to a decisive degree the general directions of economic, political and ideological development.

The situation in African countries has shown the ruling circles of the Western countries that they cannot count on success in carrying out their plans without taking into strict account the realities emerging there and without studying the deep-lying processes of socio-political and socio-economic development. To accomplish this kind of analysis the neocolonialists have come to rely heavily on bourgeois social science.

That the neocolonialist circles have turned to science as a supplemental means of raising the effectiveness of their

¹ L. I. Brezhnev, *Following Lenin's Course*, pp. 94-95.

policy is a development of multiple significance. It reflects the increased difficulties which imperialism's expansionist policy in the Third World is encountering, and most important, it gives added testimony to the successes of the national liberation struggle.

Using their financial power and influence, the neocolonialists are creating a network of research centres to carry on work in various fields. The character and direction of the research are determined by the interests of the patron financing it, be it a governmental, civil or military, monopoly-capitalist, church, political, trade-union or other organisation. Actually, all such organisations provide themselves with "scientific consultants". A sizeable proportion of the social scientists in the West hold positions as staff advisers and experts in various government agencies, monopoly associations, and party and other political organisations.

Thus, for example, a major consulting centre for the US monopolies that are expanding into the Third World is the Overseas Development Committee, set up in 1962 by the National Planning Association (NPA). The NPA leadership includes top officials of such monopolies as Westinghouse Electric Corp., the Ford Motor Company, the E.I. Du Pont de Nemours & Co., Firestone Tire and Rubber Co., Aluminum Company of America, United States Steel Corp., National City Bank of New York, as well as the AFL-CIO trade union centre. Another large US research centre, the Battelle Memorial Institute, does work for both government and private monopoly organisations (over 200). The Stanford Research Institute and many others carry out consultative and research functions.

Besides scientific centres of a general nature, there are many institutes of regional character in Western countries. Suffice it to say that in the United States, for example, 59 such centres are engaged in the study of Africa and drawing up recommendations for Washington's African foreign policy. Nor have universities and colleges remained uninvolved. Scientific personnel and practical specialists for the Third World countries undergo training in them under the corresponding programmes.

The FRG provides a graphic example of the close link between stepping up expansion in the Third World and the growing need for scientific information. Beginning in the

1960s, energetic measures were taken to reorganise existing specialised research centres and create new ones. At the present time, there are 244 such centres in the FRG that deal exclusively with problems of Asian, African and Latin American countries, most of them having been founded in the first half of the 1960s. Among these, over 100 specialise in African, 44 in Latin American, and 27 in Asian studies. The other 69 work on questions of a general nature.¹ About 70 institutes were created at the initiative of the ministry of economic co-operation, which is the chief sponsor and co-ordinator of scientific research.²

The greatest amount of work has been done in the study of the developing countries societies, with special emphasis on the analysis of the social structure.

Many problems—including those related to urban and rural development and the various strata of the population, are now viewed and tackled in a new way. Research disciplines have appeared that have received the status of independent sciences, such as “rural sociology”, “urban sociology”, the “sociology of development”, the “political sociology of developing countries”, and so forth.

At the same time, research in traditional disciplines like ethnology, history, anthropology and material culture has acquired new content and at the same time taken on a different political slant.

The subdivision of scientific directions and disciplines observed in bourgeois science affords the neocolonialists a better chance to ascertain the nature and concrete substance of factors impeding their economic, political and ideological expansion into the developing countries. But along with this compartmentalisation there also exists a tendency towards a comprehensive approach to the tasks at hand. Such disciplines as, for example, African studies, oriental studies or Latin American studies, having to a large extent lost their former purely academic character, have acquired a political orientation, and concentrate on the study of the numerous aspects of the contemporary life of developing states.

¹ *Internationales Asien Forum*, München, No. 3, 1972, p. 382.

² *Ibid.*

2. RESEARCH DIRECTIONS

The output of bourgeois social science on the subject of developing countries is divided into applied research and the working out of theories of socio-economic and political development.

The former is generally designed to afford monopolies, government agencies and individual entrepreneurs practical assistance in solving specific problems. This includes studying the markets of individual countries and the factors and conditions influencing their capacities, making quantitative and qualitative analyses of natural and manpower resources and assessing the possibilities of their use, and so on.

Special attention has been given of late to such things as population studies, studies of ethnic composition, and determining the degree to which religious beliefs, traditions and customs influence production discipline and productivity. The subject-matter of this kind of research is closely linked with the latest neocolonialist theories devised to justify the policy of the imperialist states in the developing countries.

The experience of the 1960s showed the ruling circles of the West that a policy pursued by the monopolies in the developing countries which does not take into account local conditions ultimately produces negative results from the standpoint of the general strategy of neocolonialism. It became obvious that there are a number of circumstances in the developing countries which have an important influence on economic development and as a whole impede the profitable activity of foreign capital and that these circumstances cannot be ignored if the Third World's backward economy is to be restructured to meet the needs of the world capitalist system. The research done along these lines has shown the need to overcome substantial impediments caused by the human factor. The problem bourgeois economists name first of all is the existence of feudal and semi-feudal socio-economic relations which restrain the productive activity of people, impede the introduction of modern technology and so forth. In this connection, bourgeois social science insists on the need to invest in man and create a social infrastructure adequate to the modern forms and methods of capitalist production.

The reason bourgeois science is paying so much attention to the human factor and social problems is that monopoly capital has turned out to have a stake in the existence of a varied local labour force with a certain level of skills and normal—from the standpoint of the employer—conditions for its sustenance. In this connection, the allegedly purely humane calls to declare war on hunger, poverty and illiteracy in the developing countries appear in their true light. What lies behind these calls are above all the selfish interests of the monopolies, their determination to enrich themselves by perfected methods of exploiting the local population.

In the field of theoretical research related to developing countries an important place in the Western literature is occupied by works analysing various aspects of the activity of the state and ideological problems. The intensity of this research is directly connected with the successes of the national liberation movement and the failures of neocolonialist policies.

Bourgeois social scientists, for example, are strenuously seeking means and possibilities of ironing out the contradictions in relations between developed capitalist countries and developing countries. This explains the appearance of a large literature on the subject of international conflicts. Despite the fact that bourgeois social scientists have shown a certain evolution in their views on the nature of interstate relations, they are still far from an understanding of their objective basis.

Bourgeois scholars base their conclusions concerning the causes of contradictions between the two worlds on the so-called theories of rich and poor nations, revolutionary idealism, protest, etc. In their opinion, the developing countries are themselves to blame for the Third World's complicated relations with the capitalist West because they pursue an unrealistic foreign policy. The ultimate conclusion to which bourgeois social science comes in this connection is extremely simple: the developing countries must change the anti-imperialist character of their foreign policy and make it more loyal to the Western countries.

Many Western scholars are wont to find the causes of conflicts in racial contradictions, the personalities of leaders, the prejudices of the ruling elite, and so forth. In other words, they tend to stress psychological and cultural

factors. This approach is particularly characteristic of the American-British idealist school of social psychology, which lays primary emphasis on problems of race, national prejudices, ethnocentrism, the psychology of a nation as a whole and its individual members, and other similar factors which allegedly have decisive influence on the nature and character of international relations. Some bourgeois scholars also include in their field of inquiry the task of determining the underlying factors motivating specific domestic or foreign policy actions of the developing countries.

Noting the growing interest in this kind of information, West German researcher D. Kantowsky suggests that sociological surveys, specifically sociography, should be the predominant method of research on developing countries. He sees the tasks of sociography to consist in collecting, systematising and analysing various data for interested organisations and agencies.¹ Some sociologists propose making a broader and more active study of the political elite of the young states. They say that the results of such social background studies are of invaluable help in formulating the foreign policy of Western countries because they make it possible to find causal explanations and understand the reasons behind the political decisions taken by the leadership of a given country.² These researchers are most interested in gathering information about such things as the past of political leaders, the degree of their religiousness, their interests, hobbies and so forth.

On the basis of an analysis of such information about 110 high officials and members of parliament of Tanzania, British political scientist R. F. Hopkins, for example, tries to determine the role of personal traits as an indicator of the country's political system.³

Mention should also be made in this connection of an article in the West German weekly *Die Zeit*, which noted that it is not a rare thing for the intelligence services of Western states to recruit personnel from among sociolo-

¹ Detlef Kantowsky, *Indien. Gesellschaftsstruktur und Politik*, Frankfurt am Main, 1972, pp. 187-88.

² Gerhard Hauck, *Die politischen Führungsschichten in den neuen Staaten Schwarz-Afrikas*, Heidelberg, 1965, p. 5.

³ Raymond F. Hopkins, *Political Roles in a New State. Tanzania's First Decade*, London, 1971.

gists and specialists on Third World countries.¹ Indeed, the social scientists themselves point to the specific nature of the research they sometimes do: "With the help of such programmes, American scholarship has provided its clients with more data on the society of the developing countries than have those who formally rule these countries."²

3. NEOCOLONIALIST THEORIES

Neocolonialism is endeavouring to steer the revolutionary tendencies of the national movements into a tranquil and controllable channel or to eliminate them altogether. Among the means that are used to these ends a substantial role is assigned to various kinds of theoretical chicanery. It is very important in this connection to look into the question of just what neocolonialist theories are.

Briefly, they may be defined as bourgeois and reformist theories which substantiate the necessity of keeping the countries that have freed themselves from colonial dominance within the framework of the world capitalist economy, and suggest ways and means of doing this. These theories made their appearance after the collapse of the colonial system and embrace the economic, political, ideological, and social problems of developing countries. From various angles they preach the capitalist way of development and "Westernisation", that is, patterning the social system of the young states after Western models. They categorically reject the socialist orientation and support the formation of a new social bulwark for imperialism in the Third World. Thus, the emergence of neocolonialist theories and the purpose they are called upon are determined by the strategic aims of neocolonialism. It should be noted that in this case the term theories is used in the collective sense because neocolonialist theories are, in form, a conglomeration of bourgeois and reformist ideas, concepts and doctrines containing an apology for the colonial system and imperialist "decolonisation" and for imperialism's present policy with respect to the developing countries.

Neocolonialist theories can be divided into two basic

¹ *Die Zeit*, December 20, 1968, pp. 1, 7.

² *Die Sozialwissenschaften in der Strategie der Entwicklungspolitik*, Frankfurt am Main, 1970, p. 162.

groups. The first consists of variations of bourgeois and reformist concepts and theories addressed to the developing countries, such as the self-elimination of imperialism, the transformation of capitalism, the industrial society, convergence, harmony of interests, mixed economy, democratic socialism, functional socialism, etc. The second group comprises concepts and theories especially devised by the ideologists of neocolonialism: interdependence, partnership, dualism, modernisation, economic growth, elite, political leadership and many others.

As pointed out earlier, neocolonialism is continuously changing. Accordingly, neocolonialist theories are also going through a process of change. Bourgeois and reformist ideologists are compelled to take into account their theoretical failures in the neocolonialist field, that have been brought about by the growing strength and prestige of the world socialist system and the deepening and broadening of the national liberation movements.

The mounting number of socialist-oriented countries has a decisive effect on the evolution of neocolonialist theories, because social orientation—capitalist or socialist—is a major factor in the differentiation of imperialist strategy with respect to the two groups of young states and, accordingly, in the theories that serve this strategy.

Although neocolonialist theories may deal separately with the various spheres of the life of developing countries, they are closely linked together in pairs or groups. For example, theories in the economic sphere propose various methods of economic development to former colonies and semicolonies. Among these are theories having to do with economic growth, sources of capital accumulation, agricultural development, industrialisation, the unemployment problem, redistribution of incomes, and development oriented to foreign ties. All these theories are united in the concepts of modernisation or development strategy, which ultimately come down to a policy of reform aimed at weakening the national liberation movements, asserting the capitalist way, and excluding radical measures to overcome the difficulties of development. As applied to countries with a socialist orientation, the neocolonialist theories in this group acquire additional features which stress that all the differences in the economic development of Third World countries merely amount to variants of capitalist development.

The ultimate aim of the advocates of the neocolonialist economic theories is to make sure that the developing countries remain an integral part of the world capitalist economy. That is why these theories have evolved in recent years from a position opposing the development of former colonies and favouring the preservation of their backwardness to a position favouring industrialisation in one form or another and the establishment and cultivation of local capitalism, but naturally with control over these processes remaining in the hands of the neocolonialists and to their benefit. The theory of industrialisation, for example, envisages the creation of some industries in the developing countries (basically the manufacturing industry), and proposes a twofold way of doing this: through the relocation of enterprises from the developed countries and by building subsidiaries of large enterprises locally. At first glance, these plans do not conflict with the tasks of newly independent states but in fact their purpose is to secure the interests of the monopolies. As an official of a large US electronics firm explained, his company built enterprises in Singapore because "labor costs \$2 per day instead of \$2 per hour. And the company got a five-year tax holiday."¹

In the social sphere, neocolonialist theories preach the need to achieve class peace and to spread opportunist and reformist ideas in the developing countries. At the same time, they explain the revolutionary processes in the Third World as merely conflicts between the elite and the masses. The appearance of this set of theories is a relatively new development. On the one hand, it testifies to the acknowledgement by Western social science of the fact—which it had formerly ignored—of the growing class differentiation in the developing countries. On the other hand, it reflects the anxiety of the neocolonialists about the fact that control over the development of social processes in the newly independent states is slipping out of their hands.

The renovated variations spread the subjective idealist theory of social dualism, which opposes traditional society or social behaviour to modern society or social behaviour. This theory reduces class struggle to conflict between precapitalist and capitalist groups, opposes the agrarian society to the industrial society, and emphasises the progressive

¹ *Newsweek*, May 14, 1973, p. 46.

mission of capitalism. Thus, the fundamental category of socio-economic formation is ignored, the question of class struggle is dismissed, the causes of socio-economic backwardness are distorted, and colonialism and neocolonialism are whitewashed. The general purpose of this set of theories is to create social conditions for capitalist development and to combat scientific socialism. In their liberal-reformist interpretation the neocolonialist theories foist upon the young states such ideas as the welfare society, moral evolution, ethical improvement, functional socialism and so forth. But inasmuch as the authors of these ideas assert that neither capitalism nor communism is suitable for developing countries but at the same time advocate reforms within the framework of the bourgeois society, all this is willy nilly merely apologia for the capitalist way of development, which is just what the neocolonialists want.¹

In the political sphere, the neocolonialist theories offer the countries of the Third World a model of a political system which would impede the further development of the national liberation movements and provide for control over revolutionary processes from above. That is why they are heavily larded with ideas of anti-communism, anti-Sovietism, reactionary nationalism, the "obsolescence" of Marxism, and so forth. To a large extent this group of theories springs from the notorious doctrine of intercepting the social revolution, worked out back in the early 1960s by the former head of the CIA, Allen Dulles. In particular, the presently fashionable concept of political leadership, which absolutises the role of strong personalities in stabilising the regimes of the developing countries, grew out of that doctrine.

On the whole, the emergence of neocolonialist theories is a reflection of the steadily narrowing sphere of imperialism's dominance in the Third World, the decisive influence of world socialism on the international situation, and the further deepening of the national liberation revolutions.

¹ Charles K. Wilber, *The Soviet Model and Underdeveloped Countries*, The University of North Carolina Press, 1969; G. Adler-Karlsson, *Functional Socialism*, Stockholm, 1967.

4. SCIENCE AND PROPAGANDA

A distinctive feature of the imperialist powers' ideological expansion is their attempt to conceal the real aims of neocolonialism in the newly free countries. Works ostensibly devoted to purely economic problems, questions of the scientific and technological revolution, sociology, history, law, etc., actually serve as apologia for capitalism. In historical works attempts are made to show the precolonial and colonial periods of Third World countries in a light favourable to the former metropolises. Examined in a similar way are questions dealing with the cultural development of the liberated peoples (mainly from the anthropological and ethnological points of view) as well as socio-economic, legal and political problems. To justify the colonial seizures and demonstrate the missionary character of imperialism's colonial policy and its beneficent effect on the development of the peoples of the Third World comprises one of the favourite projects in bourgeois social science. The authors of works of this kind try to absolve the former metropolitan countries of responsibility for the economic, moral, and political damage done to the developing countries.

Thus, for example, P. T. Bauer, a professor of economics at the University of London, tries to show that the colonial system and economic progress are quite compatible and hence the elimination of this system is not a necessary prerequisite to economic development.¹ To support his thesis, Bauer cites the experience of the United States, Canada, Australia and New Zealand, which developed as colonies of Great Britain. But he evades the decisive fact that in those countries almost the entire indigenous population was exterminated and that the economic achievements there were connected mainly with the activity of emigrants from Europe.

Thomas Molnar, professor of French literature at Brooklyn College, is another zealous defender of the colonial sys-

¹ P. T. Bauer, *Dissent on Development. Studies and Debates in Development Economics*, London, 1971, p. 148.

tem.¹ In his view, the former metropolitan countries should bear responsibility for only one mistake: for the speed with which decolonisation was carried out.² American researcher R. W. Howe, while not denying individual shortcomings in the colonial system, feels that in historical perspective this system promoted the progress of the colonial peoples and that if it could have existed without racial discrimination and conquest it "might never have been overthrown in Africa—or certainly not in the present age."³

Some writers (Paul Auphan,⁴ for one) unabashedly maintain that the colonial system led to the spread of civilisation and bestowed great blessings upon the colonial peoples.

A more veiled form of the ideological struggle against the anti-colonialist and anti-imperialist movement in the Third World is found in the works of some bourgeois anthropologists and ethnologists who do not reject the thesis of racial equality but interpret it from a psychological angle. This approach, incidentally, is typical of many American and West European researchers.

While formally acknowledging the biological equivalence of different groups of people, the exponents of this school at the same time hold that the psychological makeup, character, structure and cultural patterns of different peoples which are formed in the process of rearing are nonequivalent. Some peoples allegedly have a more perfect pattern, others a less perfect one, and there is nothing they can do to change the existing pattern. The conclusion drawn from this is that the demand for the equality of all peoples is unrealistic, and that some have a moral right to dominate over others.

The racist concepts advanced on the basis of anthropological data cannot stand up to serious criticism and, moreover, have been refuted by the life of the newly free peoples. This forces bourgeois scholars to concentrate on a search for new "scientific" arguments in ethnology. At present, reactionary bourgeois ethnologists have become especially active. At the same time, under the influence of a tendency towards the politicising of all the humanities, a

¹ Thomas Molnar, *Africa: A Political Travelogue*, New York, 1965, p. 281.

² *Ibid.*, p. 296.

³ Russel Warren Howe, *The African Revolution*, London, 1969, p. 122.

⁴ Paul Auphan, *Histoire de la décolonisation*, Paris, 1967.

certain "modernisation" of anthropology and ethnology is taking place.¹

These sciences have considerably expanded their traditional field of study to include the class societies of contemporary peoples, with special attention given to the cultural and social aspects of their life.

This evolution is explained above all by the entrance into the international arena of peoples that in the not too distant past had been classified in the West as "prehistoric" or "primitive". Selecting and arbitrarily interpreting individual facts from their life, bourgeois science is trying to create a system of socio-philosophical views and criteria by which these peoples could be evaluated.

Thus, the West German bourgeois researcher Wolfgang Freund, studying the relationship between the culture and the technological and economic backwardness of the Arab peoples, has come to the following conclusions; the main impediment to the Arab people's technological progress is their "cultural backwardness"; to approach the cultural level of Western countries they have not only to raise the level of their technical knowledge but also to develop "individual thinking processes."² The characteristic indicator of these peoples' cultural backwardness, in Freund's view, is their inability to think in abstract scientific categories, a faculty that is allegedly impeded by the undeveloped nature of their languages. In other words, Freund invokes the "linguistic principle of relativity".³ Freund has even worked out a scale of approximate criteria which he claims make possible an objective judgement as to the level of cultural development of Third World countries. Included in this set of criteria are such indicators as the perception of beauty in nature, attitude to traffic regulations, ability to run one's household economically, punctuality, and so forth.⁴ Actually,

¹ At the 24th International Congress of Sociologists held in Algiers in March 1974, social scientists from the young African states came out with a sharp exposure of the pseudoscientific ethnology, pointing out that it had always served the colonialists only to provide them with information about the peoples they conquered.

² Wolfgang S. Freund, "Unterentwicklung in strukturalistischer Sicht". In: *Aspekte der Entwicklungssoziologie*, Köln-Opladen, 1969, p. 519.

³ *Ibid.*, p. 529.

⁴ *Ibid.*, pp. 533-36.

all of this scientist's pseudoscientific inventions are permeated with the spirit of racism.

The point, however, is not in the delusions of one or another representative of bourgeois science, but rather in the fact that this kind of research is made the basis of theories designed not only to conceal the real causes impeding the progress of the young states towards technological and economic development—the dominance of the colonialists in the recent past and the predatory policy of monopoly capital at the present time—but also to hamper the revolutionary approach to problems connected with the socio-economic transformations in these countries.

Bourgeois social scientists treat the problems of overcoming the backwardness of the Third World countries with a specific ideological bias. Through their studies and the conclusions flowing from them they seek to show the primitive nature of the cultural and spiritual world of the peoples of these countries, and to inculcate in them the system of ideological and political views prevailing in the West. Some scientists say, for example, that the psychological makeup of people in the Third World differs in many ways from the psychological makeup of peoples in the industrially developed countries. The behaviour of the latter is governed by reason or rationality which finds expression in their initiative and enterprise, but an urge to create material wealth and derive rational benefit from their actions is supposedly not characteristic of people in the developing countries. They are motivated, say the bourgeois researchers, mainly by values of a religious or mystical nature which push the values of the material world into the background.¹ Having accused the peoples of the developing countries of inherent laziness (Freund), fatalism (M. Guernier),² and other such character defects, the bourgeois scientists jump to the conclusion that the Afro-Asian and Latin American peoples have no urge to create, conquer nature, or accumulate material wealth. In these countries, the Western men of science say, "people often have no inclination for work".³

Little different from this line of thinking, in terms of the

¹ *Entwicklungspolitik. Handbuch und Lexikon*, Stuttgart-Berlin, 1966, pp. 58-59.

² Maurice Guernier, *La dernière chance du Tiers Monde*, Paris, 1968, p. 74.

³ *Entwicklungspolitik. Handbuch und Lexikon*, p. 58.

reactionary nature of its substance, is yet another interpretation of the causes of the economic backwardness of the Third World countries. Their basic trouble, argue bourgeois scientists, is that the societies of these countries are static, not like the dynamic societies of the West. Characteristic of a dynamic (i.e., Western) society, they say, is the well-developed and rational form and organisation of its socio-political and state system; a static society on the other hand is permeated with dualism, which accounts for the inconsistent and irrational behaviour of its members.¹ In the long list of basic features which, according to the bourgeois scientists, a "static" or "passive" society lacks, special emphasis is laid on the absence of such "agents of dynamic development" as individualism, the spirit of enterprise, readiness to take risks, reaction to market stimuli and other virtues typical of a capitalist society. Bourgeois writers actively advance the idea that the peoples of the newly free countries will be doomed to a state of permanent backwardness if they do not acquire the typical traits found in Western capitalist society, if they do not cultivate in themselves the psychological and socio-economic elements of capitalism, the bearers of which in their countries are the representatives of foreign capital.

These arguments in defence of a dynamic society clearly imply that capitalism must be perceived as the only effective means of struggle with backwardness. The pseudo-scientific, neocolonialist theory of "static" and "dynamic" societies into which bourgeois scientists divide the modern world (without ever mentioning the countries of socialism and the reasons for their mighty economic, cultural and social development) has also been attacked by some Western social scientists.

West German sociologist Freimut Duve, for example, calls these categories and the characteristics connected with them concocted and pseudoscientific. In his opinion, the real history of a dynamic society gives a different picture from the one many researchers paint. Thus, the dynamics of Germany's development from feudalism to capitalism, Duve points out, was in essence the dynamics of the

¹ For an interpretation of "static" and "dynamic" societies by West German scientists, see: *Entwicklungspolitik. Handbuch und Lexikon*, pp. 166-72.

growing impoverishment and class stratification of the society. "The 'dynamics' which drove hundreds of thousands of people from the agrarian part of Eastern Germany into the Ruhr region was the outcome of fear and hunger, of rightlessness and landlessness in a system of large land-ownership."¹ It was only to avoid starving to death that people took any kind of work. At the present time, in "dynamically" developing West Germany, the author continues, people have no sense of security or confidence in the future.

The bourgeois "theories" on the backwardness of the peoples of the Third World do nothing to help solve the problems of their socio-economic development. Their purpose is to obfuscate the real historical and socio-economic causes of backwardness, to emasculate the social content of the process of the development. At the same time, while harping on the inferiority of the peoples of the newly independent countries, the apologists for neocolonialism persistently try to instill the notion that these peoples cannot hope to overcome backwardness without help from the former metropolitan countries and other developed capitalist states.

In this connection, bourgeois social scientists give considerable attention to criticising the notion of neocolonialism itself. One of the first to come out in this field back in 1964 was the British researcher Brian Crozier. Everything said about neocolonialism, he states categorically, is the fruit of the Communists' imagination.² The term "neocolonialism", says American social scientist Theodore Geiger, was used by the Communists "to sustain hostility against the West after colonial rule ended."³

Developing the notion that neocolonialism is an invention of the Communists, P.T. Bauer says that the term neocolonialism is deliberately introduced in the following contexts: a) to protest against the imposition of conditions in the granting of aid; b) in support of the demand that aid

¹ Freimut Duve, *Der Rassenkrieg findet nicht statt*, Düsseldorf-Wien, 1971, pp. 112-13.

² Brian Crozier, *Neo-Colonialism. A Background Book*, London, 1964, p. 75.

³ Theodore Geiger, *The Conflicted Relationship. The West and the Transformation of Asia, Africa and Latin America*, New York, 1967, p. 122.

should not be tied to purchases of specific commodities or from specific sources; and c) in support of multilateral aid, on the ground that bilateral aid involves dangers of neocolonialism.¹

Bourgeois social science pursues several objectives in denying the existence of neocolonialism, the main one being to prove that the existing relations between the developed capitalist countries and developing countries do not require fundamental restructuring and that the Third World should develop under the aegis of Western states.

M. Guernier, for example, feels that the Third World cannot find a way out of its difficult position without help from the United States. He allows that—along with the Americans—European and Japanese firms must also participate directly in the industrial development of the Third World.²

In Guernier's opinion, even with American assistance and a rejection of socialism, the African peoples would be able by the year 2000 to attain a standard of living only equal to that which the European peoples had in the middle of the last century. Therefore he suggests that the Africans (excluding the population of Northern Africa) unite into one or two communities, abandon plans for the industrialisation of their countries, and devote primary attention to the development of agriculture and the services field.

Professor Henri Perroy has advanced a different plan for the development of relations between the Third World countries and Western states. He pins all hopes on assistance from the EEC countries.³

The most consistent ideologists of neocolonialism propose that imperialist powers work out a common policy with respect to the developing countries with the aim of preventing revolutionary explosions in the Third World. West German writer Jürgen Dennert writes that the West's foreign policy "must find ways and means of co-operating with the developing countries so as to allow the changes in them to be carried out in the form of an evolution and with a positive attitude to the West".⁴

¹ P. T. Bauer, *Dissent on Development. Studies and Debates in Development Economics*, London, 1971, pp. 157-58.

² M. Guernier, *La dernière chance du Tiers Monde*, p. 212.

³ Henri Perroy, *L'Europe devant le tiers monde*, Paris, 1971, p. 305.

⁴ Jürgen Dennert, *Entwicklungshilfe geplant oder erwartet?* Bielefeld, 1968, p. 16.

Fear at the prospect of revolutionary transformations in the developing countries runs through the works of some writers associated with Church circles. Thus, the director of the Social Science Institute of the Protestant Churches in West Germany attempts to persuade the peoples of the developing countries that their main problem is the absence of Western-type rights and freedoms and not economic backwardness.¹ He is echoed by Friedhelm Merz, head of the press and public relations department of MISEREOR, an organisation in Aachen for helping German Catholics, who says that revolutions cannot change anything in the life of the peoples.

R. W. Howe says that "it should not be too difficult to persuade our African friends that the imperfect Western system is probably the best there is."²

The growing interest which newly independent countries show in studying socialist methods of economic management and the socialist states' development experience compels bourgeois social scientists to try to discredit the ideas of scientific socialism or to juggle them to neocolonialist ends. In his book, *The Soviet Model and Underdeveloped Countries*, the American writer Charles K. Wilber pursues the idea that the socialist mode of production is nothing other than an historical accident. His colleagues, British writers Alec Nove and J. A. Newth, for their part, try to prove that it is impossible to make use of the "Soviet experiment" in Asian and African conditions.³

The rather large body of Marxologists and Sovietologists who are in the service of monopoly capital are also joining in the elaboration of themes of this nature. Their rejection of the noncapitalist way of development is built on arguments that Marx's teaching on socialism supposedly had in mind European countries exclusively. Moreover, Western writers do not stop at out-and-out falsification of Marx's views on the national and colonial questions. The "scholarly

¹ Klaus Lefringhausen. Friedhelm Merz, *Das zweite Entwicklungsjahrzehnt 1970 bis 1980. Der Pearson Report und seine Konsequenzen*, Wuppertal-Barmen, 1970, pp. 62-64.

² R. W. Howe, *The African Revolution*, p. 290.

³ Alec Nove and J. A. Newth, *The Soviet Middle East. A Communist Model for Development*, New York-Washington, 1967.

work" by Shlomo Avineri, a professor from Jerusalem, may serve as an example.¹

Taking upon himself the labour of interpreting what Marx and Engels had to say on the national and colonial questions in his own way, from bourgeois positions, Avineri begins by deliberately ignoring a number of works that reflect their point of view of these questions.

It is well known that the thoughts they voiced in connection with their analysis of the situation in Austria, Hungary, Italy, Poland or Ireland determined their conception of the national movement in non-European countries as well. Avineri, however, artificially tears away Marx's and Engels's views on the colonial question from an integral study of the ways towards the political and economic liberation of enslaved countries, and maintains that the classics of Marxism did not envisage the possibility of the revolutionary emancipation of the oppressed peoples of Asia and Africa and their advance along a socialist path prior to the victory of socialism in the metropolitan countries.²

If we follow the arguments of the bourgeois professor, it turns out that, since the former metropolitan countries—England, France, Belgium, Holland—have not yet come to socialism, it is premature to raise the question of a socialist way of development in the newly independent countries, for this would contradict Marxism.

The Marxologists also resort to direct distortions of the text of some of Marx's works or twist their meaning. Where Marx calls for revolutionary struggle against colonialism, the bourgeois falsifiers slip in the liberal formula on colonialism and "modernisation" as if it belonged to Marx.

Wherever they cannot distort the teaching of Marxism-Leninism on the ways and means of movement towards socialism, the bourgeois interpreters try other devices. They persistently toss in the idea that if the newly free countries do decide to orient towards socialism, it must be a socialism of another type, a socialism reformed in accordance with the national conditions and specific features of the given geographic region.

¹ *Karl Marx on Colonialism and Modernization. His Despatches and Other Writings on China, India, Mexico, the Middle East and North Africa.* Ed. with an Introduction by Shlomo Avineri, New York, 1968.

² *Karl Marx on Colonialism and Modernization...*, pp. 29-30.

5. THE PROBLEM OF A "SOCIAL BASIS"

The neocolonialists see the basic impediments to their strategic plans in Africa to be the absence there of developed capitalist relations, the comparatively small size and relative weakness of the local bourgeoisie, and the undeveloped internal market, which hampers the expansion of foreign capital on a new basis. It is not surprising, therefore, that these are the very problems that are in the focus of attention in the theoretical research carried on by bourgeois scholars.

Bourgeois theorists reject the revolutionary method of instituting fundamental socio-economic changes as a means of achieving all-round progress in the Third World countries. In its stead they propose an evolutionary way of capitalist development, based on the modernisation of the economic and social structures of the new countries.

The thesis that the bourgeoisie is the leading social and economic force in the emergence and growth of the modern state has been most fully developed in the theory of the so-called new middle class.

This theory was worked out and continues to be elaborated by prominent sociologists, economists, political scientists and historians in the United States, Britain, France, Belgium, the FRG, and other countries.

In essence, the theory of the middle class which is offered to the Third World countries stems from the bourgeois conception of the social development of Western capitalist countries. According to its authors, that development led to the homogeneity of Western society, so that at present there is no room there for either class struggle or class antagonism. They try to demonstrate that social relations under modern capitalism are being modified in such a way that the "society of the future" will be primarily a society of a middle class which will include workers, intellectuals, and small and middle entrepreneurs.¹

Purposely ignoring the growth of social and class contradictions in the capitalist world and passing over in silen-

¹ Joseph Bensman and Arthur J. Vidich, *The New American Society. The Revolution of the Middle Class*, Chicago, 1971; Barry Hindess, *The Decline of Working Class Politics*, London, 1971; Frédéric Bon, M.-A. Burnier, *Classe ouvrière et révolution*, Paris, 1971.

ce the socialist countries' experience of social development, the bourgeois social scientists make bold to announce that this theory is universally applicable and best suits the interests of the young states. In the first place, they argue, the theory of the middle class makes it possible to modernise the social structure of the developing countries on the basis of the experience of Western states; secondly, the absence in the Third World countries of clear-cut class differentiation makes it possible on the basis of the middle class to begin the formation of a new society which automatically eliminates social contradictions and, thereby, class struggle; and third, the middle class is declared to be the motive force not only of socio-political but also of economic progress, which on the whole should bring the new countries out onto some kind of third path of development.

Deliberately removing the internal demarcation lines between various intermediate social strata, the bourgeois sociologists include in the middle class everything from the big and middle bourgeoisie at one end of the social ladder to the proletariat, in the person of exploited handicraftsmen and minor office workers, on the other. The category includes also the intelligentsia, the military officers, high and low ranking officials, small landowners, and the agricultural bourgeoisie. As can be seen from this catalogue, the social composition of the middle class is extremely heterogeneous in itself. It has its own upper echelon which is actually conjunctive with the dominant classes and groupings which exploit hired labour; and a sizeable part of it consists of middle-strata elements whose socio-economic conditions differ little from those of industrial and agricultural wage-earners.

Bourgeois sociologists have no precise definition or criteria for the middle class, and they completely disregard the basic indicator of class affiliation—the relationship to the means of production. Thus, for example, the definitions of middle class which West German sociologists supply are more than vague. A one-volume encyclopedia on subjects relating to Third World countries says that the middle class is a “body of people who are neither proletarians nor capitalists”.¹

Like many others, this definition is designed to obscure the differing class interests of and social antagonism among

¹ *Entwicklungspolitik. Handbuch und Lexikon*, p. 1411.

the various social groups and layers formally included in the middle class.

The prime objective in advancing these theories is to cultivate capitalist elements, which are seen as constituting a reliable support and class ally of foreign capital. Intentions of this kind are perceptible, for example, in the variations of the middle class theory being worked out by bourgeois social scientists in the FRG.

Their basic argument in favour of giving top priority to the development of the middle class in the new states is that this class acts as an accelerator of their socio-economic development. According to René König, "economic production is regarded as the consequence of a higher social differentiation, and therefore it cannot grow until one or even several middle classes emerge."¹

Another argument in favour of reliance on the middle class makes reference to its entrepreneurial role. West German sociologist Gottfried Eisermann draws the conclusion that the entrepreneur in developing countries is "the key figure in the entire process of change",² because economic life in these countries is full of uncertainties, and the entrepreneur knows better than anyone else how to overcome difficulties. Eisermann urges the governments of the new states to give every encouragement to entrepreneurial activity and to support private business.

The bourgeois social scientists stress the stabilising and dynamic functions of the middle classes in the economic development of the young states. Their stabilising function flows from their "independence" (possession of property), whereas the "non-independent" proletarians, who do not own property, are a disturbing factor retarding development.³ The middle class is a dynamic factor in that its members are always ready to introduce innovations into production and thus help raise the national income.⁴

The stabilising functions supposedly characteristic of the middle class are perhaps of primary importance to the bour-

¹ René König, "Über einige offene Fragen und ungelöste Probleme der Entwicklungsforschung". In: *Aspekte der Entwicklungssoziologie*, Köln-Opladen, 1969, p. 24.

² Gottfried Eisermann, "Die Rolle des Unternehmers in den Entwicklungsländern". In: *Soziologie der Entwicklungsländer*, p. 99.

³ Mechthild König, *Die Rolle der Mittelschichten in der wirtschaftlichen Entwicklung Ecuadors*, Göttingen, 1969, p. 176.

⁴ *Ibid.*, p. 177.

geois social scientists. After all, admits M. Schmitt, a stable political climate is important above all for foreign investors: "stable political relations are of particular importance for links with foreign countries and for confidence in the world. Without this solid foundation there is little inclination, especially on the part of foreign merchants and entrepreneurs, to take the big risk of economic operations in unknown markets. Free private initiative implies also other requirements. They include above all respect for and the inviolability of property."¹

König goes even further. He says quite frankly that the West's growing interest in this class is politically motivated and that the debates about the role and significance of the middle strata in the socio-economic life of developing countries are primarily ideological in character.²

The theory of the middle strata is closely linked with the socio-reformist concept of the formed society being widely propagated by the neocolonialist circles and designed to smooth over class contradictions and establish peace between labour and capital. This concept springs from the proposition that, rather than consisting of classes and social groups with conflicting interests, society is based on a community of interests for the sake of the common good.

The chief purpose of this concept is not only to disarm the developing countries ideologically in their struggle against foreign monopolies but also to create an alternative to the socialist path—a kind of improved model of renewed capitalism, where class contradictions are smoothed out.

The backers of the formed society concept are counting on its finding application in Asia, Africa and Latin America. They maintain that it can become the commanding idea in the economic and social development of all peoples.

Bourgeois social science offers as one of its newest areas of research the theory of institutions as a guide to Third World development. Central to this theory is a call to implement a policy of class integration so as to secure for the bourgeoisie the role of the leader of the developing society and with its help to build bridges to the Western world.

This theory is presented in its fullest form by the American social scientist John Powelson. The difficulties facing

¹ Matthias Schmitt, *Partnerschaft mit Entwicklungsländern*, Stuttgart-Degerloch, Seewald, 1960, p. 53.

² Mechthild König, *Op. cit.*, p. 1.

the developing countries, he tells us, spring from "the inability of national groups to collaborate adequately with each other."¹ Powelson promises that harmony of interests among the different "national groups" can be achieved through the purposeful use of a system of institutions, including the administrative and government apparatus, planning and financial bodies and establishments, state and private enterprises, social groups, and so forth.

Among other things, their functions, says Powelson, should be geared to the main task—to reconcile employees and employers and thereby regulate the processes of economic and social development. The end result of the activity of these institutions, the American writer says, is a "consensus society", the alternative to which are social upheavals, revolution and chaos.² With respect to countries which are trying to achieve internal unity by nationalising foreign capital, Powelson advises applying a policy of postponing effective growth institutions.³

Some bourgeois social scientists and publicists say that the developing countries are merely passive objects of the ideological rivalry between the two opposing world social systems. The tendency to regard these countries only as objects of external influence is wrong, it contradicts reality and pursues a quite specific aim—to belittle the role of the national liberation movements, treat them as local phenomena and exclude them from the world revolutionary process.

An objective Marxist analysis of the problem shows that the bourgeois neocolonialist ideology is opposed, albeit with varying intensity, by three forces in the developing countries. First, the real vanguards of the national liberation revolutions—the Communist and Workers' parties, which are conducting an active struggle against the neocolonialist ideology in the realm of theory. Second, part of the national democratic movement which tends to move close to scientific socialism. Third, the anti-imperialist, general democratic, national liberation stream.

Leaders of progressive movements and regimes, and representatives of progressive theoretical thought in the de-

¹ John P. Powelson, *Institutions of Economic Growth. A Theory of Conflict Management in Developing Countries*, Princeton, New Jersey, 1972, p. 6.

² *Ibid.*, p. 19.

³ *Ibid.*, p. 30.

veloping countries refute the propositions of bourgeois sociology and political science which are above all aimed at isolating the national liberation movement from other revolutionary streams of the times. In their works and speeches they sharply criticise the basic tendency in bourgeois science, which is to substitute scientific and technological revolution for social revolution and to prove that the goal of social revolution is not transition to socialism but merely the elimination of economic backwardness. On the basis of an analysis of the processes taking place in the developing countries and the whole world, the progressive leaders and theoreticians of the Third World countries convincingly demonstrate that the national liberation movements are part of the world revolutionary process.

Marxist-Leninists in the developing countries put a sound theoretical footing under the idea of a united front of progressive forces. This idea is widely supported by all who understand that the general democratic mission of the national liberation revolution in many Third World countries is far from completed, and that the possibility of unity for the progressive, anti-imperialist forces is determined by their common interest in a rapid solution of urgent national problems.

Another point that the leaders of progressive movements and regimes develop in their theoretical elaborations is that it is essential in every way possible to strengthen the alliance with the USSR and other countries of the socialist community, for the formation and existence of the world socialist system are the only things that have opened up real prospects of historical progress for the former colonies and semicolonies.

Bourgeois ideology and its neocolonialist version are in a profound crisis throughout the world. This crisis manifests itself in various forms and in varying degrees of intensity. But in general it comes from the undeniable fact that the bourgeois ideologists, the anti-communist Marxologists and Sovietologists have failed to work out a concept or theory that would find wide recognition in the Third World and be accepted by the broad sections of the public. At the same time, the concept of socialism is firmly entering the life of the peoples fighting for genuine independence.

The ideological struggle of the progressive forces goes on under complicated conditions. But despite economic difficul-

ties, resistance from internal reaction and neocolonialist pressure, the democratic strata are giving ever stronger rebuff to imperialist ideology, anti-communism and anti-Sovietism and are seeking ways towards scientific socialism. The course of events shows that the struggle of the national liberation forces for the progressive ideology will intensify, for only on the basis of this ideology can the general democratic tasks be accomplished and the immediate goals of social and economic progress be attained.

6. NATIONAL PERSONNEL

The problem of personnel training in the developing countries of Africa occupied a prominent place in the strategy and tactics of neocolonialism. The explanation for the attention given to these problems by the Western powers lies in their wish to control the formation of national cadres so as to create out of them a social support for imperialism and through them, as carriers of bourgeois ideas, to exercise influence over the broad sections of the local public.

At the same time, the neocolonialists take into account the fact that education is one of the cardinal problems in the development of the African countries.

Specifically, the methods of neocolonialist assistance in the field of education amount to implanting or as much as possible preserving intact Western systems of education and making European languages the obligatory languages of instruction. Efforts are aimed at supplying teaching materials prepared mainly in the West and only slightly adapted to local conditions.

The Western powers strongly advocate an agricultural orientation for the educational systems of the African countries. At first glance, this position appears to be well grounded, since most African countries still have predominantly agrarian economies. In fact, however, this orientation would impede independent industrial development.

Because they have an economic interest in enhancing the role of the new states in the world capitalist economic system, the neocolonialists are compelled to give them help in organising their educational systems. But in doing so their objective is to have the universities and other educational establishments in the African countries produce only

a limited number of industrial engineers, technicians and junior personnel for the subsidiaries of large foreign firms. The goal of training legal experts, historians and economists is to form a body of supporters of Africa's co-operation with the West. However, the neocolonialists oppose the spread of technical training in Africa on the ground that it is allegedly unpopular, and actually impede the broad Africanisation of teaching and scientific personnel and the liquidation of adult illiteracy.

At the same time, it is obvious that, objectively, independent Africa is as yet unable to develop educational system without foreign aid, although any actions taken by the latter aimed at the intellectual enslavement of the African peoples come up against ever increasing resistance.

Africa is the principal recipient of Western aid in the field of education. Over 80 per cent of the educational personnel from Western states working in developing countries are in Africa. A large percentage of these are secondary school teachers. African countries spend considerable sums of money to maintain Western teachers. They are also obliged to buy teaching materials and equipment from the donor countries, and this without the right to control cost, quality or terms of delivery.

The United States, West Germany, France and Great Britain are the chief furnishers of assistance to Africa in this field. The United States holds strong positions in the educational domain of many African countries, especially in Liberia, Nigeria, Tunisia, Cameroon and Zaire. In Nigeria, for example, a university was built with US assistance in Nsukka, where in the early 1970s there were several dozen American advisers (teachers and researchers). American penetration into Zaire has also been on a rather large scale.

In recent years, the smaller capitalist countries (Canada, the Netherlands, Sweden, Norway and others) have increased their activity in the educational field in Africa. They have begun sending teachers and experts and granting credits for the building of educational and scientific centres.

The monopoly circles of these countries follow a very definite tactical procedure: assistance to African countries is accompanied by the expansion of trade, economic and technical ties and the building of various multi-purpose projects, primarily in the industrial sphere.

As far as Africa is concerned, assistance from the smaller capitalist countries has both political and economic advantages. These states do not pose as great a threat to the sovereignty of the African countries as do the big imperialist powers. Co-operation with the junior partners of world capital is preferable also because the share of grants in their total aid is much greater than is that of the big capitalist donors.

Teachers also comprise the basic nucleus of the Peace Corps operating in Africa. Of the approximately 10,000 volunteers that were on the continent in the early 1970s, almost half were teachers. The American Peace Corps, which has been renamed the Action Corps, is the largest. In 1972, it had about 2,000 of its members in 22 African countries.

Statistical data show that the number of Western teachers in Africa has grown considerably over the last decade. France, for example, almost tripled the size of its teacher contingent in Tropical Africa between 1960 and 1972. Special mention should be made of the fact that Western specialists occupy responsible positions in the educational administration of African countries. This allows the neocolonialists to influence the activity of education ministries, various educational and scientific councils, etc., in the direction they want.

Besides the specialists who are sent in the context of official aid, there are many thousands of envoys of the private sector working in Africa: missionaries, representatives of firms and philanthropic foundations, and so forth. One of the fields of their activity is education.

Of course, the assistance of the private sector pursues the same aims as official aid, and is very far from a sincere desire to transfer resources and knowledge to the developing societies. It is even more convenient for the neocolonialists because it gives them an additional screen. It is much easier for representatives of the private sector to speak of "philanthropy" or of not being interested in receiving any benefits or advantages.

Educators from the Western powers play a twofold and contradictory role in the educational systems of African countries. On the one hand, they give Africa a certain amount of help in meeting the problem of the local teacher shortage. On the other hand, however, there is no denying the negative consequences of domination by specialists from

the developed capitalist countries. Their efforts are directed towards publicising the achievements of their own countries, maintaining so-called Western standards in education, propagating the Western way of life, etc. In the universities and colleges, Western teachers also concentrate research work in their hands. Specialists from the imperialist states dictate the direction of research projects and see to it that the topics studied and elaborated are those that best suit the needs of monopoly capital.

The neocolonialist role of Western teachers manifests itself in their scornful attitude to the spiritual and national values of the African peoples, their denial of patriotism in the actions of Africans, their support of the myth that the humanities are of special value in education, and their downgrading of a natural science and technical education, supposedly linked basically with physical labour, and so forth.

The ideological manipulation of Africans by Western specialists is not restricted to the confines of Africa alone. It is also carried on in the donor countries—the United States, Britain, France, the FRG, Belgium, etc. Numerous organisations and educational establishments in the West take in tens of thousands of students, trainees and other representatives from Africa every year. Most come to continue their education or raise their qualifications. Needless to say, while they are in Western Europe or America, attempts are made to impose upon them a set of neocolonialist prescriptions for solving the problems facing the continent and in this way turn them into supporters of the capitalist system.

One of the negative phenomena in the socio-economic, political and ideological life of the young African states, and one for which the neocolonialists are largely responsible, is the brain drain. The seriousness of the problem lies in the fact that, because of the African countries' acute shortage of cadres, the departure of even a small number of national specialists is a substantial loss to the state and impedes the efforts of the government and people to eliminate the consequences of the many years of colonial oppression.

It is difficult to quote figures on the number of skilled African specialists that have emigrated to Western countries. Most African states do not keep statistics of this kind. But according to some estimates, about 70 per cent of the African students who study in the West do not return to their homelands. According to information gathered by

UNESCO, about 10,000 persons, mainly scientists, engineers, physicists, technicians and students, emigrate annually from eight Arab countries: Libya, Syria, Jordan, Iraq, Egypt, Tunisia, Morocco and Algeria. Most of them go to the United States, Canada, France, Britain or the FRG. President Sékou Touré of the Republic of Guinea has pointed out that more than 180 Guineans who received a university education abroad refuse to return home.

An especially large number of those who do not return are doctors or pharmacists. The magazine *Zaire*, published in Kinshasa, said that there are more African doctors abroad than in Africa itself, although 50 per cent of the medical personnel on the continent are foreigners. Of 150 Cameroon doctors, only 49 returned home after finishing medical school.

Considering the costs incurred by the governments to train national specialists and the outlays necessary to maintain foreign specialists, the African countries sustain great financial losses due to the brain drain, to say nothing of the great moral and political damage that is inflicted when African specialists do not put their knowledge to use in their own native countries.

The explanation for the brain drain is, of course, not a simple one. The easiest thing to do is to put the whole blame on the African specialists themselves. That is why many writers on the subject speak of the emigrants' desire to make more money, improve his standard of living, etc. But there are also other causes—causes that depend on external circumstances, such as the inability to find a job in one's line, the lack of planning in specialist training, and so forth. Nor should political reasons be ignored. It frequently happens that a specialist comes into conflict with the authorities, and this in many ways influences his decision not to return.

However, the basic reason for the emigration of national specialists from Africa is the policy of the Western powers, the neocolonial system of buying up scientists from developing countries. In connection with the scientific and technological revolution many capitalist states experience an acute need for highly skilled personnel which they cannot always fill themselves. Hence the moves by monopoly capital to buy up brains. It is not without purpose that the United States, Britain, Israel and other capitalist countries have

passed laws making it easier for foreign scientists, engineers, technicians and so forth to become naturalised citizens. Increasingly characteristic in those countries is the appearance of firms engaged in the recruitment of specialists from other countries. African students studying in the West are also subjected to the corresponding ideological treatment. In Great Britain, for example, agents of the big monopolies continuously carry on work among foreign students, persuading them to stay in Britain after completing their education.

The efforts of the Western powers to bring the sphere of education and personnel training under their influence, the many instances of their interference in the internal affairs of African countries, and the low effectiveness of Western aid prompt Africa to give rebuff to these methods of neo-colonialism as well, and to seek ways of lessening dependence on the imperialist powers. Under these circumstances, foreign monopoly capital finds it harder and harder to impose its conditions of assistance to Africa in the sphere of education, and in many cases has to make substantial concessions. The main factors helping to protect the sovereignty of the African countries are existence of the socialist community and the tremendous growth of the forces of the national liberation movement.

More and more often, the leaders, press and public opinion of African countries condemn the self-seeking practices of the Western powers. Many African governments are reviewing their agreements with Western powers and taking decisive measures against foreign dominance in the field of education, reducing the number of Western specialists or rejecting their assistance altogether. It has not been uncommon for teachers and members of various Peace Corps working in Africa to be expelled for interference in the internal affairs of African states.

The student disturbances that occur from time to time on the continent are usually connected with the students' dissatisfaction with the existing educational systems and their demands for changing them. This was the case, for example, at the University of Dakar (Senegal). As a consequence, in the early 1970s the Senegalese government instituted a reform of higher education and concluded a new treaty with France in the field of education and culture, which took into account the national interests of the country. In Madagascar, the struggle of the youth for a deep-going reform of the

educational system in the early 1970s grew into a nationwide movement of protest against continuing foreign dominance and led to the fall of the reactionary government.

All these processes take place in the context of the sharpening class struggle on the continent and the struggle between those who defend Africa's orientation to the West and those who come out for independent development in the field of education. Among the latter forces are patriotic strata of the national intelligentsia, a large part of the student youth, and some sections of the local bourgeoisie that object to the dominance of foreign capital. The stronger the forces coming out against imperialism and neocolonialism, the more profound are the educational reforms that are being carried out in a number of African countries.

Many African countries realise that the development of national education is one of the major factors in freeing themselves from the present dependence on foreign specialists and in the success of Africa's struggle against neocolonialism as a whole.

Some African states have already begun to reorganise their educational systems, others are just embarking on this road. The states that have chosen the socialist orientation are solving the problems of education much more successfully than the rest of the countries. In the socialist-oriented states, sweeping measures are taken in such areas as the training of national cadres, the liquidation of illiteracy, changing the curricula, transition to teaching in the national languages, and the financing of education.

To be sure, the African states that are not socialist-oriented are also giving attention to the question of restructuring their educational systems. There, however, things move more slowly, often without any essential changes being made in the foundations of the system set up in colonial times.

The educational reforms or measures in all African countries involve increasing the student body at all levels, enhancing the role and importance of the natural and technical sciences, expanding educational facilities, Africanising teaching materials and instruction, unifying education, introducing examinations, etc. Steps are also being taken to plug the brain drain. Specifically, measures are being introduced to regulate the granting of scholarships for study abroad, to allot assignments to university and college graduates, and to set up special national services—local Peace Corps of

a sort. Many countries have begun to keep track of persons working or studying abroad.

By way of example, we might cite the decree issued by the Ministry of Education of the Republic of Mali in 1972. This decree makes it incumbent upon the Malian authorities to provide every student or trainee who completes his training under a state scholarship with a job in his field. The graduate is obliged to work in his speciality in his country for no less than 10 years. If he does not comply, he must reimburse the government for the cost of his education. The same legislation extends to students who receive international scholarships or scholarships from friendly states. All violations are subject to examination by a tribunal of the Republic of Mali.

African countries are combining their efforts in the struggle against the brain drain. Thus, four West African countries—Nigeria, Ghana, Sierre Leone and Gambia—set up the Council for Post-Graduate Medical Education in 1972. The council has compiled a detailed set of rules on training, examinations and qualification in various branches of medical science.¹

Africa is also countervailing linguistic neocolonialism. In the Arabic-speaking states, the complete Arabisation of education is making good headway, and in many countries of Tropical Africa (Somalia, Guinea, the Democratic Republic of Madagascar, Tanzania), the local languages are gradually being introduced into the teaching process.

An alternative to the policy of the Western powers is educational co-operation among the countries of the continent themselves. The practice of inter-African student and teacher exchange is growing, and inter-African educational establishments and scientific centres are emerging. Virtually every university in independent Africa has students from many African countries.

A parallel road to the elimination of neocolonialist dependence lies through the expansion and deepening of Soviet-African cultural co-operation. Africa has already seen ample evidence of the effectiveness of Soviet assistance in all spheres of national development including that of education and strengthening the scientific and technological potential of African countries. As many facts indicate, expan-

¹ *West African Pilot*, August 10, 1972.

sion of co-operation with the USSR helps these countries make rapid progress in the most urgent tasks in education—tasks which the imperialist powers usually do not tackle at all or accomplish at an extremely slow pace. These include the training of scientific and technical personnel of which Africa has the greatest shortage, the building of various technical training schools, and furnishing teachers for the most remote parts of Africa, where representatives of capitalist countries generally do not go. Finally, it would be hard to overestimate the value of the specialist training many Africans receive during the construction of projects carried out with the assistance of the Soviet Union.

THE PRESENT STAGE OF THE STRUGGLE FOR INDEPENDENCE

Chapter 9

THE STRUGGLE OF THE AFRICAN PEOPLES AGAINST NEOCOLONIALISM

1. DIRECTIONS OF THE STRUGGLE

The struggle against neocolonialism is as diversified as neocolonialism itself is many-sided and complex. The Africans are compelled to wage it in all the directions in which the neocolonialists operate, that is, in the economic, political, ideological and cultural fields. But since the neocolonialists are presently laying primary emphasis on their economic objectives, the bitterest struggle is naturally in the economic sphere.

Speaking at the Sixth Special Session of the UN General Assembly, the President of the Revolutionary Council of Algeria, Houari Boumédiène, stressed that the imperialist policy of robbing the Third World was drawing stronger and stronger protests from the developing countries. In Africa, which has set about solving the problems of economic independence, there is growing conviction that the building of a national economy and struggle against neocolonialism in the socio-economic sphere are two sides of one and the same process. What then is being done on the continent to countervail the economic expansion of neocolonialism?

Among the most consequential moves are measures aimed at restricting the freedom of foreign capital, the fight for the right to independently decide how and where resources received from abroad in the form of aid are to be used, and the struggle for equal terms of trade in the world capitalist

market.¹ African states have of late stepped up their efforts to deprive the multinational corporations of the levers which enable them to dispose of the continent's raw material and human resources at will.

The governments of African states are trying to put foreign capital under their control and mitigate the negative consequences of its activity for the weak economies of their countries. In other words, they have begun a struggle for changing the conditions of its investment. They seek to get controlling interest in mixed companies, try to regulate the sectoral distribution of capital investments and at the same time to limit the transfer of profits abroad. These measures are being taken more and more extensively by countries rich in oil and scarce raw materials which the West is especially interested in. With an eye to restructuring their relations with foreign companies and seeking the creation of a new system of international economic relations, the governments of African countries also resort to nationalisation. The establishment of control over the activity of foreign capital as a measure aimed at restricting its exploitative activity, and the right to nationalise, are by no means illegal as some bourgeois legal experts are wont to say. They flow from the principle of sovereignty, which gives every state the freedom to dispose of its natural resources. In most cases, nationalisation provides for the payment of compensation, and former owners usually retain a shareholding interest.

Ghana was the first country in Tropical Africa to nationalise. In 1961, the government took under its control nearly all of the ore mining in the country (with the exception of the British corporation, Ashanti Goldfield). After that, there followed a whole series of nationalisations: in the Congo (Kinshasa) in 1967, Zambia beginning in 1968, Sierra Leone in 1970. Between 1972 and 1975, nationalisation laws were passed in Uganda, Libya, Togo, Nigeria, Burundi and other countries. Explaining the essence of the decrees restricting the theretofore uncontrolled activity of commercial banks and foreign entrepreneurs, the Nigerian *Daily Times* wrote that the government planned to correct the abnormal situation in which most of the economy was controlled by

¹ For a more detailed discussion of the economic aspects of neocolonialism see Chapters 4, 5 and 6.

foreign capital.¹ The nationalisation of foreign property has been effected on a substantial scale in Algeria, Somalia and Guinea.

What are the motivating factors behind nationalisation? As a rule, nationalisation is aimed at freeing a given country from foreign control and putting the developing national economy on a healthier footing. To leave the nerve centres of economic life in the hands of foreigners means placing national plans in jeopardy and permitting continued plunder and exploitation of the country's natural wealth. The African countries are determined to take full charge of their natural resources.

As we can see, the interests of foreign capital and the interests of the African peoples clearly do not coincide. At the same time, aware of their shaky positions, the neo-colonialists in some cases appear to meet the interests of the developing countries half way. They proclaim, for example, a readiness to invest their capital in the manufacturing industry. African governments welcome this (it offers a partial solution to the problem of employment and helps reduce losses on the export of raw materials), but at the same time they have to reconcile themselves to the fact that Western companies reap fabulous profits from the exploitation of the local labour force.

African governments face serious problems in their efforts to get the monopolies to reinvest profits in the local economy. Their task consists in preventing the outflow of the lion's share of the profits derived in Africa by making stipulations to that effect when concluding deals with foreign companies.

Today it is clear to many African statesmen that the open door policy proclaimed by some African governments thoroughly conflicts with plans for economic independence. All it does is to encourage continued exploitation under new conditions. That is why changes in the African states' relations with foreign companies are on the agenda. Already, African governments are insisting on a more favourable balance between local and foreign personnel on the staffs of these companies.

African states are taking energetic steps to improve the extremely disadvantageous terms of trade with the impe-

¹ *Daily Times*, Lagos, May 9, 1972.

rialist states and to occupy a more equitable position in the world capitalist market.

The Fourth Conference of Non-Aligned Countries, which took place in September 1973, issued an Economic Declaration which noted that "the recent increase in the price of certain raw materials has not benefited the developing countries as a group, since import prices have increased even more, and the profits resulting from the rise in the price of raw materials have been made by the transnational companies".¹

To change this situation the African states are trying to organise the processing of raw materials locally and diversify their exports, and are demanding a reduction of the price scissors.

By organising the processing of raw materials locally the African countries expect a greater rate of profit, an increased inflow of hard currency, and additional jobs for the local labour force.

By diversifying their exports even only through the export of semiprocessed raw materials, they hope to reduce their trade balance deficit. Substantial headway has been made in this respect by Guinea, which has organised the processing of bauxites; Liberia, where the concentration of certain kinds of iron ore has been set up; Algeria, Zambia and a number of other states.

Experience shows that no African country, acting alone, is capable of breaking the mechanism of nonequivalent exchange in the world capitalist market, and for this reason an active search is underway for collective forms and methods of applying pressure to the capitalist partners.

In the ideological sphere, the most stubborn clashes with neocolonialism are connected with the choice of ways of development and methods of overcoming backwardness, and with the training of personnel. Neocolonialism considers it to be an important task to reorientate the countries that have chosen a progressive path of socio-economic development and to isolate the progressive forces in African society from progressive international movements. Its ideological offensive pursues the aim of insuring the export of capitalist relations to Africa and intrusion into the social sphere

¹ *Documents of the Fourth Conference of Heads of State or Government of Non-Aligned Countries*. A/9330, 22 November, 1973, p. 63.

of the young national states. The attitude of bourgeois propaganda to African nationalism and to the policy of non-alignment has undergone noticeable change. To be sure, these phenomena are in a process of evolution themselves, but even so, the West's new approach to them must be attributed to the new neocolonialist strategy aimed at using nationalism as a weapon to disunite Africans, and nonalignment as a principle dictating passiveness on the part of Third World states towards international issues that do not affect them directly.

To a large extent the explanation of this metamorphosis lies in African protests against having alien views imposed upon them and the crude methods of ideological pressure, and in the growing popularity of the ideas of scientific socialism. African countries are opting for a socialist orientation and embarking on the corresponding reconstruction in their states. Of great importance for Africa is the experience of the USSR, where the problems of overcoming the backwardness of the outlying regions and of eradicating illiteracy and eliminating national antagonisms were solved in historically short spans of time. The neocolonialists, naturally, are trying to denigrate that experience.

The struggle against neocolonialism in the ideological sphere is very complex and contradictory. It would be wrong to say nothing about the fact that so far there is active resistance on the continent only to crude methods of ideological pressure. And it is only the progressive circles of Africa, mainly the revolutionary democrats and, of course, the African communists, who consistently come out with profound criticism of the reactionary essence of the ideological expansion of neocolonialism, which impedes the intellectual decolonisation of the African peoples.

Politics is another sphere of opposition to neocolonialism in which there are many clashes between developing states and neocolonialism. But with respect to Africa, we think it is especially important to examine one aspect of this confrontation—the problem of the South, where colonial and racist regimes are still in existence. As leftovers, of a sort, of the colonial empires, they remain a bastion of imperialism and colonialism on the continent. As a matter of fact, as long as the racist regimes hold out in them, South Africa and Rhodesia will fulfil the role of gendarme of imperialism and neocolonialism, ready to suppress the national libera-

tion movement (as South Africa's intervention in Angola showed), and therefore will remain a constant object of struggle for free Africa.

International imperialism "stubbornly defends the remnants of the colonial system, on the one hand, and on the other, uses methods of neo-colonialism in an effort to prevent the economic and social advance of developing states, of countries which have won national sovereignty".¹

Taking into account the twofold danger emanating from the South Africa-Rhodesia bloc, the independent states are waging a struggle with this outpost of neocolonialism along several directions: by resisting military blackmail, increasing their aid to national liberation movements, and sharply condemning apartheid. Knowing that these regimes exist only thanks to imperialist support, they persistently work for an economic and political boycott against them. At the same time, free Africa rejects the promises of economic and financial benefits with which South Africa tempts it. This was borne out by the results of the extraordinary session of the OAU Council of Ministers which took place in April 1975 in Dar es Salaam.

After the Middle East events of 1973 and the victory of the People's Republic of Angola in 1976, the independent countries of Africa intensified the struggle against the racist regimes and their allies, Israel in particular. The independent African and Arab countries began to draw closer together. Despite certain economic losses which severance of ties with Israel entailed, 39 of the 42 independent African states finally broke off or halted diplomatic relations with Israel after the new aggressive actions of the Zionists. Among the few countries that gave open aid to Israel during the fourth Arab-Israeli war was South Africa. The alliance of Zionism and racism remains a threat to Africa. Free Africa's rejection of a dialogue with South Africa, and the actions directed against Israeli aggression, testify to the growing understanding in Africa of the strategy and tactics of neocolonialism.

Such, in general outline, are only some of the more important directions of the struggle against neocolonialism. Of course, the practical steps taken by the independent coun-

¹ *International Meeting of Communist and Workers' Parties, Moscow 1969*, p. 12.

tries of Africa in these spheres are closely interconnected and supplement each other, and only in aggregate give an idea of the anti-neocolonial strategy that is being worked out on the national level in most of the African countries. The kind of state power that exists in a given African country has a direct bearing on the character, methods and forms of struggle against neocolonialism. However, it should be noted that the interests of national development prompt African governments to give rebuff to neocolonialism in one way or another, sometimes even regardless of their ideological views and social orientation.

Increasingly, public opinion acts as a catalyst in the anti-neocolonialist struggle. It is becoming an effective factor in Africa's public life, spurring moderate ruling circles to take more radical steps towards energetic struggle for the political and economic independence of African countries.

An analysis of the main directions of opposition to neocolonialism inevitably leads to the conclusion that in many cases a national strategy cannot be successful unless it is reinforced by collective efforts. The experience of the struggle and the changing methods of neocolonialism bear this out.

2. COLLECTIVE REBUFF

Imperialist strategy with respect to developing countries and the many tasks these countries have in common in the struggle against it are objective factors promoting collective opposition to neocolonialism.

A special place in the policy of modern imperialism is held by collective neocolonialism. The imperialist powers, despite the many serious contradictions that exist among them, are trying to work out a common line of conduct with respect to the economically underdeveloped countries.

The collective neocolonial policy is effectuated in many forms and along many avenues. It manifests itself, for example, in the European Economic Community's relations with African countries. In this regard, it is widely advertised that the EEC members give associated countries assistance and privileges in the sale of their goods in the Common Market countries and willingly establish special relations which allegedly meet the aspirations of the developing countries.¹

¹ For a more detailed discussion see Chapter 7.

The Africans qualify these relations as robbery above all because they are unequal, and the African countries that are dependent on the EEC sustain substantial losses as a result of such co-operation. In 1972 information was published in the African press clearly indicating that EEC countries made at least \$2.50 to \$3.00 profit on every dollar they gave the African countries in the form of aid. Another fact: Kenya, Uganda and Tanzania, which had signed an agreement with the EEC even before Britain's entry into the Common Market, had a trade deficit with the EEC countries of \$126 million by the end of 1971. Luxembourg alone, for example, sold East Africa more than \$1,000,000 worth of goods without buying anything in exchange.

The African countries opposed this policy of the EEC with a collective rebuff. As early as in 1969, when the question of extending the Yaounde Convention was up for consideration, the Africans sought almost twice as much financial assistance as the Common Market participants were willing to give. When new principles of long-term co-operation were being discussed in Brussels in 1973, the Africans came out in a united front with the demand for bigger quotas on duty-free imports of their products into the EEC countries, guaranteed stable prices for their goods, and the cancellation of reverse preferences.

This was one manifestation of the developing countries' efforts to work out a co-ordinated position and oppose collective neocolonialism with collective anti-neocolonialism. The result, as we saw in Chapter 7, was that the African and other developing countries succeeded in wrestling a number of important concessions from the EEC.

Because they are dealing with a strong antagonist, it is essential for the African countries to combine their economic and fiscal efforts and work out common principles of activity in the sphere of politics and cultural decolonisation. To counter the plans of the imperialist powers, the developing countries are striving to occupy an equal position in the modern world, to sunder the shackles of their many-sided dependence and gain the independence corresponding to their won sovereignty. The experience of their struggle for political independence indicates that new victories of the national liberation revolution also require joint efforts, particularly since some of its perspectives cannot be attained by one or another country acting individually.

It was this kind of the thinking that ran through statements made by Africans at two forums that took place back in 1966 and 1968. At a conference on industrial and financial questions convened at the initiative of the ECA, Africans came to the conclusion that accelerated economic development can be ensured only through multinational economic co-operation. This same idea came to underlie the decisions of the Fourth Conference of Non-Aligned Countries (Algiers, 1973) and determined the developing countries' common positions at the Sixth and Seventh special sessions of the UN General Assembly (1974 and 1975, respectively).

The realisation that isolated actions were not enough sparked greater efforts to organise collective resistance to neocolonial expansion.

A tendency towards integration in Africa was already in evidence in the mid-1960s, when regional economic alliances began to appear. Not the least of the reasons for these processes was the desire to get out from under the economic and financial diktat of the neocolonialists. At the same time, it was clear from the outset that co-ordination and concentration of resources and efforts were not likely to free the participants of the new associations from the need for external assistance. But in view of the fact that African integration had its attractive aspects for the foreign monopolies as well, it could be hoped that the position taken by the Africans that had begun to act on a collective basis would increase their chances for equal partnership.

The monopolies' freedom of action is limited whenever there is a chance to more systematically distribute investments by countries, stimulate the development of specific industries, reach agreement on quotas on export commodities, and so on.

We have listed the objective advantages of regional integration which may be used in the struggle against neocolonialism with the aim of reinforcing efforts made on the national level. But this does not mean that an effective mechanism for applying pressure to neocolonialism has already been worked out. Regional associations are still only in the making, and it is too early yet to draw any final conclusions about when this mechanism will begin to work.

Today we speak only of trends that have yet to be realised in complex conditions, since economic integration is a

many-sided process and is developing not only against a background of deepening contradictions in Africa (class, ideological, inter-state) but also under the banner of the growing struggle against neocolonialism. While the African countries work towards integration in order to lessen their dependence on imperialism, imperialism is bent on preserving and deepening the existing dependence.

A regional strategy of rebuff to neocolonialism always runs into the counter-measures of the imperialist powers, who are interested ultimately in controlling Africa's development and pushing the continent onto the capitalist road. That is why it is imperative that national and regional efforts be supplemented by other methods of countervailing neocolonialism, including a common line of conduct by Third World countries. This is already being done within the framework of the United Nations Conference on Trade and Development (UNCTAD). Common positions are also reflected in the Charter of Algiers, and a joint programme is being worked out by the Group of 77.¹ A relatively new development in the Third World's struggle, often referred to as the sectoral strategy, should be examined in this connection.

It came about as a result of the developing countries' determination to protect their raw material resources from being plundered. The governments of the oil producing countries joined efforts in the struggle for the right to control their own oil resources. After creating the Organisation of Petroleum Exporting Countries (OPEC), they won from the international monopolies that had formerly held uncontrolled sway in the world oil market, a larger share of participation in profits and bigger deductions from the sale of oil. Some countries—Algeria and Iraq, for example—went even further: they nationalised the foreign oil extracting and oil refining enterprises.

Taking into account the Western countries' and Japan's growing need for oil, the oil producing countries continued their offensive. They won compensation for losses connected with currency devaluations and compelled the monopolies to sign an agreement guaranteeing protection of these countries' interests in the event of new upheavals in the West's monetary system.

¹ This group now includes over 100 members.

A big role in the victories scored over the oil monopolies was played by the solidarity of the oil producing countries as they supported the demands of the individual states by such measures as, for example, temporary halts in oil deliveries, disruption of oil tanker schedules, outbacks in production, and so forth.

During the fourth Arab-Israeli war in October 1973, Arab oil became an important political weapon against abettors of the Israeli aggression. Ten Arab states with an annual production of about 900 million tons of oil imposed an embargo on oil deliveries to the United States and Holland, both taking a frankly pro-Israel position, and also substantially increased the price of oil. Characteristically, the imperialist states were unable to agree on any kind of unity to oppose the Arab and other oil producing countries. Repeated meetings of the OECD Oil Committee failed to produce a united front. Fear of OPEC sanctions forced the West European countries and Japan for the first time to dissociate themselves from the pro-Israel policy of the United States.

The successes of the oil producing countries became a kind of beacon for other raw material producing developing countries, guiding them towards collective struggle against imperialist robbery and the policy of aggression.

Oil is not the only raw material factor used in the anti-imperialist struggle. A few years ago, a number of copper exporting countries created an Intergovernmental Council of Copper Exporting Countries (CIPEC) to oppose the monopolies that partially controlled the sources of this raw material and the market prices on it. The fall in copper prices in 1971-1972 resulted in considerable losses for the copper producing developing countries. In 1972, the losses amounted to \$40 million. Therefore, a CIPEC conference in November 1972 worked out measures for joint protection against economic aggression against any CIPEC member country.

A factor working against the Council is that the United States, Canada, Iran, the Philippines and the Solomon Islands are also large producers of copper but are not CIPEC members.¹ Moreover, unlike the case with oil, there are often considerable fluctuations in the demand for copper.

¹ In 1974, the CIPEC countries accounted for 40 per cent of the world's copper production and 70 per cent of the copper sold in the world capitalist market (see *Pravda*, November 21, 1974).

All this made the Council's work more difficult, but at the same time stimulated it. The monopolies' machinations with copper prices in the world market jeopardised the national development plans of the CIPEC members. Zambia, for example, depended on copper sales for about 60 per cent of its foreign currency earnings.

It is hard to say what the future of CIPEC will be. The reactionary circles that seized power in Chile, which played an active role in CIPEC, offer no resistance to the predatory plans of the foreign companies. Chile did not take part in the meeting of CIPEC in Paris (late 1974) at which Zambia, Zaire and Peru decided to reduce their exports of copper by 10 per cent in order to prevent the price from falling further.

Another subject of negotiation among developing countries is the sale of agricultural raw materials. Cocoa producing states—Nigeria, Ghana, Ivory Coast, Cameroon, among them—demand the establishment of stable and fair prices for their product.¹ They have agreed on the need to establish export quotas, set a limit to price fluctuations, and create a buffer reserve of cocoa beans.

In early 1974, India and Bangladesh came out with a proposal to set up an international corporation of jute producing states in order to protect their interests in the international markets. In mid-1974, at a regular (fourth) meeting of Latin American banana exporting countries, it was decided to create an alliance with the aim of ensuring equitable terms of trade in bananas.

An analysis of only a few concrete examples of concerted rebuff by Third World countries to foreign monopolies, including the multinational corporations, indicates that co-ordination of their economic efforts can become an effective method of struggle against nonequivalent exchange in trade and against economic neocolonialism as a whole.

Measures to strengthen the unity of anti-neocolonialist action are being worked out on a pan-African scale as well. The experience of the Organisation of African Unity and especially the spirit that ran through the decisions of the OAU assemblies of heads of state and government in the

¹ 21-24 cents a pound. The United States, which consumes 40 per cent of the world production of cocoa, insists on a price of 20 cents (*Jeune Afrique*, Tunis, No. 616, October 28, 1972, p. 21).

period 1973-1976 are significant. The adoption of principles of a continental strategy for combatting neocolonialism is dictated by the common destinies of the African peoples, the similarity of their tasks and goals, and the conditions in which they will have to struggle to achieve social and economic progress.

From the end of the 1960s it has become a firmly established opinion on the continent that imperialism is actively helping the colonial and racist regimes, encourages their bridge building policy, and is trying in every way to break up the OAU from within. Disunity in Africa is to neocolonialism's advantage, and its main blow is directed against the OAU, the forum where pan-African principles of struggle against imperialism are being worked out.

The struggle of the 48 independent states to free the continent from racism and the vestiges of colonialism, to eliminate inter-African conflicts and overcome tribalism, and for the decolonisation of cultures undermines the positions of neocolonialism. It would be hard, for example, to overestimate the importance of the blow struck to neocolonialist plans by the rejection of the dialogue tactics. As we know, it was rejected on a pan-African scale at the Eighth Assembly of the OAU (Addis Ababa, June 1971), and the collective rejection was once again registered in documents of the Extraordinary Session of OAU Council of Ministers (April, 1975).

A sign of the OAU's intensified anti-imperialist activity was its change of attitude to the Middle East crisis. It has become obvious in Africa that the crisis has sharpened the struggle between the forces of progress and neocolonialism. The OAU did not clearly define its position on this question right after the June events of 1967 because of pressure from forces that underestimated the neocolonialist essence of the policy of the zionist circles in Israel.

During the two years immediately preceding the resumption of the Arab-Israeli war in October 1973, the OAU unanimously and vigorously supported the UN Security Council resolution of November 23, 1967, and denounced Israel's obstructionism with respect to UN efforts. African solidarity also played a positive role when the crisis was aggravated. The emissaries of zionism failed to erect a barrier between Black and Arab Africa, and their demarches turned into today's political isolation of Israel on the continent.

There is another fact that is important from the standpoint of working out collective measures of struggle against neo-colonialism. The OAU has not only focused attention on the alliance of zionism and racism but also has come out with a proposal to stop oil deliveries to South Africa and Rhodesia, both of which helped Israel in the war against the Arab countries. The joint measures of political and economic boycott enhanced Africa's unity and gave added testimony to the maturity of the young African states.

That anti-colonialist actions on the national and continental levels are mutually complementary can be seen from Africa's position concerning the elimination of foreign military bases on the continent and the struggle for turning Africa into a non-nuclear zone.

One could cite many aspects of the OAU's activity that directly or indirectly help strengthen the anti-imperialist element in the foreign-policy programmes of the African states. But the OAU resolutions adopted in May 1973 are worth considering in detail, for they are of primary interest from the standpoint of working out the principles and directions of a pan-African strategy of struggle against neo-colonialism.

Two conferences were held in Africa in 1973: the second ministerial conference of the countries associated with the UN Economic Commission for Africa (Accra, February), and the first African Ministerial Conference on Trade, Development and Monetary Problems, sponsored by the OAU, the ECA, and the African Development Bank (Abidjan, April). Both were devoted to working out a joint strategy in the African countries' struggle for economic independence. The first adopted a resolution on Africa's strategy for the 1970s, and the second, a resolution entitled, the African Declaration on Co-operation, Development and Economic Independence, which was later adopted under the same name by the Tenth Assembly of the OAU.

The preamble of this document spoke of the importance of accelerating the processes of economic integration and regional co-operation with the aim of co-ordinating and strengthening the positions of African countries in their relations with the world.

The section of international trade noted that the common goal of the African states was to stop the obvious and continuous worsening of terms of trade, and to adopt effective

precautionary measures so that trade agreements could not be used to subordinate Africa to any foreign economic force.

The section on development financing outlined the principles of relations with foreign capital and underscored the intention to work towards the end that private investors respect the priority of national tasks of the African states, to take measures to stimulate reinvestment of profits, and so on.

Seeking to ensure themselves against the consequences of the deepening crisis of the Western monetary system, the African states expressed in the Declaration their determination to limit the adverse effect of processes taking place in the monetary sphere outside the African continent, to seek compensation for losses, and to strengthen inter-African monetary co-operation.

* * *

The Declaration on Co-operation, Development and Economic Independence, the Solemn Declaration, and other OAU documents are convincing indications that in its struggle for full emancipation Africa is entering a new era—an era of co-ordinated action and solidarity, an era of overcoming the centrifugal tendencies operating on the African continent itself. The translation of these principles into life will require wise leadership and the support of the broad African public. It must be remembered that the ruling circles of the African states are guided by different political ideologies and that the states themselves differ substantially in terms of economic potential and size of population. This is of great importance in the matter of working out concrete forms of a collective anti-colonialist strategy, whether on the regional, sectoral or continental level.

The experience of the independent development of African countries has shown that even when principles of joint activity are agreed upon, their practical implementation is not a simple matter.

The fact that even when it runs into the collective resistance of the developing countries imperialism is still able to use its neocolonialist methods in a number of cases and score temporary successes, testifies to the existence of certain complexities in the national liberation movement. But the newly independent countries are gradually becoming aware of the danger of neocolonialism. In his report to the 25th

Congress of the CPSU, L. I. Brezhnev said: "It may definitely be said about the majority of them that they are defending their political and economic rights in a struggle against imperialism with mounting energy."¹ It is obvious how important a favourable international climate is for the imperative and growing unity of all the anti-imperialist fighters.

3. INTERNATIONAL FACTORS

To understand the role of the international situation in the African peoples' struggle against neocolonialism it should be borne in mind that the situation is characterised by a considerably greater interconnection between processes taking place within states and developments in the world arena. It is also clear that the influence of external factors on internal processes is increasing substantially.

Another distinctive feature of present-day international relations is the closer interdependence of economics and politics. Speaking at the Sixth Special Session of the UN General Assembly, A. A. Gromyko said: "The questions of raw material and development placed on the session's agenda might seem to be strictly economic issues. However, hardly any of the authoritative state representatives present here doubt that they should be considered in the light of politics."²

Many national problems can be solved today only on an international scale. This also applies to the struggle against neocolonialism. If any of the countries fighting neocolonialism were to isolate itself from the others, it would only bring harm to itself and retard the common victory over reaction and oppression.

The progressive forces of Africa have never separated their liberation struggle from the process of world development. Although their assessments of specific international events and of their consequences for Africa may have varied depending on their world outlook, most of the national liberation leaders have always shared the understanding that isolation is pointless and ruinous.

¹ *Documents and Resolutions. XXV Congress of the CPSU*, p. 16.

² *Pravda*, April 12, 1974.

The majority of the leaders of Africa today are aware of the importance of a consistent restructuring of the whole system of their political and economic relations with the capitalist states on a just and democratic basis. And in this sense, of great importance for the African states is the broad and almost universal recognition of the principles of peaceful coexistence, which the short-sighted advocates of anti-Sovietism had so long and stubbornly rejected.

The World Congress of Peace Forces, in which representatives of Africa took an active part, noted in its Communiqué that peaceful coexistence does not signify reconciliation with injustice; on the contrary, it presupposes that aggression is effectively checked and that nations have the right to fight by all necessary means for their political and economic liberation and social progress, and hence "is in keeping with the interests and ethical ideas of peoples about the principles that must underlie a just peace".¹

This public opinion is shared by African statesmen, many of whom feel that the principles of peaceful coexistence should form the basis of any inter-state relations and promote the development of broad international co-operation.

Broad application of the principles of peaceful coexistence in relations between the West and the states of the socialist community is also important for Africa, because despite the anti-imperialist orientation of African foreign policy, the states of the continent remain part of the world capitalist economy.

The fact that the socialist system wages a consistent struggle with imperialism to ensure the victory of the developing countries means that the African countries have real opportunities to further develop bilateral relations with the Soviet Union and other socialist countries, and if they wish, to use their experience in state and national development and rely on them in the struggle against neocolonialism.

The USSR and other socialist states are natural allies of African countries in their struggle for economic independence.

Secretary of the Central Committee of the Tunisian Communist Party Mohamed Harmel has noted that "the disparate economic development of the European socialist sta-

¹ *World Congress of Peace Forces. October 25-31, 1973. Documents, Moscow, 1973, p. 7.*

tes and the newly-free countries is neither a factor of tension in their relations nor an obstacle to co-operation. On the contrary, the Soviet Union and other countries of the socialist system use their economic progress to give them material and technological aid".¹ This assistance is given without any political strings attached, and its effectiveness grows as the possibilities of the socialist economy expand and conditions for development in the African countries themselves improve, and this opens up new political and economic opportunities for Africa in its struggle against neocolonialism.

The co-operation between socialist and African countries in the international arena has shown that their joint efforts promote both continued progress in the national liberation revolution and all-round decolonisation and the creation of more favourable conditions for attaining economic independence.

The African nations are by no means indifferent to the fact that the socialist world's influence on the policy of imperialism is increasing. They know that this meets the interests of the developing countries. But the forces opposing greater Soviet-African co-operation are trying to tell the Third World that it does not. It is extremely important to expose their intrigues because this strengthens Soviet-African mutual understanding and ensures more active African participation in the struggle for relaxation of international tension.

The USSR and the other socialist countries advocate normalisation of international relations not only out of concern for their own national interests. Their approach to this problem is profoundly internationalist. In this connection, we might recall, in particular, the Soviet proposal submitted at the 28th session of the UN General Assembly calling for a 10 per cent reduction of the military budgets of the permanent members of the Security Council and utilising part of the means thus saved to assist developing countries. International security and disarmament are matters of great immediate urgency for the developing countries, including the African countries. Many factors account for their interest in the successful solution of all these problems.

¹ *World Marxist Review*, No. 1, 1972, p. 20.

Various estimates have been made around the world of the possible increase in economic aid to the Third World if basic military expenditures were eliminated. As for the economic effect disarmament would have specifically for Africa, some experts estimate that in conditions of universal disarmament the continent would receive from the outside an additional from \$4,000 million to \$6,000 million a year. But in the meantime, while the problems of disarmament remain unsolved, the share of the industrial powers' gross national product allocated for aid to the less developed countries is falling.

All realistically-thinking African political figures highly appreciate the positive significance of the new political situation taking shape in the world. They note that the foreign policy of the USSR is instrumental in bringing about far-reaching progressive changes in the system of international relations which help preserve peace and promote the further deepening of the national liberation revolution on the continent.

Many statements made by African political figures or excerpts from the African press could be cited in confirmation of this fact. However, it is perhaps more useful to turn to the documents of the OAU, for they embody the collective experience of Africa. The 20th session of OAU Council of Ministers (Addis Ababa, February 1973) adopted a statement on current political issues in which the member states welcomed detente and reaffirmed their determination to continue working, both on the African continent and on international levels, towards strengthening peace and justice and creating a spirit of real co-operation. Similar propositions are contained in resolutions of subsequent OAU forums.

The struggle to improve the international situation and make the progressive changes in the international arena irreversible is an important condition of success in the African peoples' opposition to neocolonialism's offensive. Only shortsighted politicians are unable to see the connection between the two. It is impossible to miss seeing the close interdependence between relaxation of international tension and the development of many-sided, mutually beneficial relations between countries with different socio-political systems, between a halt to the arms race and the expansion of economic aid to developing countries, between the

elimination of foreign military bases and normalisation of the situation on the African continent.

The foreign policy of the Soviet Union, aimed at expanding equitable and mutually beneficial international co-operation among states with different social systems, creates a real basis for greater interaction between the socialist and developing countries, and, moreover, for the formation of a broad anti-imperialist front within the framework of the contemporary world. Only by acting in solidarity with other revolutionary currents of the times do the African nations have real chances for successful struggle against neocolonialism.

4. THE DIFFICULTIES CAN BE SURMOUNTED

Analysis of the present state of the African peoples' struggle against neocolonialism makes it clear that the anti-imperialist revolution on the continent is continuing to develop. Encountering resistance, the neocolonialists are continually changing their tactics, and in some areas are forced to go over to the defensive. This does not mean, however, that they are ready to lay down their arms or abandon their objectives. One should never be misled by the neocolonialist policy of partial and temporary concessions.

Neocolonialism uses the levers at its disposal to apply pressure to the African states; it skilfully plays on their difficulties, keenly gauges the frame of mind and interests of different social groups in African society, seeks to exploit inter-African contradictions—in short, it adapts to the changing situation on the African continent. It would be wrong to underestimate its possibilities and the difficulties of struggle against it.

Among the many complexities of the anti-colonialist struggle are the absence of a visible foe, the break-up of the former united anti-imperialist front, the growing tendency of many leaders of newly independent countries to regard the national liberation revolution as being completed, and the existence in Africa of countries whose governments regard foreign capital as the main factor in economic development. Another factor complicating the struggle is that neocolonialism uses flexible methods, like

participating in the development of industry, particularly the manufacturing industry, which coincides to a certain extent with the interests of the developing countries. Furthermore, as the Soviet specialist on Africa V. G. Solodovnikov notes, there are in Africa "regimes which pursue a policy of alliance with neocolonialism and subordinate their national interests to it".¹

After proclaiming state independence, most of the African states remained bound to their former metropolitan countries and, in the conditions of collective neocolonialism, to their partners, as well.

For a country to shake off these fetters, determination and an understanding of its true national interest are obviously not enough. As shown in practice, it also requires experience, competent local cadres and skilful strategy and tactics to combat the new forms of exploitation which modern imperialism uses and continually modifies. Finally, what is required is a readiness to wage a hard struggle against a strong foe.

Most African national leaders understand, for example, that foreign economic aid can only be a supplement to, but not a comprehensive substitute for, the efforts necessary for fulfilling their development plans. In practice, however, by far not all of them are prepared to implement such a sensible programme. Hence the open (often too wide) door policy for foreign capital, the adoption of so-called liberal investment codes, the creation of free zones for overseas companies, and the wasteful approach to the use of raw material and human resources.

All this accounts for the differences among African states in the incisiveness of the anti-imperialist orientation of their strategy. Some representatives of these countries are still unable to see the full picture of the negative consequences of neocolonialism. One well-known African leader once complained that "it is not always easy to spot the imperialists, especially when they present themselves disguised as friends".²

Indeed, the liberation struggle in Africa is impeded by the lack of understanding by some African figures of the

¹ V. G. Solodovnikov, *Afrika vybirayet put* (Africa Chooses Its Way), Moscow, 1970, p. 122.

² *Jeune Afrique*, No. 510, October 13, 1970, p. 49.

essence of imperialism as a system. They have been exposed to ample evidence of neocolonialism's insidiousness and aggressiveness. But no matter how complete this experience may seem, a scientific analysis of imperialism is impossible unless it rests on the most advanced theory of the times—Marxism-Leninism.

An understanding of the exploitative essence of capitalism led many African leaders to the choice of the non-capitalist way of development and to the conclusion that it was necessary to deepen the social revolutions in their countries. The attraction towards socialism in Africa is strong, but not infrequently it is linked with a search for a special African socialism, the idea being that it should reflect allegedly existent African exceptionalism.

Neocolonialism takes notice of delusions of this kind that are prevalent in certain circles of African society, and introduces its own ideas into them. Bourgeois historian Max Beloff urged the West that if as many as possible developing countries "could provide the environment in which capitalism could flourish, they would do better for their peoples".¹

Of course, the methods of conversion are not confined to giving the local bourgeoisie certain economic privileges or influencing the formation of cadres which will in time head the political and technical administration in African states. The question is put much more broadly, because neocolonialism is interested in applying the social theories that have been elaborated to secure imperialism's future.

Touching on the complex question of social support for neocolonialism, Jack Woddis notes that "the former colonial rule had been in reality an alliance between the occupying imperialist power and the internal forces of conservatism", while underlying the policy of neocolonialism is "the idea of establishing a new alliance, one between imperialism and the local bourgeoisie".² At the same time, he stresses that in Africa itself an inclination to carry on a dialogue with the neocolonialists is shown not only by the bourgeoisie but also by representatives of other social strata: the big feudal lords who are losing their power,

¹ Max Beloff, *The Future of British Foreign Policy*, London, 1969, p. 119.

² *World Marxist Review*, No. 6, 1971, p. 35.

merchants and speculators, the corrupt and demoralised elite, various lackeys of capitalism from among the bureaucrats and diplomats, and police.¹

Consequently, the struggle against neocolonialism is jeopardised by such factors as the spread of neocompradore sentiments, and the fact that here and there people holding such sentiments are strengthening their social and political positions. Therein lies not only the reason for many of the present difficulties in the struggle against neocolonialism, but also a definite threat to the future of this struggle, causing ups and downs in its intensity.

The neocolonialists are staking on the development of local capitalism. They rightly assume that an African state's co-operation with foreign monopolies can easily lead to the emergence there of a privileged class that would identify its interests with the presence and activity of foreign capital. This means the formation of new compradores in Africa—a powerful layer of local bourgeois serving the neocolonialists. Today, for example, the progressive public of Nigeria is already disturbed by the fact that the oil boom in the country has drawn local entrepreneurs, whose chief concern is profit, into its orbit.

In addition to this, there are political circles in Africa who are satisfied with the level of independence already achieved. Considering the sentiments of the broad popular masses, however, they are looking for support from international reaction and are ready to enter into any partnership with external forces as long as the latter share their view that a further deepening of the national liberation revolution is undesirable. Passing off their own interests as the national interest, governments like the present government of Malawi establish and develop relations with the racist regimes, perceive neocolonial policy as a blessing, and naturally refuse even to discuss the question of giving rebuff to neocolonialist expansion.

Neocolonialism's support in Africa is not confined to the above-mentioned social and political circles. Its ends are served by the "leftist" forces, which urge African governments to play on the contradictions between the socialist and imperialist countries and foment frankly provocative measures.

¹ *Ibid.*, p. 36.

The existence in Africa of social and political groups with whom neocolonialism is able to find a common language inevitably lowers the pitch of the anti-imperialist struggle. In these conditions, it is of primary importance that the progressive forces step up their opposition to the neocompradores and expose their anti-national and anti-patriotic activities. The growing class struggle within African society itself is becoming a major process at the stage of the national democratic revolution.

Obviously, the struggle against neocolonialism is difficult and varied. At present, the emphasis at the state and inter-state levels is placed on countervailing economic neocolonialism. Success in the struggle depends, of course, on the nature of the political power in each country, for it determines the criteria for the whole range of anti-imperialist measures; but it is also connected with the degree of the state's regulating role and to a considerable extent with the tasks, character, level of development and efficiency of the state sector.

African governments also seek to repulse economic neocolonialism on the regional and continental levels. They are trying to cope with this problem through economic integration on a limited scale and by working out a pan-African line of conduct in their trade and financial relations with the developed Western countries.

Opposition to neocolonialism in the political and ideological spheres is more or less appreciable, on the national level, in the socialist-oriented countries.

As for the OAU, it inevitably has to deal primarily with concrete inter-African political problems. It must be remembered that the struggle against neocolonialism is an important but by no means the only principle of its vast and multifarious activity. At the same time, despite the diversity of its members' political ideologies, the anti-imperialist orientation of the OAU's activity manifests itself not only in assistance to national liberation movements but also in the condemnation of the policy of apartheid, not only in the struggle against the racist regimes but also in the criticism of racism as alien to humanism.

Awareness of the difficulties of the struggle against neocolonialism by no means implies an underestimation of its future prospects. The task of those who wage it daily consists in both elaborating and effectively applying all the

forms and methods of the struggle. In assessing the possibilities for growing opposition to neocolonialism by the African peoples one must remember that imperialism's attempts to adapt to the new situation in Africa have sharpened rather than diminished the antagonisms between the imperialist powers and the African countries.

Underway on the continent are a growth and consolidation of the social, class and political forces which are stepping up the struggle against neocolonialism. These forces include the working class now in the process of formation, part of the national bourgeoisie that is suppressed by foreign capital, and the patriotic intelligentsia, whose role in awakening the political self-consciousness of African society is quite substantial. Finally, they include the political regimes that see the danger of neocolonialism and have embarked on active struggle against the capitalist order of things.

The existence in African countries of forces that perceive the sharp contradiction between a country's newly won political independence and its continued economic dependence is an important internal factor deepening the struggle against neocolonialism on the entire continent. And not only against neocolonialism but also against those elements in African society which serve it or can in future become its social bulwark.

The years of active opposition to neocolonialism have given the African peoples a certain amount of fighting experience and enabled them to lay the foundations for resisting further pressure from imperialism. In working out joint measures of resistance to neocolonialism, the newly independent African peoples have come to realise that they have great potential strength, especially in the sphere of launching a collective offensive against neocolonialism. Their common interests in the struggle against neocolonialism clearly outweigh the contradictions which divide states. The chances for an effective rebuff to neocolonialism depend largely on the African countries' and peoples' unity of action, their multilateral political co-operation without the imperialists, and successes of a common strategy within the framework of the entire Third World.

An important element in the tactics of the anti-neocolonialist struggle is to identify and take advantage of neocolonialism's weak spots: the West's dependence on many

types of African mineral and agricultural raw materials, the inter-imperialist contradictions which are sharpened by the rivalry for the African raw material market, monopoly capital's interest in preserving the racist regimes, and so forth.

The struggle among the imperialist states for African resources is not diminishing, nor does the development of collective neocolonialism cancel out the problem of inter-imperialist contradictions. New battles lie ahead for African oil, copper, manganese, uranium and iron ore.

Experience has shown that the African countries can win more favourable terms of trade, preferential credits and other benefits by making use of the imperialist contradictions among the Western powers in their struggle for the natural riches of the continent. It is very important that this matter not be confined merely to personal propagandistic pronouncements by individual statesmen, but that it take the shape of a co-ordinated and purposeful policy.

For further progress in the anti-neocolonialist struggle it is important to make full use of Soviet-African interaction in the world arena, particularly in the area of counteracting the dominance of foreign monopolies, especially the multinational corporations, which are becoming an increasingly dangerous instrument of collective neocolonialism.

Africa's increasingly active participation in resolving international problems, and first and foremost in efforts to make irreversible the positive changes towards relaxing international tension, is conducive to the unfolding of the Third World's offensive against neocolonialism. The progressive transformation of present-day international relations strengthens the links among the basic revolutionary streams of the times.

The road to Africa's genuine emancipation is a difficult one. The struggle against neocolonialism is a long-term economic and political element of this process, a fundamental part of it. The record shows that when the levers of African rebuff to neocolonialism are put into action in a co-ordinated way, in alliance with all the revolutionary forces of our time and with account taken of the new international climate, then the anti-neocolonialist potential of the fighters for Africa's genuine freedom is substantially augmented.

THE NATIONAL STRATEGY OF SOCIALIST-ORIENTED COUNTRIES

1. INITIAL POSITIONS

In most developing countries, the modification of traditional pre-capitalist structures as national capitalism develops does not remove the basis of unequal relations or the prerequisites for the imperialist states' neocolonialist policy; on the contrary, it promotes further penetration by foreign capital and in the end strengthens the positions of neocolonialism. Moreover, development along the capitalist path becomes a condition for its establishment. A national strategy must be counterposed to neocolonialism.

A definition of "national strategy" is in order. Although this term appeared relatively recently it has already established itself. As a rule, national strategy is understood to mean the aggregate of long-term political, economic, legal, administrative, ideological and other measures designed to promote the stage-by-stage achievement of a more or less precisely formulated goal of development. It takes into account the long-range trends of the country's economic and socio-political development, its resources, factors connected with the active influence of the state on the reproduction of the national economy, international economic relations and their dynamics, and external reserves and limitations.

Careful selection of methods for altering existing tendencies in the country's internal development and for changing

its position in the world economy should be an integral part of the process of elaborating a national strategy.¹ The methods chosen must not, in their practical application, conflict with the class content of the set goal. Thus, a national strategy for struggle against neocolonialism has both domestic and international aspects. It is a new and powerful factor helping to change the existing type of production relations. Naturally, a strategy of this kind rests on a series of long-term plans representing stages along the road to the set goal.

The similarities among all newly free countries in their anti-imperialist outlook (their use of support coming from the socialist states, their struggle for economic independence and equal international relations, and so forth), and the common features of their struggle against neocolonialism (the demand for various economic concessions and for changing the conditions on which "aid" is given, nationalisation of foreign property and the establishment of control over the activities of foreign capital)—all this, undertaken with the aim of lessening and eliminating the economic exploitation of the peoples of these countries by imperialist monopolies and their states, should not lead one to underestimate the differences in national strategies between different groups of countries, above all between the socialist-oriented and capitalist-oriented countries.

It is easy to discern the "common" and the "particular" in both the foreign and domestic policies of each of these groups. In their plans for the 1970s, many newly free countries provide for measures based on results of revolutionary transformations already carried out. These include expanding the system of agrarian reforms, raising the level of planning, a more thought-out approach to the question of industrialisation with account taken of the specific conditions in the given country, measures to increase employment, etc. At the same time, even though many of the domestic-policy goals set by countries with different social orientations may be the same formally, there is a pronounced class difference in the methods used to solve the problems involved, and hence a difference in the class content of the goals themselves. Thus, for example, they all strive to increase

¹ By "world economy" we mean the contradictory unity of the two world socio-economic systems, their struggle and their coexistence.

the share of the national income that remains at the disposal of the population, but the watershed is the source, that is, at the expense of which social sector this increase is to be achieved.

The socialist orientation is connected with the implementation of a complex set of socio-economic measures which create a new social structure transitional to socialism, undermine the sacred foundations of capitalist private property and place it under the control of a democratic state apparatus, and stimulate the emergence of various transitional economic forms. The solution of fundamental socio-economic problems in which the basic strata of the population are interested is objectively directed against all aspects of neocolonialism. Thus, the transition of some countries to noncapitalist development and the existence of others in the capitalist channel is the main reason for the substantial and ever growing difference between the national strategies of these two groups of countries and the growing differentiation of the neocolonialist strategy of the imperialist states.

With the aim of "softening" the progressive course of the socialist-oriented countries, the political supporters and ideologists of capitalism try to convince the leaders of those countries that all the differences in the economic development of Third World states merely amount to differences among the numerous forms of capitalist development. Capitalism, they argue, may be tied or free, state or mixed, centralised or democratic. In their strategy, however, the neocolonialists attach decisive importance to the criterion of "social orientation" in its practical interpretation. It is precisely the practice and experience of the socialist orientation that determine the depth of the developing countries' confrontation with neocolonialism and compel neocolonialism continually to modify its methods of expansion with respect to countries with different social orientations, depending on the concrete situation in each newly free country.

2. INTERNAL PROBLEMS

Let us examine some aspects of the national strategy of the socialist-oriented countries. The unity of the internal and external aspects of their national strategy, which is

aimed at effecting a socio-economic reconstruction of their internal relations and making fundamental changes in their external political and economic position, sometimes makes it difficult to separate these two aspects of the unitary strategy. And yet it is possible and important to examine them separately. It should also be borne in mind that each of these aspects is to a large extent an independent part of the class and national liberation struggle. Therefore, within the national strategy of a socialist-oriented country not always is there a proper and fitting connection between that part of the strategy having to do with the country's external political and economic relations and the part having to do with the solution of internal problems. Sometimes friendly relations with the Soviet Union are combined with a ban on the activity of progressive national organisations, or a hard line with respect to foreign capital is combined with unjustifiably soft line towards or direct encouragement of the development of national private capital, which relies on its unquestionable, albeit veiled links with the neocolonialists.

Characteristic of socialist-oriented countries is a slow but steady transformation of all aspects of the social organism (including the state apparatus) and its interconnected subsystems. Subjected to change are production relations, the political and social institutions that regulate socio-economic relations, ideology, the social relations based on the "traditional society", customs and mores that impede economic progress and, in particular, the growth of productivity, and so on.

As L. I. Brezhnev noted in his report to the 25th Congress of the CPSU: "A complicated process of class differentiation is under way in many liberated countries, with the class struggle gaining in intensity."¹ This struggle is unfolding in all spheres of economics, politics and ideology, and accordingly requires taking into account the comprehensive influence of any major transformation. If one considers only the purely economic results of major reforms, then, for example, when dealing with the problem of changing the sectoral structure of the national economy one must have a clear picture also of the projected new

¹ *Documents and Resolutions. XXV Congress of the CPSU*, p. 15.

level of one or another sector and its economic function in relation to the entire national economy. It may, for example, contribute to the state's foreign currency revenue and help improve the balance of payments, or it might generate higher productivity in a number of other sectors. Its secondary consequence may be to free the country from the import of a particular raw material, or improve the food supply to the population, or provide for a growth in employment, or all three, depending on the concrete situation. Thus, the problem is not a strictly technological one but one with closely interrelated economic, technological, financial and social sides to it.

The experience already gained provides convincing evidence that changes in the basic relations and the growth of state property are not able automatically to generate a cumulative process. There have been some widely known instances where expansion of the state sector, not reinforced by good organisation of production which would have resulted in higher profitability of the state enterprises, has discredited this progressive form. The state sector was turned into a source of profit for individual economic managers, and a bureaucratic stratum became active which in a number of cases sought alliance with foreign and national capital. The sphere of the state sector's progressive influence on the national economy was not expanded.

In contrast to the situation in capitalist-oriented countries, planning in the socialist-oriented countries contains a genuine national-economic element. Proceeding from this, the socio-economic measures for the reconstruction or modernisation of the national economy which are envisaged by the governments of these countries are carried out as a thought-out system of measures considered from the sectoral-class angle (that is, with account taken of the multi-sectoral nature of the economy and the need for a differential approach in applying these measures in the different sectors) and from the standpoint of time (the stage-by-stage attainment of the set goal of noncapitalist development). It is in this that the national-economic aspect of the plan and its socialist orientation are reflected. It should be noted that in real life this structure of the plan, to say nothing of practical policy, is not always sustained as definitely and consistently as it might. However, albeit with difficulties and lapses, the kind of planning activity that flows logical-

ly from the socialist orientation is nonetheless making headway.

It has become axiomatic that socialist-oriented development is impossible without the growth and qualitative improvement of the state sector and the systematic enhancement of its overall economic and political role. Only the state sector by its nature represents transitional production relations which include socialist elements and tendencies.

The society's advanced productive forces are created within the framework of the state sector, for only the state can mobilise the necessary means and create the enterprises (or a mutually linked group of enterprises embracing several branches) capable of satisfying national needs. The state sector can more successfully, more rationally, and more consistently put the results of the scientific and technological revolution to use in the national interest, without which economic backwardness cannot be overcome. A big role in this process is played by the Soviet Union as it helps young states build and put into operation many hundreds of enterprises and train qualified personnel.

The national content of the state sector in socialist-oriented countries (we purposely say "content" and not only goals, for by referring to content, we are underscoring the objective principle of the state sector) has primacy over the private (group) interests of those strata of the society represented in the organs of political power. This is why it cannot be characterised as a variety of state capitalism. But state capitalism does also exist in these countries, that is, there are private local (and sometimes also foreign and mixed) enterprises that are controlled by the state. The strategy of national development is by no means aimed at their immediate exclusion and elimination. The place and role of this economic structure are determined concretely in each country.

A distinctive characteristic of the socialist-oriented countries in the 1970s consists in the fact that they are increasingly entering into struggle against all forms of exploitation. The relatively static nature of traditional structures notwithstanding, the common economic conditions of these countries' development (rapid growth of the state sector and its increasing influence on every aspect of the national economy, the encouragement of collective principles

in agriculture, and so on), and political conditions (measures against the establishment and development of a national bourgeoisie, strict regulation of the activity of foreign monopolies and the cutting off of their direct contacts with small-scale commodity producers of export items) create the prerequisites for transition to the noncapitalist way.

The connection between the political declarations of the governments of the socialist-oriented countries or the programmes of the revolutionary-democratic parties and the practical activity of all organs of state and party power is considerably deeper and more consistent than in the states with the opposite social orientation. However, the specificities of state power in the socialist-oriented countries not infrequently lead to divergences between practice and enunciated principles. This is inevitable to a certain extent and within certain limits. The influence of the spontaneous forces of capitalism on the overall development of the country is unavoidable. We might mention, for example, such things as the emergence of a bureaucratic bourgeoisie, use of the state sector and the state apparatus to private-monopoly ends, the inordinately high salaries paid to civil servants, a narrowing of democracy (not bourgeois democracy, but the anti-imperialist and anti-feudal and to a certain extent already anti-capitalist democracy of this type of state), and so on.

Therefore, the national strategy of the socialist-oriented countries proceeds from the need for systematic and persistent struggle against the emergence of strata of wealthy elite, against the corruption of civil servants and the spread of bureaucratic methods of economic management and social administration. The social and political necessity for incessant (rather than occasional) struggle stems from the economic, social and ideological conditions. In all socialist-oriented countries the productive forces and social production are still at a very low level of development. This kind of economic basis gives rise to various forms of primary capital accumulation and enrichment not connected with capitalist production (but rather with trade, speculation, usury).

The social basis of these phenomena is the class composition of the revolutionary-democratic regime: the dual nature of the petty bourgeoisie and the inclusion of direct representatives of the national bourgeoisie in the composi-

tion of government bodies. The ideological causes lie in the existence of international capitalist relations and the direct ideological subversive activities of neocolonialism. Among the subjective factors impeding the struggle against the internal supporters of neocolonialism are the conservative nature of the state apparatus and the organisational and professional incompetence of its personnel, which lead to mismanagement and wastefulness. The governments that stand firmly on the socialist-oriented position, however, are aware of these dangers and are fighting them. Many measures carried out in Algeria, Tanzania, the People's Republic of the Congo, Guinea and other countries can serve as examples.

There is another feature of the national strategy of socialist-oriented countries which is characteristic of all measures, no matter in what sphere of socio-economic life they are taken, and that is the broader and broader participation of the masses in public life and in the carrying out of state reforms. In some African countries this tendency is growing continuously stronger. One could even formulate the proposition that the degree of the political activity and day-to-day participation of the masses in state affairs is an indicator of the effectiveness of and progress in development along the socialist-oriented path. The democratisation of public life can become, and in a number of cases is becoming, a social law in the life of this group of countries.

Thus, for example, the fourth convention of the Algerian General Workers' Union, held in April 1973, emphasised in its general political resolution the need to strengthen the unity of all the revolutionary forces of the country, wage a vigorous and decisive struggle against the overt and covert foes of socialism, and actively promote the successful implementation of agrarian reforms, the enhancement of the working peoples' role in production management and the raising of their political and cultural level. The convention stressed that the Algerian working class constitutes a powerful support for the state's socialist-oriented development and must play a worthy role in the life of its people.

However, some revolutionary-democratic parties by no means always have such close ties with the masses whom they represent as to reflect their anti-capitalist sentiments (precisely sentiments, and not always a clear-cut anti-capitalist ideology). Some leaders who represent intermediate,

nonproletarian strata adhere to a policy of initiative from above, and therefore often willy nilly inhibit the creative activity of the masses, thereby undermining the stability of the social order. Under such conditions, democracy as an essential attribute of this type of power can degenerate into an empty shell.

A struggle against such developments—with the help of the press among other things—is being waged in all socialist-oriented African countries.

These efforts are sometimes hampered, however, by the theoretical vagueness of some basic class concepts. For example, in Egypt, everyone who received wages was counted as a "worker", and middle landowners were classified as "peasants". In these conditions, the officially calculated class composition of the National Assembly did not reflect the proportions established by the constitution, which gave 50 per cent of the seats to these categories of the population.

The unity of the internal and external tasks of the socialist-oriented countries manifests itself especially clearly in their desire to create a stable mechanism of expanded reproduction of the national economy. In essence, the creation of such a mechanism is the concrete economic substance of the strategy of struggle both for economic independence and for overcoming economic backwardness. It is perfectly obvious that this course of development is impossible if the spontaneous laws of capitalism are allowed to operate without controls, or on the basis of arbitrary actions, not envisaged by the plan, which influence the formation of new proportions in the national economy and the progressive changes in the social structure of the economy which consolidate the position of the state sector and other economic forms representing transitional production relations.

With account taken of the internal evolution in the socialist-oriented countries the strategy of struggle against neocolonialism envisages that the programmes and actions of the ruling revolutionary-democratic parties proceed from the inevitability of new forms of class struggle continually being developed in the course of the transformations. A revolutionary party and a revolutionary state cannot stand above classes and cling to the ideology of a non-class, allegedly people's party (that is, to a certain extent, cling to the "yesterday" of the national liberation revolution).

The economic basis and the political power are both continuously changing. The execution of a progressive national strategy (and the consolidation of the socialist orientation as a whole) demands of the staunch supporters of the given course a continuous analysis of socio-political changes and regroupings of political forces. This complexity of political and theoretical activity, which often compellingly calls for a decisive break with recent allies, is connected with the fact that in the initial phase of noncapitalist development a national democratic regime always includes both a right wing and a left wing (revolutionary democracy proper). In some of these countries, now one, now the other of these two forces comes out on top in the struggle for power. But even a left-wing victory and the development of the national democratic regime into a revolutionary-democratic regime do not mean that the right wing or differentiations within the left wing itself are totally ruled out.

In a number of cases, the failures experienced by some socialist-oriented regimes as they were coming into being were a consequence of the fact that unfavourable shifts, the regrouping of social forces in favour of right-wing, pro-capitalist elements, were ignored. Another factor was the desire, come what may, to preserve the coalition of all the political forces which had begun decolonisation.

An analysis of the defeats and "retrogression" stimulated by neocolonialism in some socialist-oriented countries has revealed the common causes of these processes. They consist in the fact that some leaders and parties had insufficient influence among the masses, and hence were afraid to rely on them at decisive moments (in carrying out big socio-economic reforms in which the masses were interested, in repulsing the counter-revolutionary moves made by the reactionary forces and foreign agents of the imperialist countries, etc.). This attitude to the initiative of the masses—which contradicts the very essence of the revolution (and in a narrower sense conflicts with the task of retaining political power)—is also associated with the cult-of-the-leader ideology that is characteristic, in particular, of African societies. It is typical of countries with a backward economic structure, an understandable inertia of the masses due to their undeveloped national and political awareness, historical traditions, and such new factors as the vast power of the state apparatus and the ideology of etatism.

National strategy covers a long transitional period which may be seen as consisting of a number of consecutive stages involving changes in the economic, political, cultural and ideological respects. The following main phases may be singled out. Phase one consists of the emergence of the first steps in consolidating sovereign national state power after the victory of the national liberation struggle (in any form). Phase two includes the struggle over choice of way of development. This leads to a change in the balance of class forces, whereupon the national democratic regime begins to grow over into a revolutionary-democratic regime, and consistent progressive changes of the multistructural economy strengthen the transitional productive relations and consolidate the overall socialist orientation. And finally, phase three is transition directly to socialist construction once the socio-economic, political and ideological prerequisites for this are created.

Experience shows that the soundness and success of the national strategy depend on how accurately the laws of the transitional period as a whole and the succession of the intermediate stages under given specific conditions are taken into account.

3. EXTERNAL ECONOMIC STRATEGY

Of great importance for successful national development in the conditions of struggle against neocolonialism is the strategy of the socialist-oriented countries in the sphere of external economic relations. Although their external economic policy is conditioned by their internal strategy, it is not only relatively independent but also has a number of features which make it easier for these countries to follow a consistent socialist-oriented course and help in solving internal problems, in particular the problem of changing the structure of the country's "traditional system".

Things like the social prejudices generated by the traditions of stagnant formations, for example, which often seriously impede the implementation of domestic policy, have considerably less influence on the implementation of a socialist-oriented policy in foreign relations. The domestic revolutionary policy of a socialist-oriented country affects the

entire social structure as a system of interconnected elements (substructures). The foreign-policy strategy is freer and more independent in this sense.

In the international arena, the socialist-oriented countries are in the vanguard of the struggle against neocolonialism. They personify the future, the inevitable stage of development of all countries fighting for national freedom and social justice. The economic strategy of the socialist-oriented countries includes a system of measures aimed at maximally protecting themselves against the operation of the economic laws of capitalism in the world arena, and preventing a link-up between foreign capital and the capitalist elements still functioning within the country. Otherwise, it would be impossible to curb spontaneous processes of development along the capitalist path, and, consequently, there would be continued reproduction of backwardness and neocolonial dependence.

If capitalist relations develop within the country the inevitable consequence is that the positions of foreign monopoly capital are strengthened. Therein lies the essential contradiction in the policy pursued by countries which—although they put restrictions on foreign capital and establish democratic principles in state, social and in part, economic life—nonetheless promote the strengthening of the foundations of private property. If their political line is objectively progressive, it is not because it leads to the establishment of a special mode of production or a special social form (the illusion of a “third way”), but because it simultaneously promotes the development of prerequisites for transition to noncapitalist development.

The socialist-oriented countries cannot immediately overcome the influence of the laws of capitalism on the national economy; they do this step by step. The struggle in this case ranges from reducing and excluding spontaneous links between foreign capital and private national capital, to the increasing involvement of the national economy, above all its state sector, in economic relations with socialist states (beginning with foreign trade and ending with various forms of integration). Thus, as practice has shown, strengthening economic, political and ideological ties with the socialist countries is the first integral part of the socialist-oriented countries' strategy for struggle against neocolonialism.

The development of the oil and gas industry in Algeria, oil extraction in Libya, and iron ore production in Guinea are examples of successful stage-by-stage protection of the national economy from the direct influence of the laws of world capitalism.

In the Somali Democratic Republic, by a decree (dated September 1972) on the reform of local government, the Supreme Revolutionary Council abolished the institution of regional governors that was inherited from colonial times. Fundamentally new administrative organs were created (regional and district councils). Despite these reforms, the nationalistic tendencies have not only died down but have become much more pronounced. One example of this is aggression against neighbouring Ethiopia. Having embarked on this path Somalia is receiving support from the most reactionary regimes of the region, NATO member countries.

Without going into a detailed description of international relations between socialist states and developing countries in general, we shall note only a special additional feature that characterises relations between the socialist states and socialist-oriented developing countries in particular. The crux of the matter consists in strengthening the new social relations within a country following the noncapitalist path, during the transitional period. This is linked with the new substance of the emerging international relations: while not yet socialist, they include this tendency as the leading one. However, as they move along the noncapitalist path, the socialist-oriented countries can become fully equal participants in the international socialist division of labour and join in the process of socialist integration even prior to the victory of the socialist revolution in these countries.

The tendency towards moving closer to the socialist community, which is connected with the repulsion of the imperialists' neocolonialist attacks, is reflected in a transition to strong and stable long-term economic ties on the basis of treaties.

The movement towards expanding and improving ties between the socialist-oriented states and the states of the world socialist system is by no means making headway unimpeded. While the reaction of the neocolonialist forces to increased trade ties is insignificant, they see great danger in economic, scientific and technical co-operation which strengthens the state sector. The course towards co-ordination of

plans and various forms of integration draws even greater resistance. Every new step in this direction represents a sector of the class struggle within the young states.

Another characteristic feature of the anti-neocolonialist external economic strategy of the socialist-oriented countries is their determined effort to establish new principles, which essentially reject neocolonialism as a new system of dependence, in their relations with developed capitalist countries.

Rapid scientific and technological progress, mass production and automation, which require a greater and greater expansion of markets, work to intensify the tendency towards the internationalisation of economic life and international specialisation in production. Within the framework of the capitalist market all this strengthens the positions of the neocolonialists, and at the same time it also creates new conditions which the developing countries could turn to their own advantage. But they can realise these opportunities only if they take up class positions with respect to the contradictions between the newly free countries and the imperialist states.

It was emphasised here earlier that neocolonialism is just as contradictory as is the whole policy of adaptation, which envisages satisfying national needs to a certain extent (development of the productive forces, some forms of industrialisation, helping to change the archaic social structure, etc.). The young states can take advantage of this.

The most important distinguishing feature of the developing countries' present position vis-à-vis the imperialist exporters of capital (states and private monopolies) is that only the achievement of political independence and the consistent anti-imperialist position of the national governments make possible the use of foreign capital in the interests of developing the economies of the newly free countries. However, it must be remembered that attracting foreign capital always entails political dangers (the risk of a degeneration of the regime arises) and economic losses (foreign capital cannot be attracted without the promise of economic benefits).

The contradiction between the need to oust foreign capital and the need to attract it for the purpose of economic development is the concrete form in which the young states' struggle for economic independence unfolds in conditions of

backwardness and heavy dependence on the capitalist world economy.

As the national strategy of a socialist-oriented country's struggle against neocolonialism is being worked out, account is taken of the fact that foreign capital never announces its chief aim, namely, to extract profit and intensify the exploitation of the people of the given country. Profit as the supreme and socially imperative condition of the vital activity and survival of capital in conditions of competitive struggle is carefully veiled by various "theoretical" notions and the sowing of superficially attractive socio-economic illusions. What is usually stressed are the humane aims and positive end results of the activity of foreign capital which are allegedly attained despite their obvious conflict with current practice.

Thus, the problem consists in correctly taking into account the concrete tactical aims which an imperialist state (or its monopolies) pursues in a given country, and on this basis taking the appropriate steps in the interests of the country's economy and sovereign development.

One of the methods which young states try to apply to strengthen their economic independence is to use aid for the purpose of supporting the national budget and, consequently, to spend the aid funds at their own discretion. This demand, however, conflicts with the imperialist conception of aid—purposeful utilisation of funds. Although official credits, loans and grants, and direct private investments represent different aspects of the export of state-monopoly capital, the relative contradictions between the aims of the state and the aims of private monopolies in giving aid are not eliminated. For the latter, the use of part of the aid funds to cover the balance of payments deficit of one or another country is one of the conditions of increasing exports, and this sometimes violates the imperialist state's conception. In the struggle against neocolonialism it is extremely important to take these contradictions into account.

The position taken by the socialist-oriented countries with respect to the collective forms of neocolonialism is becoming more and more clear-cut. Socialist-oriented countries are co-operating with the EEC, for example, with the aim of furthering their economic development and accomplishing urgent current tasks. However, they must perforce take into

account the inevitable long-term consequences of this alliance and provide for political and economic counter-measures in their national strategy.

Analysis of the positive and negative experience of struggle with foreign monopoly capital and its use in the interests of the development of the national economy of socialist-oriented countries allows us to advance some general propositions.

First, the attitude to the foreign capital of imperialist states is a special part of the national and class struggle, and success depends on how fundamentally this part is included in the overall national strategy of struggle against neocolonialism.

Second, the ousting of foreign monopoly capital from some branches of the economy and attracting it into others (where this meets the national interests); the abolition of old forms of relations between the national states on the one hand and foreign capital on the other; and the development of new and more advantageous forms of co-operation—all this is coupled with socio-economic processes which strengthen the national economy as a whole.

Third, if the necessity of attracting foreign capital is connected above all with the tasks of increasing the rate and expanding the scope of accumulation and with the solution of key problems of building a modern independent economy, then, naturally, the economic objective of attracting foreign capital consists in creating stable sources of internal accumulation as a result of the national economy's rise to a higher economic level. Foreign capital can serve the purpose of attaining this goal.

Fourth, both the attraction of foreign capital and the struggle against it put on the agenda the question of using the achievements of the scientific and technological revolution in building the national economy, and the question of taking into account in the national development strategy the correlation of the objective factors (shortage of resources and personnel, the weakness of the production apparatus, and others) and the subjective factors (the policy of the neocolonialists) of the backwardness of the Third World countries.

Fifth, it is important to identify those counter-tendencies in the world capitalist economy which could be utilised for overcoming scientific and technological backwardness (for

example, the interest that the monopolies which produce the most advanced technology—electronic computers, for example—have in realising their output in foreign markets, including those in the developing countries).

Sixth, the oneness of the essential nature of foreign monopoly capital and its socio-economic goals and tasks with respect to socialist-oriented countries suggests some general guidelines for using any form of such capital in these countries. These include control by the national state over the activity of foreign capital; subordinating the investments and activities of existing enterprises (banks) to national development plans; making sure that the more sophisticated technology of new enterprises contributes to the overall growth of the country's technological level and to the upgrading of personnel qualifications. It is especially important to preclude the possibility of direct, uncontrolled external economic links between foreign capital and enterprises on the one hand (import and export of equipment and finished goods, transfer of profits, etc.) and imperialist countries and their various partners on the other.

Seventh, in addition to pursuing their old goals, the imperialist state, international monopolies and private capital exporters pursue new ones prompted by the rapid development of the Third World. The specific interests of individual monopolies and the common interests of the dominant class (on the national and world levels) can be neither equated nor mechanically contrasted.

Since the social uniformity and general inter-relationship of all these interests have been established, the task of a scientific analysis in assessing the negative and positive aspects of using foreign capital consists in ascertaining the niche (functional role) which one or another form of capital occupies in the neocolonialist strategy of imperialism in general, and in relation to the socialist-oriented countries in particular.

Of great importance for all developing countries and especially the socialist-oriented countries is the struggle to prevent the implantation of a private-capitalist bourgeois ideology and the dissemination of propaganda about the superiority of the capitalist mode of production and the advantages of the Western way of life. The imperialist states spend considerable sums of money for the purpose of creating a favourable political climate in the developing coun-

tries, and this includes money spent on efforts to shape an ideology corresponding to the interests of monopoly capital, to sustain the apology for capitalist relations, and to achieve a "compromise" between these countries and the representatives of foreign monopolies. The above-mentioned tendencies in the policy of the neocolonialists form a perfectly natural unity.

The tactics of ideological subversion used against the socialist-oriented countries pursue the aim of influencing the thinking of leading state, political and public figures in the appropriate direction and undermining the faith of the masses of working people in the correctness of the socialist-oriented course. Anti-communism is the core of this subversion at all levels, and the prejudices, in this respect, found in any social milieu are played upon. Therefore, the struggle against anti-communism must inevitably become an integral part of the socialist-oriented countries' anti-neocolonialist strategy from the outset.

The socialist-oriented countries' national strategy of struggle against neocolonialism envisages the establishment of strong political and economic ties with all Third World countries defending their sovereignty, regardless of their social orientation. This is a reflection of the profound unity of the vital national and social problems of states that have freed themselves from colonial dependence.

Ties between socialist-oriented and capitalist-oriented states, as a rule, stimulate progressive aspects in the foreign policy of the latter. Even if some features of the capitalist-oriented countries' policy remain conservative, this cannot serve as a reason for refusing to co-ordinate anti-imperialist and anti-colonial measures with them (for example, the joint decisions and actions of all African states against the Israeli aggression).

Theory and practice show convincingly that success in relations between the socialist-oriented countries and other newly independent countries cannot be lasting unless the socialist-oriented countries create progressive blocs of national democratic forces, which include, along with the revolutionary-democratic parties, representatives of the communist and workers' parties. These blocs have varying structures and organisational forms, but their development and consolidation characterise the natural progressive development of the socialist-oriented countries.

While, on the whole, growth of the economic role of the state is a natural development common to all newly independent countries striving for economic independence, it is particularly pronounced in the socialist-oriented countries and more and more fully expresses the real national and social interests of the basic masses of working people. Therefore, the national state, relying on the state sector, stands as the main force in the struggle against neocolonialism.

The tendency towards increasing the economic activity of the state manifests itself in the continuous work of the revolutionary-democratic parties to enhance the planning principle in their countries' economies and perfect their planning agencies. This relates to all aspects of the plan and is expressed in the refusal to pattern after models of development proposed by Western experts who pursue a neocolonialist policy in this new sector of the class struggle as well.

The countries that have proclaimed and are following the socialist-oriented course are the political vanguard of the Third World in the struggle against neocolonialism in all its forms. But they are also the main target of pressure from the bloc composed of the world imperialist forces and internal reaction. In the economic sphere, this shows up in the especially harsh form of discrimination against this group of countries in the international arena. That is why the state's foreign economic activity is of special importance to them. Even in conditions of a relatively "open" economy, it hampers the influence of capitalism from without, isolating the internal anti-socialist forces and keeping them from coupling up with reactionary pro-imperialist elements. This aspect of the foreign economic function of the state protects the transitional relations that are emerging and growing stronger within the country.

In the course of the struggle against imperialism and neocolonialism, the fundamental unity of the national and social interests of a socialist-oriented country and the class interests of world socialism and the international proletariat becomes perfectly clear. This inevitably finds concrete reflection in the anti-capitalist strategy. The objective trend in the development of these countries is such that the foreign policy of a socialist-oriented state must inevitably take into consideration how one or another decision or projected task

might help strengthen the anti-imperialist unity of the national liberation forces, the socialist states and the working class of capitalist countries.

The socio-economic theory of noncapitalist development is fundamentally sound, for it corresponds to the demands of the objective economic laws of the present era and takes into account the specific features of the transitional period. It supplies a correct and principled definition of neocolonialism as the content of any specific forms of development which the imperialist states and their monopolies work out for developing countries. However, the strategy of socialist-oriented countries' independent national development is still at the formative stage, and its degree of maturity is different in different countries. A single internal-political and external-economic policy embracing all the interdependent links and relations is far from having taken shape completely.

Nonetheless, today the ideas of socialist orientation constitute the most progressive aspect of the ideology of the national liberation revolution. The intensification not only of anti-imperialist but also anti-capitalist tendencies characterises the progressive feature of the evolution of the ideology of nationalism, which so far remains the dominant form of mass consciousness in the newly independent countries. In the socialist-oriented countries this evolution of the ideology of nationalism cannot but strengthen the elements of a genuine socialist ideology and move closer to Marxist positions in assessing the basic problems of national construction and international relations.

Thus, there is every reason to assume that the further perfection of the socialist-oriented countries' national strategy will lead to an intensification of the struggle against neocolonialism. The practical activity of the governments and progressive parties of the socialist-oriented countries is to promote this progressive process.

CONCLUSION

Analysis of the condition, evolution and new forms of neocolonialism in Africa and the regularities of the growing anti-imperialist struggle on the continent allows us to draw this conclusion: the neocolonialists are undeniably on the retreat in the face of the inexorable determination of the African peoples to consolidate their political independence and to achieve social progress and economic independence.

As early as the end of the 1960s the patriotic forces of Africa launched a broad offensive against the positions of neocolonialism, scoring many successes in their struggle against the reactionary neocolonialist regimes. Nor did the accomplices of the neocolonialists in Ghana, who had actually led that country into a blind alley, hold out for long. In 1972, Tsiranana's pro-imperialist regime in Madagascar went under, and in 1974, the absolutist-feudal monarchy in Ethiopia collapsed. The patriotic forces in Zambia, Sierra Leone and a number of other countries strengthened their positions. The attempt of the neocolonialists to inflict defeat on the progressive regime in Guinea failed ignominiously.

The upsurge of the African national liberation movement stems from many factors. Chief among them is the steady change in the balance of world forces in favour of social-

ism. It is this process that determines the dynamics of the balance of forces between the newly independent countries and imperialism and the results of the struggle against neo-colonialism. At the same time, an important role in the development of this process is played by the increasing confluence of the basic revolutionary streams of the times into a single anti-imperialist current, and by the transition of a large group of young states to the noncapitalist way of development and their adoption of the socialist orientation.

It is precisely the changed correlation of world class forces, as L. I. Brezhnev said in his report to the 25th Congress of the CPSU, that ensures success for the liberated countries in their resistance to imperialist diktat and their struggle for equal status in the world. In the course of this struggle, the African peoples' gravitation towards socialism and their conviction that it is impossible to achieve all-round development within the framework of the capitalist system are growing. A further sharpening of contradictions between the national liberation movement and neocolonialism, between the young states and international imperialism, is taking place on this basis.

It should be especially emphasised that the progressive, patriotic forces of the African countries have matured and gained great experience in struggle. The patriots saw from the example of Malawi and several other countries that the neocolonialist way of development leads to even greater dependence on imperialism and infringements on their sovereignty. They came to understand, at the same time, that backwardness can be overcome and economic dependence eliminated only if neocolonialism is opposed in every sphere: political, ideological, economic and social. The shift of the emphasis of the national liberation struggle to the socio-economic sphere in the 1970s does not by any means imply that the political and ideological aspects of the struggle have weakened. In present-day conditions, the choice of way of economic development is ultimately a political question, a problem of social orientation.

The successes of the young independent states of Africa in achieving genuine national liberation depend, of course, on the real correlation of class forces and the positions of the democratic groups. At the same time, events in the world arena have an ever-increasing influence on the internal socio-political processes in these states. The inter-

national factor acts as a catalyst in major social processes in Africa, increasing or reducing the rate of progressive transformations. The very selection by independent African states of the socialist orientation, of a progressive way of development, became possible only in historical conditions characterised by the growing and all-embracing influence of the international socialist community on the course of events in the modern world. On the other hand, the emergence of capitalist relations, the formation and consolidation of a national bourgeoisie are a direct result of the influence of the world capitalist system.

A fundamentally new situation for the struggle of the peoples of Africa to consolidate the political independence and achieve the economic independence of their countries is created by the changes that are taking place in the whole complex of international relations as a result of the implementation of the Peace Programme of the 24th Congress of the CPSU and the Programme of Further Struggle for Peace and International Co-operation, and for the Freedom and Independence of the Peoples, advanced by the 25th Congress of the CPSU—the common programmes of all socialist states. The process of making detente irreversible and eliminating the consequences of the cold war substantially hamper imperialism's direct intervention in the affairs of the newly independent states of the African continent.

These processes, coupled with the aggravated energy crisis in the first third of the 1970s, undermined the system of neocolonialism in Africa, so that now the imperialist powers are compelled, as they continuously adapted to the situation, to improve and modernise their methods of expansion.

In so doing the neocolonialists endeavour to take an advantage of a number of objective circumstance—first of all, the difficult economic condition of many African countries, especially those without large reserves of mineral raw materials and hence seriously affected by price rises on oil and food in the world capitalist market.

Further, neocolonialism, aware that a large group of African countries suffered heavily from an unusually severe draught that lasted for several years, takes into consideration the fact that it is hard for them to achieve rapid recovery from the consequences of that natural calamity without help. Besides this, there are quite a few countries still bound

by various inequitable agreements imposed on them by the former metropolitan countries and other capitalist states, and by virtue of this occupy on the whole a subordinate position in the international capitalist division of labour. And lastly, most liberated countries have adopted an orientation to capitalism. In some of them the growth of capitalism has accelerated in recent years, which naturally makes neocolonialist expansion easier.

As before, neocolonialist plans take into account the strong influence that reactionary thinking and tribal views still have on broad sections of the public and, most importantly, they take into account the slowness of changes in the social structure of the African society, the fact that the middle and intermediate strata still comprise an extremely large proportion of it.

In the light of the above considerations, what directions is neocolonialism likely to take in the near future? Along what lines will the young independent African states have to fight their main battles against imperialism in the new conditions?

The strategic concept of "equal partnership" on the basis of "interdependence" will apparently be retained, uniting the efforts of the neocolonialists in the economic, political, social and ideological spheres. Realistically thinking representatives of the bourgeois states call for a response to the developing countries' demands for a restructuring of international economic relations—which were clearly formulated at the 6th and 7th special sessions of the UN General Assembly and the Fourth Session of UNCTAD—with deliveries of modern technology, honest economic co-operation and mutually beneficial trade.

However, although the concept of equal partnership theoretically envisages increased economic mutual complementarity between the industrialised capitalist states and the developing countries, particularly the independent countries of Africa, on the basis of a new international division of labour, it is perfectly obvious that its practical realisation is impossible unless the whole complex of problems in the relations between the two groups of states is resolved, including the problems in the political, ideological and social spheres. The proceedings of the third meeting of the Group of 77, held in Manila, and of the Fourth Session of UNCTAD have fully confirmed this conclusion.

The concept of equal partnership offers the young states of the continent a model of economic development oriented towards the Western market, accelerated growth of their export branches of production, creation of "open economic structures", "wise" distribution of technological processes, unlimited attraction of foreign monopoly capital, and so forth. In practical terms what this means is not only the economic hamstringing of the African partner-countries but also their political and ideological capitulation. The neocolonialist essence of the equal partnership concept is obvious. The consequences for those who accept it unconditionally will not be long in making themselves felt.

The national patriotic and progressive forces of the independent countries of Africa, taking cognizance of their countries' unequal position vis-à-vis the former metropolitan countries and other imperialist powers, are fully aware of the neocolonialist essence of equal partnership. That is why they advance their own well-grounded alternative of independent national development and the establishment of a new international economic order. The demands of the developing countries have found their fullest reflection in the Manila Declaration and the Programme of Actions, which were adopted at the third ministerial meeting of the Group of 77, held in Manila from January 26 to February 7, 1976, and later made the basis of these countries' position at the Fourth Session of UNCTAD. We might note that 36 African countries took part in the Manila meeting. A tense struggle lies ahead for them, however, for the fulfilment of these demands.

The fact that a large number of liberated states of Africa so far adhere to the capitalist orientation means, first, delay in the prospect of their achieving economic independence and consequently the necessary consolidation of political independence; and second, a deepening of the class differentiation in African societies and intensification of the struggle by the progressive forces of the continent against the neocolonialists and their fifth column—their overt and covert accomplices. The experience of Africa's independent development shows that the neocolonialists rely primarily on the local bourgeoisie, the political élite, the bureaucracy, the local technocracy, and the upper echelons of the middle urban strata. In turn, these influential social strata and groups frequently regard the measures taken by the West

as giving them a real chance to strengthen their own positions, and actively back the capitalist development of their countries.

In assessing neocolonialism's prospects we should take into account the likelihood that the consolidation of the imperialist powers' actions in Africa, as well as in other developing regions, will proceed at a slow pace. The deepening of inter-imperialist contradictions, the energy, raw material and monetary crises, and the all-embracing wave of inflation, all tend to sharpen the conflict of interests among the various monopoly-capital groupings and weaken their common front in relation to the developing countries. Examples of this were France's refusal to join the International Energy Agency, set up in November 1974 under the auspices of the United States and composed of the basic oil consuming capitalist countries, and the voting down, with European states adding their negative votes, of the idea of setting up an international bank of raw materials proposed by the then US State Secretary Henry Kissinger at the Fourth Session of UNCTAD.

Developments like these facilitate free Africa's struggle against neocolonialism. At the same time, there is a tendency coming into evidence for imperialist groupings and individual powers to pursue a stiffer policy towards developing countries. Thus, in 1976, US officials began making ominous statements to the effect that Washington's economic aid to developing countries would depend on whether or not they voted with the USA on various political questions in international forums.

The neocolonialists offer the developing countries, including those in Africa, the growth of trade as a panacea for all their economic woes. In principle, this proposal coincides with the demand these countries make themselves: "trade, not aid". However, in examining the trends discernible by the mid-1970s in the development of trade between the capitalist and developing countries, it is easy to see that as a rule the imperialist powers are very reluctant about fulfilling their promise to liberalise their imports from developing countries by removing obvious elements of protectionism in their trade policy. An example of this is the new convention on economic relations between the EEC and 46 developing countries, signed in Lome on February 28, 1975.

Nor are the problems of the developing countries' exports solved by the fact that the Western powers had earlier agreed to introduce a system of common unilateral, nondiscriminatory preferences on the export of industrial goods from the developing countries. The preferences do not extend to the African countries' main output, namely, certain types of raw materials and foodstuffs. The struggle for equal terms of trade, elimination of the price scissors and removal of tariff and non-tariff barriers will in the coming decade remain one of the basic forms of opposition to neocolonialism.

It was no accident that in the Declaration they adopted during their meeting in Manila, the Group of 77 stressed their determination to work for such a restructuring of international trade in raw materials as would ensure a reliable answer to the problem of raw material commodities, raise and stabilise the value of the developing countries' exports and export earnings, and improve the terms of their trade.

"Aid policy" will be another of neocolonialism's important weapons, although the fact that the oil producing developing countries now possess vast sums of petrodollars, part of which they can make available to other young states, introduces substantial correctives into this policy. Nonetheless, in an effort to preserve its positions and chances of exerting influence on the structure of the developing countries' economies, strengthening the foundations of private capitalist production relations there, and moulding the social consciousness in the spirit of bourgeois values, imperialism will inevitably have to increase its export of capital through official channels. Thus, in 1975 and 1976 even the USA had already somewhat increased appropriations for aid to developing countries. There will probably be a greater tendency to make aid more specific and tied and to give priority to long-range tasks rather than strive for immediate profit making. The export of capital in the form of technical assistance and new technology will unquestionably increase.

The imperialists states' outlays for technical assistance more than doubled in the first half of the 1970s as compared with the 1960s. Moreover, the growth rate of the outlays for technical assistance on a bilateral basis were six times as great as those on a multilateral basis. This tendency will apparently continue in the future. Technical assistance is a relatively inexpensive (for the budget) but effecti-

ve means of achieving the tactical and strategic aims of the neocolonialists. It allows them to influence the processes of socio-economic changes in the developing countries, and ties the latter's economies to the needs of the world capitalist economy. In the struggle for greater spheres of influence in the economies of the liberated countries, each imperialist state, fearing competition from its rivals, will continue to prefer acting on its own.

One of the serious problems facing the independent countries of Africa which imperialism actively exploits and will continue to exploit in its strategy of expansion is that of the debts incurred in the preceding period. To no small extent it is this indebtedness that has made it possible for the neocolonialists to penetrate every pore of the economic life of many African countries and to exert pressure on governments with the aim of obtaining mineral extraction rights and all kinds of financial and tax privileges, as well as political concessions.

Expert estimates show that the total financial debt of the developing countries (with the exception of the oil producing countries) is not likely to get smaller in the foreseeable future. On the contrary, for some countries it will even grow. Thus, a situation is taking shape, where on the one hand imperialism can exploit the growing financial indebtedness, and hence also their dependence, as a lever in applying economic and political pressure and reproducing neocolonialist relations. On the other hand imperialism is wary of slackening its aid to the developing countries, for it fears the prospect of social upheavels that could completely undermine the positions of monopoly capital in these countries. This circumstance can play a substantial role in the strategy of the liberated nations' struggle against neocolonialism. That is why the participants in the Manila meeting of the Group of 77 demanded in their Programme of Actions that the capitalist creditor countries provide the developing countries with debt relief by releasing them from interest payments and giving them debt moratorium of at least 25 years, cancelling the debts of the least developed countries, giving new aid in amounts no smaller than the sum of debt payments, and so forth.

An increasingly prominent place in the strategy of the developing countries' opposition to neocolonialism in the coming years will unquestionably be given to the struggle

against the further expansion of international corporations, which already present a very serious threat to the developing countries. Because they control not only the production activity of the network of their enterprises but also the sales and services aspects, the international corporations have plenty of opportunities to influence the economic development of the liberated countries and consequently their domestic and foreign policies.

In view of the adverse consequences their operations have for the destinies of many peoples, the World Peace Council in May 1974 called for a broad campaign against international corporations as the major exploiter of the times and against their reactionary influence on the world economic and political situation. In November 1974, the progressive forces of the independent African states took an active part in a struggle week devoted to mobilising the masses against the international corporations. The danger of their further penetration of the continent and seizure of control over local markets is being more and more clearly understood in free Africa.

At the Fourth Session of UNCTAD the developing countries came out with demands that the international corporations provide for fuller manufacture of products in these countries, increase the extent to which raw materials are processed, increase the participation of national enterprises in their activities in the corresponding countries, and abandon restrictive practices. The struggle in this sphere will continue and grow, since the just demands of the developing countries are far in excess of what the neocolonialists can concede to without eliminating the very system of neocolonialism.

The export of state capital to African countries by the West will continue in the foreseeable future to serve as a means of creating favourable conditions for the penetration of private capital into the more economically profitable spheres of the African countries' economies. In this connection, co-operation between the governments and monopolies of imperialist countries in improving the strategy of expansion will increase (elaboration of financial, economic, tax, organisational and legal measures aimed at creating favourable conditions for private investment in the developing countries; conclusion of intergovernmental agreements under which the governments of independent African states would

protect foreign investments; creation of international insurance funds guaranteeing these investments against nationalisation; and so on).

It may also be assumed that international private investment companies (like SIFIDA, which was created in 1972 for African countries) will continue to step up activities designed to secure conditions for exploiting the natural resources of the newly liberated countries.

More active use of private export credits may be expected as an effective instrument for stimulating trade and export expansion in the developing countries. The function of insuring these credits and investments to reduce the degree of risk will apparently grow.

Neocolonialism will evidently have to make an even greater effort to disguise its real aims and perfect the forms of its adaptation to changes in Africa. In the sphere of ideology, new initiatives will appear for reforms aimed at changing the socio-economic structure of societies emerging from colonial status and establishing the foundations of capitalist relations in these countries. However, in this age of worldwide transition from capitalism to socialism, the models of socio-economic modernisation which imperialism may suggest to African developing countries will inevitably be of a nature inimical to the revolutionary process. Neocolonialist formulas for improving the living standards of the people of these countries and eliminating their economic and cultural backwardness will as before amount to attempts to steer the national forces aspiring to real social progress towards coping with secondary tasks, attempts to impede the deepening of the national liberation revolutions.

By the mid-1970s there was a clear-cut tendency in the tactics of the neocolonialists to cause splits in the organisations and associations through which the developing countries defend their interests collectively. This applies first of all to the organisations of countries producing raw materials—oil (OPEC), copper (CIPEC) and others. At the same time attempts are also made to oppose countries rich in natural resources to the rest of the developing countries. To this end, calculations of the profits of some countries and the losses of others are cited in the press and in speeches by prominent statesmen in the West as the catastrophic consequences of rising prices of raw materials, food, and so forth. There is no question that a problem in relations be-

tween developing countries possessing natural resources and developing countries not possessing them does exist, but ways of resolving it have already been outlined. An example of this was found in the results of the Fourth Session of UNCTAD, held in May 1976, at which economic co-operation among developing countries was the subject of special discussion and the relevant resolutions on the secretariat's report were adopted. The neocolonialists, however, using the tested divide and rule policy, will unquestionably increase their attempts to inject elements of distrust and discord into the Third World.

It is unlikely that there will be any substantial change in the near future in the tactics—employed by certain neocolonialist circles—which amount to moves aimed at “freezing” the main seats of tension and conflict, particularly the Middle East crisis and the Cyprus problem, which affect the vital interests of the countries of Africa. Normalisation of the Eastern Mediterranean and Middle East situations would allow not only the countries directly involved but also the countries in Tropical Africa to concentrate on invigorating their struggle for economic independence and social progress. But this is just what the neocolonialists do not want to see happen, for it would only force them into further retreat.

The final document of the Conference of the Communist and Workers' Parties of Europe, *For Peace, Security, Co-operation and Social Progress in Europe*, notes that “the peoples who have achieved freedom and independence have become an influential international force”.¹ They are making an active contribution to the fight against imperialism, neocolonialism and all forms of oppression and exploitation. Documents adopted as far back as during the 6th Special Session of the UN General Assembly emphasised that equal participation by developing countries in the formulation and implementation of all decisions affecting the world community was essential. But, as everyone knows, imperialism and neocolonialism do not consider international instruments by any means binding. The virtual sabotage by the imperialist West of decisions taken at international forums relating to the developing countries makes the further sharp-

¹ The Conference was held in Berlin in June 1976.

ening of the latter's confrontation with neocolonialism and intensification of the anti-imperialist struggle inevitable.

For the newly independent countries of Africa, the coming 10-15 years should be decisive from the standpoint of the results of development along the chosen path, regardless of whether it is on the basis of the socialist orientation or on the basis of remaining dependent upon international capital and in subordination to neocolonialism. There is no doubt that the anti-imperialist struggle on the continent will intensify.

A big role in the African countries' struggle for genuine political and economic independence will be played by their further contribution to deepening the process of detente and strengthening the principles of peaceful coexistence as the unshakeable standard of international relations. Stable international security opens up before the developing states wide possibilities for rapid progress. It is one of the basic conditions of harmonious economic development for every country.

An end to the arms race, which is linked with the process of detente, would not only relieve African countries of a heavy burden but would open up prospects of receiving additional aid. A universal transfer of financial resources from the military to the civilian sphere could appreciably increase Africa's participation in world trade and economic exchange.

Free Africa is a substantial force in international relations. The African countries account for almost one third of the votes in the United Nations, over one half of the participants in the non-alignment movement, and the solution of many world problems depends on their anti-imperialist unity. It should be noted that this unity by no means contradicts the fact that differentiation in the ranks of the newly independent countries, the demarcation of class forces, and the class struggle will all continue to intensify.

The results of the Helsinki Conference on Security and Co-operation in Europe, which successfully completed its work on August 1, 1975, are of great importance to the independent countries of Africa. The most active role in convening that Conference, which was a victory of all peace forces, was played by the socialist states.

The Final Act of the Conference, signed by the top leaders of the European states, the United States and Canada, con-

tains a Declaration of Principles by which the participating states will be guided in their mutual relations. These countries intend to adhere to the spirit of these principles in their relations with other countries as well.

Strict adherence to the provisions of this Declaration creates serious barriers to neocolonialist expansion. The Soviet Union was one of the initiators of the Declaration. It proceeded in this from the ideas of humanism which—as L. I. Brezhnev, the head of the Soviet delegation, underlined in his speech at the Conference—is an inherent feature of the Soviet Union's foreign policy, of the Leninist policy of peace and friendship among nations.

In this era, characterised by the transition to socialism on a global scale, the aggravation of the general crisis of capitalism, the growing strength of the socialist community, and the further sharpening of contradictions between imperialism and the developing countries, neocolonialism is historically doomed to defeat. A rapid victory over neocolonialism will be ensured by further strengthening the alliance between the newly independent countries and the socialist countries which give them political and material support, and enervating united action by the developing countries in international affairs. As brought out in the final document of the Conference of the Communist and Workers' Parties of Europe in Berlin, "the socialist countries, the movement of non-aligned countries, the revolutionary and progressive forces in the developing countries and the working-class and democratic movements are fighting for the establishment of new international political and economic relations on the basis of justice and equality".¹

The fundamental factor in the genuinely independent economic, social and political development of the countries of Africa, in their successes in the struggle against neocolonialism, and in the elaboration of their national strategies is the progressive change in the balance of world forces in favour of socialism.

¹ *For Peace, Security, Cooperation and Social Progress in Europe, Berlin 1976*, Moscow, 1976, p. 58.

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