

SOCIAL STRUCTURE AND RURAL ECONOMIC DEVELOPMENT

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ABSTRACT

New concepts and a synthesis of existing theories may assist in studying the relationship between social structure, development and rural development.

The concept of social structure encompasses the concept of economic structure which may be analysed in terms of three "Moments" of production. On this basis, one can distinguish between heterogeneous and homogeneous relations of production structures. "Homogeneous relations", together with "system dynamics" and "reproduction", define the concept of a mode of production. "Development" refers to the expansion of total productive capacity, premised on advanced means of production, and corresponding to the particular relations and forces of production in an economic system.

The capitalist mode of production has both tendencies and counter-tendencies to development. The latter prevail in the Third World due to the admixture and heterogeneity of production relations there, and to their subordinate articulation within an international capitalist economic system. In this context, underdevelopment is the result of the specific factors of monopoly competition, dependence-extraversion, disarticulation-unevenness, the three-tier structure of the peripheral economy, surplus transfer, and class structures and struggles.

Rural development can be understood in terms of the specific contribution of agriculture to development, theorized as the "Agrarian Question". Agrarian capitalism has been slow to develop in the Third World, and the state of agriculture remains a problem there. "Rural development" has emerged as a deliberate and interventionist state strategy designed to restructure agrarian relations for development. This has contributed to the formation of particular heterogeneous relations of production articulated to the capitalist mode. In this context, the character of the associated classes has left the Agrarian Question unresolved. "Rural development" continues because it has an important, and even primary, political significance - although this is not without contradictions.

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NOTES ON STYLE

1. Abbreviations used in this thesis:

CMP – capitalist mode of production.
US – United States (of America).

2. Gender references:

The masculine gender is used throughout the thesis, but is not intended to refer to men rather than women.

3. Quotation marks:

Some terms (eg. "peasant") are placed within quotation marks to signify that their meanings are problematic. Once their meanings have been defined and clarified in my argument, they are then used without quotes.

4. Author references:

When quoting authors, I generally cite the date of publication of the work consulted. Where appropriate to the argument, however, I also cite the contemporary date of the quotation.

Quotations (eg. from Marx) are drawn directly from the original works, except in a handful of cases where they come from secondary sources and are acknowledged as such.

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INTRODUCTION

This thesis is an investigation into the issues surrounding social structure and economic development, with specific reference to rural development. It holds that social structure is significant to development at various levels of generality and particularity. This is shown by means of a concept of development analysed as productive capacity, and a concept of economic structure analysed in terms of three "Moments" of production.

The thesis begins abstractly, but becomes progressively less so. From theoretical issues, it moves to a general definition of development, and from there to basic social and economic concepts. These are then used to theorize the capitalist mode of production and its role in development and underdevelopment in the Third World. Finally, the role of agriculture in development is discussed, and different experiences of planned rural development are analysed. The problem with this logic of presentation is that in moving from the general to the particular I may seem to reify at times. However, I would request the reader to reserve final evaluation of the abstract parts until the more empirical sections have been read.

The genesis of the thesis is important to its purpose. It began in 1979 with research into irrigated development projects in South Africa's Ciskei bantustan. My motivation was to see if and how these worked, with a view to them serving as possible models for overcoming the poverty in rural Ciskei. For reasons beyond my control, it was not possible to continue the study beyond a number of field trips, interviews and assessment of some secondary material. But the initial attempts brought home certain points.

The first of these was that the role of such projects needed to be analysed in terms of social factors – in particular, in terms of their social structure. This in itself was a highly complex issue: producers on the Ciskeian projects were widely described as a "middle class", probably one of the vaguest designations possible (see Venn 1979, Proctor-Simms,

1978). A more rigorous understanding of their class character seemed necessary, not only for analysing the working of the scheme, but also for investigating whether these producers might form the embryo of a productive farmer capitalist class.

The second point was that such projects could not be researched in isolation from much broader social structures and economic processes. The Ciskeian schemes were similar in many respects to those elsewhere in the Third World. They were also closely linked in both inputs and outputs to the wider South African and international economy. In addition, the "middle class" characterization of their producers carried (deliberately) substantial political connotations, which in turn linked the issue of social structure to the Ciskei and South African states.

However, in my pursance of these points, the problems implicit in contemporary development theory proved to be an insurmountable obstacle to progress. It is one thing (albeit important) to learn that development projects cannot be studied in isolation from the total social structure in which they are embedded (see Kahn, 1978:110; Legassick, 1976:435), but quite another to find the concepts to do this.

The approaches I looked at include the modernization school; the dependency and underdevelopment theorists; the "articulation of modes of production" framework; the "laws of motion" protagonists; and those who adopt a "class struggle" emphasis. Numerous debates have raged between and within different approaches. While the controversy has been immensely exciting and productive, there have also been some major problems in it. Not least has been the confusing range of phrases in circulation - "growth without development", "underdevelopment", and the "development of underdevelopment" to list but a few. I also identified four general problems with the literature:

(i). There has been a lack of clear philosophical principles in the debate. In particular, the status of theory in relation to material reality has been largely ignored.

On the one hand, this is evident in the existence of what Marx has criticized as "general historico-philosophical theory, the supreme virtue of which consists of being supra-historical" (Selected Works, quoted by Cohen, 1981:ix). At best, these theories have been too general to be useful for historically-specific empirical investigation (for example, Wallerstein, 1974, 1977), and at worst they have imposed reified relationships and processes onto empirical analyses (see for example, Banaji, 1976a). On the other hand, the lack of principles concerning the status of theory has also been evident in the number of studies that dispense with theory entirely. Thus, there is a distortion of both theoretical and empirical accounts of development, as well as a disjunction between the two.

(ii). The second problem is that where theory has been used, it has largely been in macro-terms, and the theoretical relationship between macro-, micro- and intermediate levels of development has been ignored. The units of analysis have not been adequate for grasping the specificity of each of the parts and of the whole, nor the relationship between them.

This has had its negative effects on research which has frequently focussed on development at one level only, and neglected the connections between levels. Rural development is studied in isolation from industry, and rural development projects are studied independently of their broader relationships and wider significance (see examples in Richards, 1979:272 and Amin, 1974:32).

(iii). The third problem with the controversy is that much attention has been devoted to criticizing the inadequacies of opposing approaches, and as a result, "development" as the locus of the debates, has not been properly theorized in most of them. Writers have become caught up in "metropole satellite" versus "dual economy"; "laws of motion" versus "articulation of relations", etc., - and "development" has been lost sight of. Concepts needed to understand "development" have in consequence not been adequately theorized.

(iv). The fourth problem in the debates is that each approach has tended towards exclusivity. Hostility between protagonists has inhibited the possible synthesis of the whole range. Colin Leys for example wants writers to rid themselves of "the ideological handicap of dependency theory" (1980:109; see, similarly, Kitching, 1985:148). As a result of such attitudes, the insights produced by a given approach have generally not been integrated into other approaches. Where this has been attempted, it has been on an eclectic basis and with little regard to theoretical rigour and consistency (see for example, Roxborough 1976).

In the light of these problems, it appeared to me that development theory itself needed to be "developed". This meant starting with basic definitions, re-working existing concepts, innovating different ones, and integrating the contributions of the various approaches into a new body of theory. Rather than the Ciskei schemes, this project became the topic of the thesis. Ironically, having started from a concern with poverty in the

Eastern Cape, my investigations led me away from this focus. As will be evident in chapter two, I argue strongly that the study of development as an economic phenomenon should be exactly that, and that other considerations should not be conflated with this project. Development and poverty, despite often being interrelated, are still distinct concerns. I have chosen to focus on the former, and have defined it strictly in relation to productive capacity. I have also chosen to investigate its relation to social structure, and construct a broad framework around this issue.

In attempting to meet these ambitious aims, I have drawn substantially from general Marxist theory. According to Marx and Engels, writing in *The Communist Manifesto*, "the bourgeoisie cannot exist without constantly revolutionizing the instruments of production and therefore the relations of production" (1986:37). Their vantage point was political and their concern was the relations of production, and not with development as such. In my view, while they produced invaluable insights, neither took on the task of properly explaining quite how, why and when capitalist social relations revolutionized production. Similarly, much Marxist writing on development has ended up talking about the development of social structure, rather than the social structure of development. My concern has been the latter, and as such, I found it problematic to discuss much of this writing in its own (i.e. different) terms. I have had to develop my own perspective partly as a precondition for relating to it.

My approach remains within a broadly Marxist framework. Generally speaking, it is a challenge to see whether Marxism can be used to explain concerns outside of its central focus of political class struggle. The success with which it can help explain economic development is therefore a kind of sub-hypothesis of this thesis. At the same time, I have found it necessary to depart from Marx's use of concepts like "base and superstructure" and the State, relying rather on the insights of neo-Marxists like Cutler et al (1977) and Jessop (1982). In many cases, I have

also developed new arguments around Marxist concepts such as "relations and forces of production", "exploitation", "class", "subsumption", "primacy of the productive forces", "capitalism", and "the Agrarian Question". Furthermore, these concepts have not been enough to successfully analyse social structure and development. I therefore have also had to develop a number of theoretical constructs, such as the model of three Moments of production and the phenomenon of "system dynamics", and these have been central to my arguments.

If the method of presentation in the thesis is from the general to the particular, this differs from my method of investigation. The fact that I took development theory back to the "drawing board" does not mean that the thesis descended from pure theory. My method of enquiry has been continually to try and relate the theoretical and the empirical. As such, my sources have ranged from philosophical texts, through to detailed empirical studies of a wide range of situations. My field trips to the Ciskei development projects also informed my arguments.

Before concluding this introduction, two self-imposed restrictions need to be noted. The first is that this work deals almost exclusively with social structure and development in relation to capitalism. The reasons for this are outlined in the text (see chapters one and twelve). However, the consequence is a fairly restricted account in terms of the complexities of the contemporary world.

The second point is that most of the research was done in 1980-2, and new contributions to the debates have since been published. It has, unfortunately, been impossible to take account of all of these. The field is already vast, and to keep permanently up to date would prevent one from ever sitting down to produce one's own work. Nonetheless, this still means a limitation on this thesis. I would hope, however, that the manner in which I tackle the problems and the theoretical solutions that I propose are of more long-term value.

PART A

DEVELOPMENT: DEFINING THE TERRAIN

CHAPTER ONE: THEORY -- ITS ROLE AND DEFINITION.

CHAPTER TWO: DEFINING DEVELOPMENT.

CHAPTER THREE: DEVELOPMENT AND UNDERDEVELOPMENT.

CHAPTER ONE
THEORY – ITS ROLE AND SCOPE

1. The need for theory.
2. Choosing a theory.
3. The limits of theory.
4. Constructing theory.
5. Methodological guidelines.
 - 5.i. Interconnections and the problem of units of analysis.
 - 5.ii. Interconnections and the totality.
6. Conclusion.

1. INTRODUCTION

A beautiful scene catches the eye – lushly covered units with mealies standing 2,4 metres high, ready to be picked. Cows grazed in the thick pasture. (The New World of Keiskamma), *Daily Dispatch*. 77.04.01.

This is the idyllic view of a journalist visiting a rural development project in South Africa's Ciskei bantustan. It is in a somewhat different light that development schemes appear in this study. This is because an academic analysis needs to go beyond what Poulantzas (1976:68) calls "the noisy illusion of the evident" and "the demagogy of the palpitating fact" (ibid:65). In order to do this, it is necessary to make use of theory. The objective of this chapter is to spell out what this entails in relation to theorizing the relation between social structure and development (including rural development in particular).

2. USING THEORY

Various writers have argued for the necessity of theory, and against empiricism, on the basis that there is no "innocent" investigation of reality (see Popper (1972), Kuhn (1962) and Althusser (1970a, 1970b)). Whether he knows it or not, every social researcher uses generalizations and abstractions in identifying, selecting and ordering "the facts" (see Carr, 1974:11; Moore, 1969:521; Hobsbawm, 1972:265-6).⁽¹⁾

Empirical information does not therefore exist as "raw data"

independently of more abstract assumptions. To the extent that the latter are systematized as formal concepts and a unified theory, they can enhance the production of knowledge. Instead of knowledge based uncritically on observation, theory makes possible knowledge based on the conscious application of abstract principles involving logic and reasoning (Williams, 1976:100).

The use of theory is no guarantee that the resulting knowledge corresponds accurately to reality (Popper, 1973:13). Firstly, while criteria may be proposed to validate the knowledge produced by a given theory, there is always the problem of validating these criteria in turn (Althusser, 1976:137; 1970:56/7). Secondly, as the sociology of knowledge shows, every theory bears the traces of social values that lend significance and ordering to phenomena in its field (Weber, 1948:77,8; Popper, 1973:213).⁽²⁾ This applies no less to the field of development theory than it does to others. It is not possible to analyse this here, but see for example the discussion by Goodman et al (1984) concerning the changing history of development theories in Brazil, and Kitching (1985:145/6) on the political context that underpins the debate around Kenyan development.

In the face of these points, there appears to be little choice but to accept the precarious epistemological character of theory, and indeed of knowledge in general. This does not mean that all theories are of equal value. Within a given historical period, certain theories are socially recognized as more or less accurate than others, particularly in the face of the test of practical application. I have opted for a "pragmatic" methodological position based on this recognition. While this is far from a guarantee of infallible knowledge, it would appear – on the balance of probabilities – to yield a more coherent body of knowledge than (contra Feyerabend, 1970) would a wholly arbitrary selection of theory.

For this thesis, Marxism has served as a broad theoretical framework for my investigation. Marxism has some social recognition as facilitating

certain insights into social life.⁽³⁾ This is not to ignore the existence of alternative theories, nor of criticisms of Marxism itself. However, a defence of Marxism would require a different thesis.⁽⁴⁾ My aim here is not primarily to investigate Marxism as such, but to use it in constructing a specific theory about social structure and development.

3. THE LIMITS OF THEORY.

While theoretical abstractions play a key role in identifying and ordering empirical facts, Marxist methodology informs us that it is not as if abstract theory one-sidedly determines the empirical facts – as if the concept of “simple commodity producing household” provided us with the fact of a particular family cultivating crops for the market. On the contrary, there is a material reality to the household and its activity, and a number of shared real characteristics among it and its fellows. It is this reality which underlies the (accurate) categorization as a simple commodity producing household (and not as a capitalist enterprise, for instance).

It would therefore be incorrect to see empirical facts (and even reality itself) as simply a (Hegelian) product of the theoretical abstractions inside people’s minds (see Marx’s *Grundrisse* 1973:100-101). Instead, there is a dialectical interplay between empirical (specific) and theoretical (general) levels of thought. In the Marxist view, this is ultimately determined by real practical experience of reality itself (see especially Marx’s *Theses on Feuerbach*, in Suchting 1979).⁽⁵⁾ Dynamic reality is therefore the context in which these levels of thought interact and undergo continuous modification and reinterpretation.⁽⁶⁾

The significance of these points is that theory – while essential – cannot become a static and rigid arbiter of knowledge. Empirical research – as an interface between theory and reality – cannot be redundant and ancillary to theory (Mouzelis, 1980:368). To avoid the dangers of theoretical reification, there is a need to acknowledge the limits of

theory, and to avoid confusing it with reality itself, and treating empirical relationships as manifestations of the theoretical. A negative example in this regard is the way that, within Marxism, Lenin's theory of capitalist differentiation in the Russian countryside has been incorrectly read into what have actually been quite different historical experiences (Williams, 1984:2; see Kitching, 1982:163 for a similar situation concerning Marx's *Capital* and studies of the genesis of capitalism).

The major thrust of this thesis is theoretical, and in its presentation here, empirical references in it are primarily illustrative, rather than substantive. However, in researching the topic, it has been important to continually revise the abstractions and generalities of theory in relation to the "concrete" specificity of empirical facts (while still bearing in mind that the latter are not raw, unmediated data).

Distinct from reification, though often linked to it, is the danger of selecting only that empirical data which confirms the initial hypotheses (see Popper 1973:260). For example, dependency theory has been said to block the analysis of phenomena that do not conform to its assumptions (Leys, 1980:109; Phillips, 1977:13).

In countering this problem, I have tried to be open in relation to diverse empirical facts encountered, and to alter my assumptions where need be. I have also kept in mind Popper's falsifiability method in terms of which a theory should be practically testable by application to a range of empirical information (Popper, 1973:222, 260, 326 footnote 14). I should add, however, that my argument does not involve narrowly testable hypotheses of the "if x, then y" variety. It is intended to be explanatory rather than predictive; a framework of possibilities rather than a set of laws.

At the same time, I have tried to construct my theory in such a way that it can be evaluated in relation to a wide variety of empirical cases (see Part H). My aim has been to specify general relationships which may be recognizable in a number of situations, and this would make for the

validity of applying the theory there.⁽⁷⁾ As will become apparent in the body of this thesis, while I have a general definition of development, and of mode of production, there is no attempt at a grand and universal theory of development that would cover all modes of production. Rather I limit myself to theorizing development and underdevelopment only in relation to economic systems dominated by the capitalist mode of production, and with special relevance to rural development. To the extent that my presuppositions are not borne out by new or different empirical evidence, this influences not so much the truth or falsity of my thesis, but rather its comprehensiveness and scope of application.

4. CONSTRUCTING A THEORY.

An important element in constructing a theory is the need to define the sense of general concepts. This entails using logic and semantics to establish meanings that apply in various situations, and which therefore specify the common characteristics in each. As soon as any definitions are considered less abstractly, it is clear that they are composed of numerous layers of determinations which depend on the specifics of each situation (see the *Grundrisse* discussion on production, 1973:85-100). However, this does not negate their value; on the contrary, they are a necessary and legitimate precondition for constructing a theory. Hence, in the first part of this thesis I devote considerable space to clarifying definitions. In the case of "development" — where much writing has simply assumed an unproblematic general meaning (Wallman, 1976:102) — this is certainly an essential task.

Another element in constructing a theory is drawing on the contributions of existing theories to the subject under study. For my part, I borrow (with modifications) from a range of Marxist and other theories of development, and attempt to synthesize their various insights. There is a danger in this of an eclecticism that lacks structure and logic, and which

assembles points rather than integrates them. To avoid this pitfall, "borrowing" needs to be on an explicit basis involving reference to the fundamental features of the argument, notably to its epistemological presuppositions, and to its basic definitions and its philosophical and logical protocols. The arguments in this chapter are therefore not just an introduction to this thesis, but the basis on which I have drawn on and merged insights from a variety of theories, as will be evident as my argument proceeds.

5. METHODOLOGICAL GUIDELINES

A theoretical investigation takes place not only in terms of the issues discussed above, but also with regard to philosophical principles. Marxist theory is not "derived from some imputed metaphysic" (Shaw, 1978:2), but at one and the same time depends on, and supports, Marxist philosophy.⁽⁸⁾ The principles of the latter are thus related directly to analysis of social reality, and are valuable in informing the construction of theories. Some of these, as adapted from Cornforth (1968:78), draw our attention to:

- (a) The structure of interconnections and relationships in society.
- (b) The structure as a complex of processes rather than "ready-made" things.
- (c) The developmental dynamics of these processes being linked to the dialectical contradictions of the structure.
- (d) Quantity and quality as two distinct dimensions of developing structures.
- (e) The historical character of social processes, especially the origin and likely development of social structures.

These points cannot be argued for within the parameters of this thesis. However, their relevance — especially that of contradiction — will be evident in greater and more concrete detail as the thesis proceeds.⁽⁹⁾ Meriting more in-depth discussion at this point is the first principle concerning interconnections.

5.1. Interconnections and the problem of units of analysis.

Constructing a theory that takes account of interconnections raises the difficulty of distinguishing units of analysis at the various levels. Criticising "common-sense" analysis, Marx says that where it succeeds in detecting a distinction, it fails to see a unity, and **vice versa** (cited in Larrain, 1979:65). Clearly, any theory needs a range of concepts that will enable the researcher to grasp the wood as well as each of the trees; in other words, a comprehensive specification of the relevant units of analysis and the relations between them.

The whole and its constituent parts must both be accounted for. For example, in studying rural development, we need to be able to analyse a specific rural development scheme without losing sight of the significance of the whole international context. This is important because as Baran (1962:218) points out, statements that are truthful with regard to the parts, can constitute falsehoods with regard to the whole. Further, supposedly similar elements may perform fundamentally different operations if located within different structured wholes.⁽¹⁰⁾

5.ii. Interconnections and the totality.

Intrinsic to much Marxist theory is the point of view of the totality (Lukacs, 1971:5-12) and the primacy of the whole over its parts.⁽¹¹⁾ The whole is constituted by the active relation between the parts, but is also "greater" than these parts. It acquires a particular kind of character from its parts, and **vice versa**.⁽¹²⁾

The question that arises is how to conceptualize at a general level the relations of causality and determination between the whole and the parts (Althusser, 1976:141). What is needed is a theory that will help establish the differences between the parts, the relative autonomy of each and the mode of interaction between them and the whole (ibid:177). In this thesis I investigate whether Marxist concepts are able to specify the effective wholes and parts in each specific unit of analysis and the inter-

relations between them, with regard to social structure and development.

6. CONCLUSION

In this chapter, I have argued against a naive empiricism for the need for theory, and then explained my choice of Marxist theory as a broad starting point for my investigation. I have also specified a number of limitations on the role of theory, being concerned to highlight the dangers of theoretical reification and selective analysis of empirical data. Against this background, constructing theory involves defining general concepts, and relating theoretical abstractions to empirical data. It also involves borrowing from other theories, and in my case also using a number of Marxist methodological guidelines. I am now in a position to begin the task of constructing my theory.

ENDNOTES

1. For Kuhn, the "paradigm", and for Althusser, the "problematic", refers to the basic assumptions of a particular world view which determine what problems will be selected, and what, conversely, will thereby be excluded (Althusser, 1971:113).
2. For this reason, Weber cautioned that one should not be scientifically content with conventional self-evidentness of very widely accepted value-judgements (ibid:13). I would add that while this is correct, we cannot wholly escape such judgements — indeed we are probably unaware of many of them (see Popper, 1973:222-223). Up to a point, we have to be content with being scientifically discontent.
3. An additional reason for selecting Marxism is that a great deal of development studies has been located within the Marxist paradigm. By situating my investigation in this context, my arguments can be **directly** compared to the limits and possibilities evident in many of these existing works.
4. In point of fact because of various weaknesses in Marxism, my argument in large part departs substantially from several key Marxist arguments. See for example, my discussion of base and superstructure (chapter four) and my discussion of forces of production (chapter five).
5. See especially the second thesis:

The question whether truth about the objective world is attained by human thinking — is not a question of theory, but a **practical** question. In practice must man

prove the truth, that is reality and power, this-worldliness of his thinking. The dispute over the reality or non-reality of thinking — that is isolated from practice — is a purely **scholastic** question.

6. With the assistance of semiology, it is possible to analyse this in greater depth. An empirical fact can be broken down into a sign or series of signs. Each sign comprises both a conceptual signified meaning and a material signifier (such as symbols, sounds and other physical objects with communicative significance). Together, these two dimensions provide knowledge about a referent material reality. Between the sign as a whole and this reality, there is a dynamic relationship. The signifier and/or signified dimensions of the sign may be modified to more accurately represent the reality (Sebeok, 1975; Fiske, 1979; Coward and Ellis, 1977).

As an example of this, for a racist, the generally sorry state of rural development in Africa lies in the nature of the "black man". Looking at African farmers, a racist registers skin-colour as a socially relevant signifier and goes on to link it with a specific signified meaning (eg. low intelligence). In the course of experience and education, it may become necessary for our racist to be more accurate in understanding reality, and therefore to come up with a different signified meaning (eg. non-biological characteristics — culture, colonial heritage, etc.). In certain contexts, (eg. contact with successful black farmers), where in reality skin-colour has no social relevance, this signifier may be discarded.

7. As Marx notes, the same economic basis can show "infinite variations and gradations in its appearance even though its principle conditions are everywhere the same" (**Capital**, vol. III, quoted by Baran, 1962:44).

8. This cannot be elaborated here, but it should not be surprising, as Marxist philosophy is directly bound up with the proposition that the real has epistemological primacy over thought about the real. (See Marx, **Grundrisse**, 1973:100). A Marxist **theory** about the real, and a Marxist **philosophy** about the relation between theory and the real, are obviously going to be dialectically interconnected (see endnote 5 above).

9. My ideas on contradiction are drawn largely from Althusser (**Contradiction and Overdetermination**, 1972, and Mao (**On Contradiction**, 1977b).

10. Althusser rejects analysing categories in isolation "for it is less their name than their function in the theoretical apparatus in which they operate that decides their future" (1976:70).

11. It may be added that the totality is differentiated, complex, internally articulated and uneven (Althusser 1976:177,183; Lukàcs, 1971:12).

12. While the parts cannot be reduced to the whole, one can still argue that "the whole is everything and the parts are nothing", (Williams, 1976:190) in the sense that "the properties of things change with changing relations: what is true of a thing in one relationship is not true in another, what is true in one set of circumstances is not true in another". (Cornforth, 1968:106). This applies to the concept of social structure (see chapter four), as well as to the concepts of various modes of production which cannot be defined as "combinatorics" (Althusser, 1970:7) of a set of ahistorical factors (see chapter seven). It also defines my approach to concrete development schemes, and my class characterizations of rural relations. I reject analysing them in isolation of their economic and political context.

CHAPTER TWO
DEFINING DEVELOPMENT

1. Introduction.
2. The "humanist" critique of economism.
3. The dead-end of relativism.
4. Development as specifically linked to economic growth.
5. "Humanist" arguments for extra-economic criteria.
6. The limits of "humanist" conceptions of development.
7. The role of values in defining development.
8. Conclusion.

1. INTRODUCTION.

A necessary component and starting point in constructing a theory is to establish general definitions. This chapter takes on the task of defining development. I argue that "development" should be understood in an economic sense, and not in terms of political, ethical, ideological or other criteria. This is not to say that the **issue** of development is an exclusively economic consideration. Rather, I argue that the **concept** should designate solely economic characteristics of social life, considered in abstraction from their extra-economic dimensions. What constitutes "development" therefore is an economic rather than (for example) a political, ecological, spiritual or other phenomenon.⁽¹⁾ While development has extra-economic significance, such considerations are not part of its definition.

2. THE "HUMANIST" CRITIQUE OF ECONOMISM.

Modernization theory has come under attack for the priority it accords economic considerations and for its corresponding neglect of the political, ethical and other issues involved (see Berger, 1976:53, Phillips, 1977). The critique is that modernization theory perceives development simply as economic growth and, further, that it assumes this to be an end in itself. Consequently, it is argued, extra-economic considerations are side-lined, and seen only in terms of whether they help or hinder economic growth.

Many of the critics of modernization theory are what one could refer

to as "humanists" who argue that the economistic approach of modernization theory needs to be overturned so that economic growth is seen as a means to extra-economic goals. They put these goals at the centre of their analysis, with the result that development is defined ultimately in relation to a variety of moral values. For example, some "humanists" would argue that development should be measured in terms of improving the quality of life, rather than in technical indices of economic growth. The two yardsticks, in their view, are not necessarily synonymous. While rejecting the modernization approach, I also disagree with this "humanist" approach and will argue my case below.

3. THE DEAD END OF RELATIVISM.

The "humanist" critique has in some cases opened the way for a radical position to emerge where "development" ultimately needs have nothing to do with economic factors at all. Here development is so bound up with extra-economic ends, that economic factors are in no way a precondition for them. As the Tanu 1971 guidelines argue:

for people who have been slaves and have been oppressed, exploited and disregarded by colonialism or capitalism, "development" means "liberation". Any action that gives them more say in determining their affairs and running their lives is one of development, even if it does not offer them better health or more bread. Any action that reduces their say in determining their affairs or running their lives is not progressive and retards them even if the action brings them better health and more bread. (Tanzania, 1971, cited by Seidman, 1978:320).⁽²⁾

The danger of this position is that once the link to economic factors is lost, "development" comes to have an entirely relative meaning. Peter Berger, for example, holds that the values constituting "development" and the role (if any) of economic growth as a means of achieving them, cannot be prejudged (1976:53). On this basis, he argues that "development" be defined by mass participation (rather than by academics, experts, governments, etc.). In other words, there is no set meaning to "development": it depends entirely on how people in different situations define it.

This approach makes it impossible to theorize "development" in a useful way because the meaning of the term becomes wholly relative. What counts as development for some people, does not for others — there is no common ground to proceed on. In contrast, I believe that "development" must be theorized as a concept with a consistent general meaning across all situations, and that crucial to this is the link between development and economics. "Development" with simply a moral or other extra-economic meaning, and without an economic component forgets that, as Marx (in a different context) observed, "the middle ages could not live on Catholicism, nor the ancient world on politics" (1972:86 footnote 2). It is not surprising therefore that most "humanists" see economic factors as necessary (albeit not sufficient) elements of their definition. I take it therefore that the concept of development should intrinsically have an economic dimension.

4. DEVELOPMENT AS SPECIFICALLY LINKED TO ECONOMIC GROWTH.

My position is that development is linked not only to economic factors, but specifically to economic **growth**. However, for those who see development as including reference to extra-economic criteria, this is not necessarily so. For example, if development is defined as raising living standards for poor countries, this goal does not require growth *per se* for it to be achieved. Instead, it could be realized by redistribution (rather than expansion) of the world's economic resources.

In terms of such an approach, "development" is even compatible, up to a point, with a fall in a country's production. For example, total production (and percentage marketed) might be lower in an ex-colony than it was before independence. But whereas previously, people went hungry and overworked (on behalf of the colonial power), their post-independence welfare could well be better than it was before. In this scenario, one may logically have "**development without growth**", and even development with

economic stagnation or recession. Such phrases sound unusual and even paradoxical – yet they are a logical possibility of making extra-economic criteria central to the definition of development.

Most writers do in fact accept that economic **growth** must be part of conceptualizing development – even where non-economic criteria form part of the definition. Thus even if social, political etc., ends are seen as essential to defining development, so with the criterion of growth. There is thus a (correct) general consensus assumption that development – at least in the long term – requires a minimum of economic expansion to be meaningful.⁽³⁾ Accepting then that economic growth is necessary to defining development, we can now turn to the question of whether it is sufficient – or whether extra-economic criteria are also needed.

5. "HUMANIST" ARGUMENTS FOR EXTRA-ECONOMIC CRITERIA.

The "humanist" critique of economic views of "development" does draw attention to the extra-economic significance of economic issues. As discussed at the end of this thesis (chapter thirty-six), many studies show that rural development is in fact often seen in terms of both economic and extra-economic goals (political, in particular) – by both planners and participants. The analyst should not therefore take "development" at economic face-value.

However, it is one thing to be aware of the broader significance of economic growth, and another to make one's definition depend on it. It is true, as Weber puts it, that "a phenomenon is economic **only** insofar as and only as long as our interest is exclusively focused on its constitutive significance in the material struggle for existence" (1949:65, my emphasis). Similarly, by defining development solely in economic terms we are making an abstraction in order to highlight one aspect within the mixed-up character of reality.⁽⁴⁾ It is precisely this focus which makes it possible to see how it relates to other extra-economic aspects.

For the "humanists", however, extra-economic considerations should be put up-front in development studies. This is evident in controversies in the literature concerning their distinction between growth and development. For example, "development" presupposes economic growth for both Le Brun (1973:286) and Berg (1964, cited in Markovitz, 1976:184, footnote 3). However, for "humanist" Le Brun, economic growth is necessary, but insufficient, to achieve certain socio-economic ends. For "modernization theorist" Berg, it is both necessary and sufficient, because growth, in itself, constitutes "development" (in Le Brun's sense) eventually. His case rests on the "trickle-down" theory that everyone eventually benefits from growth.⁽⁵⁾

Berg's position has evoked much response for its historical flaws. Writers like Le Brun argue that growth is insufficient to count as development; on the contrary, they argue, it is quite possible to have "growth without development".⁽⁶⁾ Indeed, according to Harrison (1981:406), despite recent growth in the Third World, there are still seriously poor people there. "They are the very crux of the development issue, for if development is to mean anything, it must mean the eradication of this great mass of suffering." It is in the light of such arguments that Brett (1973:18) takes development to mean (*inter alia*) growth plus equity. These issues lead Berger (1976:64/5) to criticize the "ideology of developmentalism" by asking "whose growth, who benefits, who decides?". The questions imply a calculus of the human costs of growth, raising (in an ethical way) the political context of development (*ibid*:95,254).⁽⁷⁾

It is against this background that the "humanists" are concerned to build their moral and political values into the definition of development (see for example, Todaro, 1981:69-72). "Development" thus becomes "good" growth and "desirable" modernization (Berger, 1976:52). What makes growth count as "development" depends on its extra-economic concomitants, and one's moral assessment of these. For several reasons, I will argue below

that this approach needs to be rejected.

6. THE LIMITS OF "HUMANIST" CONCEPTIONS OF DEVELOPMENT.

One symptomatic effect of the problems in the "humanist" approach is that "development" is used inconsistently. "Development" is used on the one hand to mean (*inter alia*) "growth plus equity"; on the other hand, western capitalist countries are labelled "developed" — despite their lack of equity (Legassick 1976:437).⁽⁸⁾ Another symptom of the problems is that inequality and politics (in Berger's sense above) are not considered in terms of effectivity and determination in relation to economic growth, but rather in terms of values alone. The emphasis is on the "ought" rather than the "is" (see Weber 1948:51; Phillips, 1977:19).⁽⁹⁾

By calling on us to apply moral values and make (related) extra-economic considerations integral to our definition of development, the "humanists" open a gigantic Pandora's box of **which** values to choose from. As Weber has argued, it is impossible to refute value judgements (1942:4); consequently a definition of development on the "humanist" basis is of limited value to analysts holding different values.⁽¹⁰⁾

The "humanist" definition thus directs us to the terrain of moral and political debate about economic growth, rather than towards a concept that will help us to **analyse** this growth. It tells us more about analysts' values than about what is happening on the ground. It is one thing to be concerned about who benefits from growth, and another to **explain** the actual pattern it takes. In the light of all this, I would rather limit the concept to refer only to the economic significance of growth.

7. THE ROLE OF VALUES IN DEFINING DEVELOPMENT.

The "humanist" stress on values is largely a reaction to the claims of modernisation theory to value-free analysis and prescription. The "humanists" have correctly exposed the theory's implicit value-laden

Eurocentric and consumerist assumptions in terms of which "development", conceived as high industrialization, mass consumerism, urbanization, etc., is seen as an end in itself (See Frank, 1969b; Bernstein, 1971; Tipps, n.d.; Phillips, 1977:11).⁽¹¹⁾

It may be pointed out, however, that defining "development" as an economic phenomenon does not *per se* commit one to a Eurocentric conception of the process. Bernstein (1978:13), for example, has tried to avoid Eurocentrism by reversing the modernization school's procedure. He takes as his starting point not "development" (with its Eurocentric connotations), but the conditions of what he calls "underdevelopment". "Development" is then defined in relation to this vantage point. While this avoids "Eurocentrism", however, it introduces another problem — i.e. a "Third-World-centric" definition of development.⁽¹²⁾ For my part, I try to avoid the general problem by defining development not in relation to either First or Third Worlds, but in relation to the preceding situation in both. Development in my view refers to the expansion of productive capacity beyond what existed previously in any given economic unit. (See chapter three).

Certainly, there remain value assumptions in this view — for example, in defining productive capacity and in identifying what constitutes a productive force.⁽¹³⁾ My critique of the "humanists" is thus not to imply that a value-free definition of development is possible. I accept that moral judgements and value assumptions about economic development are difficult and even impossible to avoid. However, my argument is that they should not be the primary focus in specifying what social phenomena count as development. They will influence the identification and the selection of economic phenomena in this, but where one is conscious of them, they should not lead to including extra-economic phenomena in the definition.

8. CONCLUSION.

The arguments above are not to deny the importance of debunking the value-biases in every supposedly-neutral conceptualization of, and recipe for, "development". I would follow Todaro (1981:11/12) in acknowledging that value premises, however disguised, are an integral part of development studies, and that consequently, they should be made explicit where possible. For my part, therefore, I have argued for a definition of "development" that attempts to convey a strictly **economic** sense. While extra-economic considerations may be applied to the phenomenon I designate by the concept of "development", where one is aware of them, they should be explicitly precluded from its definition and identification.

Moving on from this, it may be noted that Weber has perceptively noted three areas of concern to an economic analysis. He distinguishes "economic events or institutions" deliberately created or used for economic ends; "economically relevant" phenomena which in certain circumstances have consequences of interest from an economic point of view; and "economically conditioned phenomena" which are influenced by economic factors (ibid:-64/5). My concern in this thesis is to establish the way in which social structure serves as an economic institution, encompasses economically relevant phenomena, and in turn is itself an economically conditioned object - specifically with regard to development.

ENDNOTES

1. Theoretical elaboration of "development" as an economic category takes place in later chapters.
2. Brietzke (1976:652) says that land reform in Mexico, Egypt and Ethiopia had the political aim of eliminating rural inequalities, even if at the expense of disrupting production: "the nature of the omelette to be made is less important than the breaking of the eggs" (ibid:659).
3. This is even the case with advocates of the "basic needs" development approach, an approach which has far more moderate development aims than the traditional modernization approach. The "basic needs" development strategies have come to replace the previous (unsuccessful) strategies that

aimed at growth (even growth with improved income distribution). The new aim is simply minimum standards of living, water, health, shelter and clothing. These criteria now govern World Bank and USAID loans (Hayter, 1981; Sandbrook, 1982). But even these aims require some economic growth.

4. As Weber (1942:64) observed, "the quality of an event as a "social-economic" event is not something which it possesses "objectively". It is rather conditioned by the orientation of our cognitive interest, as it arises from the specific cultural significance which we attribute to the particular event in a given case."

5. This is the same as the "expanding cake" theory where everyone's piece grows bigger - a common theme in developmentalist legitimization. The approach is also known as the "Brazil School" where the emphasis is on creating rather than distributing wealth (Berger 1976:254). Thus it is that rural development is often presented as being in everyone's interests - on the grounds that, through growth, the lot of the poor is expected to improve without requiring sacrifices from the rich (Heyer et al, 1980:3).

6. This particular way of distinguishing economic growth from "development" has wide currency in the "humanist" development literature. For Seers (1979), economic growth refers to per capita incomes and GNP, while development refers, *inter alia*, to the elimination of absolute poverty, reduction of high unemployment, and narrowing of huge social inequalities (cited by Mouzelis, 1980:353). Clearly, on these definitions, there can be economic growth without development. There is no inherent reason why development in this sense should automatically follow in a "trickle-down" sense from economic growth. The latter is a necessary means to socio-economic ends, but it is not adequate by itself. In this view, "growth" and "development" are quite distinct (See also Markovitz, 1976:183).

7. The political dimensions of development are concretely evident in the classic remark by a former president of Brazil that his country was doing well, though not the inhabitants (Harrison, 1981:430). It is in response to these kind of issues that Nyerere believes that capitalist development might increase national wealth, but that the Tanzanian masses would not necessarily be better off (Hughes, 1977:219).

8. Another example is made by Mouzelis' critique (1981:354) of Seers' criteria of development as eliminating poverty, reducing unemployment and alleviating inequalities (see above). Mouzelis says that Saudi Arabia fits the criteria and therefore would count as a developed country in Seers' terms. Mouzelis' point is that this obscures the economic character of Saudi Arabia which is not a developed capitalist country.

9. An illustration of the differences can be seen by comparing Seidman's view (1978:307) of participation in development with Berger's mentioned above. For Seidman, participation is more than just a value. He points out that in terms of what actually happens, (i.e. irrespective of the analysts' values) "participation" has little commonly-agreed content and that, further, the extent and type of participation has very real effects on the expansion (or otherwise) of productive capacity. This approach therefore directs us away from rhetoric and towards explanation.

10. Weber also argued that value-judgements require decisions about means and ends, yet there is no rational or empirical scientific procedure that can give us a decision about whether means justify ends (1949:26, 56). Once a choice is made and ends have been selected, it is possible to measure when, for example, economic growth is an appropriate means to achieving them. But this is of limited general use because it simply evaluates

performance in relation to morally-derived targets (see *ibid*:10), rather than explaining the performance itself.

11. Wallman (1976:107) expresses reservations about a particular value-laden conception of development. According to her, "it is increasingly argued that a condition of maximum industrialization, etc., is not - or cannot be assumed to be - the ideal moral condition". For Dos Santos (1969:60), existing models of developed society should not be taken as crystallizations of the aims to be achieved by development.

12. For Bernstein, development refers to overcoming poverty, malnutrition and disease. However, this leaves him unable to characterize economic processes which have overcome these ills. It moves him out of the economic arena into a confusing position where growth in many advanced capitalist countries could not strictly be described as development because, in terms of their economies, it no longer relates to Third World-type problems.

13. Cultural, class and other assumptions are inevitably involved in the decisions about whether industries producing military goods (i.e. means of destruction) and luxury goods count as development of productive capacity. This is discussed in more detail in chapter eleven.

CHAPTER THREE
DEVELOPMENT AND UNDERDEVELOPMENT AS CORRELATIVES

1. Introduction.
2. "Development" as a concept describing attributes.
 - 2.i. Correlative meaning.
 - 2.ii. Comparability.
 - 2.iii. Separate units.
 - 2.iv. Conclusion.
3. "Development" used to describe a process.
 - 3.i. Development as the correlative of "non-development"
 - 3.ii. Development as the correlative of a **hypothetical** non-process.
 - 3.iii. Development as correlative of a qualitatively distinct process (i.e. of an underdevelopment process).
4. Conclusion: development as attributes and process.

1. INTRODUCTION.

This chapter deals with the semantics of "development".⁽¹⁾ It cuts through many of the problems in the literature by defining both development and underdevelopment in a novel way by reference to productive capacity. It shows that "development" conveys both the notion of **process** (as distinct from a lack of movement), and **attributes** that describe a location in this process (for example, an advanced state).⁽²⁾ At first sight, these senses appear straightforward and uncomplicated. However, as will be evident, they conceal highly complex issues. I deal firstly with the attributes sense, and secondly with process.

2. "DEVELOPMENT" AS A CONCEPT DESCRIBING ATTRIBUTES.

The literature uses various grammatical forms of "development" to characterize the attributes of a particular economic unit of analysis (be the unit a region, social formation, or economic system).⁽³⁾ For example:

Economic Unit X
developed

(advanced / modern)

Economic Unit Y
developing / less developed /
undeveloped / underdeveloped

(backward / traditional)

Three assumptions are usually involved in these characterizations:

- i. The meaningfulness of X and Y is ultimately dependent on their relation to each other.
- ii. Underlying this is the assumption that they are comparable along a common yardstick.
- iii. Comparability depends on a second assumption that X and Y are separate and disconnected conditions.

2.i. Correlative meaning.

The characterization of one unit (as, for example, "developed/advanced") gains its meaning largely in relation to the other ("underdeveloped/backward"). As correlatives, the attributes of X and Y are therefore mutually dependent (Myrdal, 1957).⁽⁴⁾ In itself this is not problematic — indeed, it is fundamental to semantics (see Leech, 1974).

However, the problem is that in many cases in the literature, these correlatives are not defined around a concept of productive capacity, but solely in relation to each other. In particular, the attributes of one economic unit, eg. country X, become the yardstick of comparison, and the orientation point in the relation.⁽⁵⁾ The problem with this is that the relational character of meaning between X and Y is not equal and symmetrical. Unit Y (and everything "beyond" Y — i.e. unit Z, unit AA, etc.) gets defined negatively — i.e. by default — in relation to unit X. "Undeveloped", etc., thus becomes an umbrella catch-all label for any and every region (or other unit of analysis) which — when juxtaposed to the "norm" — shows up as falling short (Mouzelis, 1980:356/7).

Clearly, this obscures differences within these "undeveloped" countries, regions, etc.⁽⁶⁾ The same problem emerges when "developed" is used to group together all units that are not characterized by the attributes of "undeveloped".⁽⁷⁾ It therefore does not help to reverse the method, taking unit Y's attributes as given, and defining development negatively in relation to them. Rather, what is needed in the first instance is a definition of development that transcends the specifics of the attributes of units X and Y. In my view, and contrary to much writing

on development, it is in terms of productive capacity that a broader concept of "development" and its correlatives have to be defined before embarking on an evaluation and comparison of given economic units.

2.ii. Comparability

Regarding the second point above, X and Y are assumed to be comparable and are assigned a rating in relation to each other on this basis. For this to be valid, X and Y cannot be "apples and oranges". Instead, they must be susceptible to being treated as equivalent units. This requires that all differences have to be ignored except for those which are comparable, and/or that a reductionism has to be applied in order for them to be ranked in terms of a single yardstick. In itself, there is nothing wrong with this. However, in much of the literature the procedure involves a reductionism that leads to atomized comparison and quantitative ranking.

These steps are common in modernization theory where X and Y are compared in terms of certain limited features, such as the Gross National Product (GNP), and where the differences between them are reduced to quantitative ones (for instance, X has a higher GNP than Y). The Adelman and Taft-Morris (1967) "Ideal Typical Index" is a classic example.⁽⁸⁾

In criticism of this approach, Amin (1974:18) has pointed out that by defining development by an index like per capita incomes, Venezuela appears more developed than Japan; Kuwait rates above America (see also Frank, 1969a). Mouzelis (1980:354) takes the critique further by attacking not only the content of such indices, but also the use of indices *per se*. He advocates going beyond disparate indicators altogether and looking at the totality of economic, political and cultural structures of a country.⁽⁹⁾

The point that emerges from this critique is that X and Y, exhibiting the attributes of "development" and its opposite condition, need to be contrasted qualitatively and as totalities, and not merely quantitatively or according to isolated components. It also means that productive

capacity, the yardstick in terms of which they should be compared, needs to be defined in both qualitative and quantitative dimensions.⁽¹⁰⁾

Concerning the qualitative issue, productive capacity in my view may be defined as the productive power of a given unit. Just as labour power (i.e. capacity) is materialized in labour-time (see Marx, *Capital*, 1972, Part II), so productive capacity (power) is manifested in output. Described by Marx as the "powers of social production", productive capacity results from "science, inventions, division and combination of labour, improved means of communication, creation of the world market, machinery, etc." (*Grundrisse*, 1973:307/8). These factors in my view may all be seen as part of the means and forces of production, and "development" (i.e. of productive capacity) may consequently be conceived as the improvement, generation and adoption of new elements within these (see chapter eleven).

Considered quantitatively, how do we measure productive capacity? If one was to compare economic units producing identical items, using the identical means of production, it would be legitimate to use **volume** of output as an index. On this basis, we could rank them in terms of their relative (materialized) productive capacity. Even if different means of production were involved, we could still gauge the comparative productive capacity of the units in terms of volume. But in the more realistic and complex case of diverse output between economic units, volume ceases to be a common measure. In my view it is problematic to turn to monetary value of output as a common measure of productive capacity. This is a measure limited to certain societies only, and even there serves only as a (rather dubious) commercial value of output (as in Gross National Product figures) rather than as an index of productive capacity.

In fact, it is questionable whether there is a common measure for productive capacity between different economic units. It is, however, legitimate to measure the rate of expansion of productive capacity **internal to each unit** over a period of time. Such expansion would be manifested in

increased output of existing products, enhancement of existing products, and the production of wholly new items. These indicators can be compared with the previous productive situation, and a quantitative assessment can be made. Comparing two units in these terms means comparing them relative to their own performance, rather than any absolute measure of productive capacity.

To sum up: comparing economic units for productive capacity requires acknowledging their qualitative distinction, and ranking them is legitimate only in terms of their respective rates of expansion of output.

2.iii. Separate economic units

The meaning of any comparison or contrast is drastically affected by the extent to which X and Y are independent entities. Much modernization theory assumes that X and Y are in some way separate from each other — each having its own independent attributes and determination. This assumption legitimizes isolating and juxtaposing X and Y for the purpose of rating them against each other. This procedure is philosophically valid where X and Y are abstract mathematical units. But the whole meaning changes — for both qualitative comparison and quantitative ranking — where X and Y are not in fact wholly separate units of analysis in reality. Where economic unit X and economic unit Y are part of a broader single system, it is misleading to separate and juxtapose them as if they had no connection. Instead, as parts of a unity, they would need to be analysed in intrinsic relation to each other, and as integral parts of a wider whole.

Whether the two units are in fact part of a wider whole depends on the existence or otherwise of real connections effectively constituting them as such. The point is that development theory has to be sensitive to this issue in its identification of units of analysis and comparison. (11)

2.iv. Conclusion.

To summarize this section, in using "development" to refer to attributes, it is necessary to take into account several points. Firstly, this sense of development must be defined in relation to a concept of productive capacity, rather than draw its meaning from its correlatives. (Failing this, it cannot provide for a comprehensive analysis that highlights the nuances and differences within and between "developed" and "underdeveloped" economic units). Secondly, atomized analysis and one-sided quantitative comparison of development should be avoided. And thirdly, separate units of analysis with independent attributes should not be assumed when this is not always the case.

3. "DEVELOPMENT" USED TO DESCRIBE A PROCESS.

The sense of development as a process of expansion of productive capacity is crucial to understanding and defining development. To analyse development in terms of attributes (even as qualified above) is legitimate only inasmuch as one is aware that it involves arresting the dynamic in order to consider it at a given instant. Though artificially fixed and held, the attributes remain moments of the process.

As a process concerning productive capacity, development gains several distinct meanings, depending on what its correlative is taken to be. I will discuss three possibilities here:

- i. development as the correlative of a non-process, (i.e. of non-development or stasis).
- ii. development as the correlative of a **hypothetical** non-process.
- iii. development as the correlative of a qualitatively distinct process (an underdevelopment process).

3.1. "Development" as the correlative of "non-development".

Non-development – i.e. a lack of movement, a static ontological condition – can serve as a correlative in terms of which "development" takes a particular meaning. "Development" here is thus the opposite of "stagnation" or "stasis" and is synonymous with "movement" or "change".

Thus we have:

<u>Process</u>	<u>Condition</u>
development/movement/change	stasis/stagnation

Conceiving development in this way alters the attributes allocated to X and Y in the typology outlined at the start of this chapter. Instead of X being "developed", and Y being "developing", we now have:

Unit X	Unit Y
developing	stagnating
dynamic	static

One implication of this is that Y, a Third World country for example, cannot be labelled "developing".⁽¹²⁾ And even the term "less developed" might imply that Y is still in motion. Instead it is unit X which is "developing". Unit Y is a condition of stagnation and non-development and it is in this sense that the labels "undeveloped" and "underdeveloped" are sometimes used. "Development" in this view is simultaneously the movement out of Y, as well as the condition-of-being of X. It is both movement into the motion of economic expansion, and the motion of this expansion itself. "Development" for unit Y means that it emulates unit X in the sense of becoming dynamic.

The positive side of this perspective is that X is not seen as having reached the end of a process – or as being "developed", full-stop. Instead, its character embodies an ongoing process.⁽¹³⁾

But, on the negative side, any region, etc. in condition Y, i.e. unchanging economically, would be a highly unlikely and artificial

situation. Marxism predisposes us to assume — correctly I believe — that social reality is always already a contradiction-ridden, ongoing and changing part of history. Non-development is therefore really only a hypothetical condition. This is not to deny that productive capacity in a particular economic unit may not stay static or even decline over a particular period. But to imply that there is a lack of movement would be misleading. It provides only a description of attributes of non-development, but no explanation of the process which must underlie these.

3.ii. Development as the correlative of a **hypothetical** non-process.

A different approach in the literature has (in effect) taken development as a correlative to non-development in the sense of the latter being a **hypothetical** condition. It therefore sees **all** economic units as developing in one way or another. The question of distinguishing them and trying to capture the sense of development as a process often then becomes one of quantitative distinctions. Differences within economic motion have thus been analysed in terms of quantitative differentiation within a universal development process.

Thus we have:

Process of development:	developing/modernizing
	-----> Y -----> X
Attributes at any given instant:	less developed more advanced

Here, **both** units X and Y are “developing”. The difference lies in the pace and degree of expansion of productive capacity. The process of development is viewed as a continuum along which movement flows in the direction of Y to X. There is a veritable conveyer belt carrying various (separate) social formations, regions, etc., into development.⁽¹⁴⁾

“Development” is thus seen as an inexorable teleological movement through several stages towards (and beyond) the features that characterize the level that unit X has reached.⁽¹⁵⁾ The natural implication here is

that the "developing" countries, etc., stand a chance of one day catching up. The motor of this whole process is often not spelled out, but is assumed to be the working out of something already implicit — i.e. the unfolding of inherent tendencies.⁽¹⁶⁾

This conception has been criticized on several levels:

Firstly, the view that all societies can become "developed" has been shaken by the Club of Rome in their 1974 report on the limits to growth. Their argument is that world resources are too limited for the developed countries to develop much further, let alone allow for every country to reach the present production and consumption levels of the developed ones. While this argument is highly controversial, it has at least some pertinence in that many of the world's "developing countries" are too small or lacking in local resources to develop national productive capacity — unless they become an integrated part of a wider economic unit (Amin, 1974:32,376; Rodney, 1977:112; Clegg, 1977:365).

Secondly, to the extent that this perception sees unit X as continuing to develop, it ahistorically assumes inevitable progress in the development of productive capacity. This is difficult to square with the history of diverse economic crises affecting various economic units, as well as cases of decline such as de-industrialization across parts of Britain.

Thirdly, this conception ignores the effects of the changed context on the situation. All countries move together towards the future and it is inappropriate today to try to emulate the historical economic experience of the "developed" countries (Dos Santos, 1969:59; Geertz, 1963:51). For example, the Third World has a net disadvantage when compared to the West before it industrialized — such as having to compete with long-established enterprises. It is arguably harder to use foreign trade for successful capital accumulation today than a century ago. Subsidies from slavery

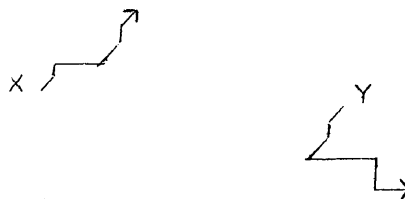
and colonialism are no longer options (Myrdal 1957, cited by Ehrensaft, 1971; Wallerstein, 1971:280).

Fourthly, this conception of "development" has been criticized on a more fundamental level for failing to conceptualize qualitative differences in trajectory. It assumes that while X and Y are separate, they are not inherently different, and therefore that what applies to X is applicable to Y. Hence, to the extent that human intervention is given a role in speeding up the transition from Y to X, it is held that Y should consciously imitate (perhaps on a more intensive basis) the history of X. There are two points made against this quantitative view.

a. The economic models based on X, and advocating a repetition of X's experience, in fact derive from a unique history — a "special case". Consequently, these models are inappropriate to contexts foreign to that experience, such as the qualitatively specific internal economic processes of Y. It is not surprising therefore that Berger (1976:249) and Mafeje (1977:417) hold that development models have only limited exportability.

b. X and Y are often not separate and independent of each other. Instead, they are frequently inextricable (though qualitatively different) parts of a single complex process and the outcome is by no means an automatic expansion of productive capacity in both.

The significance of all this is that economic history cannot be interpreted as a unilinear process (Dos Santos, 1969:62). The distinctions in economic movement cannot be reduced to quantitative differences in development. (Mouzelis, 1980:373, footnote 5). Instead, X and Y involve qualitatively different economic movement — and are not necessarily both moving in the direction of expansion of productive capacity. Thus we have:



In the light of these arguments, it is now pertinent to turn to the next sense of development mentioned above, where the term's correlative is the process of underdevelopment. This sense makes it possible to grasp the

differences between qualitatively different economic movements. It also helps to distinguish when they are separate and unrelated, and when they are only distinctions within a single process.

3.iii. Development as correlative of a qualitatively distinct process (i.e. of an underdevelopment process).

The term "development" may be conceived as referring to a particular type of movement -- the correlative of which is a qualitatively different form of movement, i.e. **underdevelopment**.^(17,18) "Development" here means forward or progressive movement and gets its meaning from its relation to "underdevelopment" as reverse or regressive movement. In economic terms, "development" describes an increase of productive capacity, "underdevelopment" communicates a reduction or blockage. Thus we have:

Development:	Increasing productive capacity X----->
Underdevelopment:	<-----Y Declining productive capacity ⁽¹⁹⁾

The characterization of unit X remains that it is "developing" and at any given time is dynamic. But at any given moment, Y is also dynamic: it is underdeveloping.⁽²⁰⁾

This provides a preliminary qualitative distinction between forms of economic movement. It may appear to be only quantitatively different -- as merely adding to or subtracting from productive capacity. But this is looking at things very abstractly. As will emerge in subsequent chapters, what helps to define an economic unit as a real effective entity is that its productive capacity is a function of the particular qualitative **structure** spanning it. It is artificial to break down such a structure into isolated components and evaluate "development" simply in terms of the "process" of the increase or decrease of its individual components. The qualitative distinction being made here encompasses the qualitatively different processes that are bound up with qualitatively different

structural totalities.(21)

This conceptualization of development and underdevelopment as qualitatively different movements also applies when units X and Y are not separate, i.e. where "development" and "underdevelopment" are part of a wider process which **simultaneously** leads to an increase of productive capacity at X and a decrease at Y.(22)

3.iv. Conclusion.

In the above section I have argued that if development is seen as a process, it is unrealistic to view underdevelopment as static non-development, despite the logical possibility of this. I argued instead for conceptualizing differences **within** economic processes, and have pointed to the inadequacies of analysing these differences as simply quantitative distinctions within a singular process of development. The usefulness of qualitative distinctions has been discussed, and development defined as an increase in the total productive capacity of a particular structure. Underdevelopment has been defined as regression or blockage of capacity in a qualitatively different structure.

4. CONCLUSION: DEVELOPMENT AS ATTRIBUTES AND PROCESS.

Following the arguments above, "development" in this thesis is used in a way that combines the senses of attributes and process. While its attributes concern productive capacity, viewed both quantitatively and qualitatively, with its effective unit of application clearly located, the processual sense designates a movement that is qualitatively distinct to underdevelopment.

This chapter has discussed -- at a very high level of abstraction -- the semantic and conceptual distinctions between development and underdevelopment. While there are limits to this level of analysis, it is a necessary step towards establishing a basic minimum of general meaning for the less

abstract investigations that follow in later chapters. The focus of the latter takes us beyond development and underdevelopment defined in relation to each other in abstract, general terms. They show that the concepts have a complex meaning which -- although linked to the meaning established here through by logical correlativity and general argument -- is not wholly reducible to it.

ENDNOTES

1. Specific sources will not be given when the usages discussed are commonplace in the literature, but see *inter alia* Myint (1971, 1967); Myrdal (1957); Hagen (1962) and Gerschenkron (1965). It should be noted that the literature often uses words like "undeveloped", "underdeveloped", and "developing" interchangeably and without much regard for semantic distinction or consistency. In this chapter, I have attempted to separate out the different meanings involved, and the various senses are grouped together in a manner that is rather different from the mixed-up way in which they are usually presented in the literature.
2. This basic distinction is drawn from Hindess and Hirst, (1977:321). Although the two senses are related, there are sometimes problems in reconciling them. This will emerge in the course of this chapter, but see also Legassick's observation (1976:437).
3. As will be shown later in this and subsequent chapters, the question of the effective unit to be designated is no simple matter.
4. Although X is already "developed" in relation to Y, it can also be seen as "undeveloped", etc. vis-a-vis a condition X+. Similarly, Y can be called "developed" in relation to a pre-Y state. The "mutuality" of meaning still remains.
5. There is a kind of teleological perspective here: regions, social formations, etc., are categorized and judged as "undeveloped" etc., in terms of a standpoint which assumes unit X to embody the desirable attributes of the "developed" ideal (Bernstein, 1979c; Taylor, 1979). The appellations "backward" and "advanced" illustrate this clearly. Even the terms "undeveloped" and "underdeveloped" often imply a very particular potential: i.e. defined in terms of the attributes of a "developed" economic unit. (The Eurocentric dangers in this were discussed in chapter two.)
6. This problem also exists where "development" is used to designate a process. "Development" as a process is sometimes defined solely in terms of X's history -- underdevelopment being **all** other processes.
7. Mouzelis (1981:354) tries to get round Eurocentrism by defining development in relation to the conditions of underdevelopment (poverty, etc.). But in doing so, his approach tends to lump together all countries which have better living conditions than the worst ones.
8. Another example is Rostow's (1965) method of labelling countries

according to a single pattern of stages, namely, by their position on a step-ladder of savings-levels. This has been criticized by Baran (1961:55) for ignoring the fact that different types of political systems and socio-economic organization meet the problems of economic development in very different ways, and these cannot be reduced to savings-level differences.

9. What is also pertinent here is Moore's view (1969:520) that distinctions in forms and patterns of social relationships are not reducible to quantitative differences.

10. Quality, as Afanasyev (1980: 96-7) points out, concerns the attributes that make an object what it is - thereby distinguishing it from other objects. Quantity concerns the intensity, size or value of these attributes. Quantity and quality are a unity representing two sides of the same object and **both** characteristics need to be taken into account.

11. It is a postulate of Marxism that interconnections between objects should not be lost sight of (see chapter one). As will be seen in the ensuing chapters, this is very important for analysing the interrelationships between development and underdevelopment processes.

12. This may well be a more honest assessment of certain Third World countries where the appellation "developing country" is a clear misnomer.

13. This is certainly relevant regarding the various processes currently taking place in "developed" economies - some of which (like Italy) continue to develop, others (like the Britain) actually retrogress.

14. Unit X may sometimes be termed "developed" in this view, because even though it is still developing, it has reached a point on the scale where it can be said to have completed the particular movement that unit Y is still making. While Y might be "less-developed" or "underdeveloped" in relation to X - it is "developing" nonetheless. It is merely at an earlier stage **en route** to becoming "developed" (Foster-Carter, 1978:207/8).

15. Urbanization is often presented as an inevitable worldwide historical trend. But "(n)othing could be more wrong than simplistic claims that urbanization is a linear, positive function of 'economic growth' or time." (Standing, 1981:180). Standing (ibid) cites the stagnation and decline of urbanization that accompanies the colonial entrenchment of feudalism in Latin American and India. Mamdani (1977:34/5) describes the de-urbanization of Buganda under colonialism 1890-1940.

16. The result is that "the assumption of all societies as destined to become urban and industrial - not to say capitalist - is taken for granted" (Williams, 1976b:105). The Eurocentrism here is not only in the definition of Y in terms of X, but also in the understanding of historical trajectory.

17. "Underdevelopment" as used here clearly differs from the stagnation sense used earlier. It now designates a process rather than a condition. The term "non-development" better expresses the static condition sense.

18. It might be objected that "underdevelopment" is not really the correlative of "development", but of "overdevelopment" (a concept sometimes used). This may be philosophically correct, but popular usage tends to use development rather than the opaque term of overdevelopment.

19. To move away from the artificiality of X and Y being static conditions, they should be seen as **part** of a process (i.e. as not simply entering or ending one). This would be represented as ---X--->, and <---Y---

20. The movement of underdevelopment, <---Y, could in principle be motion towards a condition of stasis — a winding-down to stagnation of productive capacity — to "non-development". As argued above, however, this appellation obscures the processual character of even such a condition.

21. This is not to deny the possibility of quantitative differences becoming qualitative at a certain point, but it is to draw attention to the qualitative semantic distinction between development and underdevelopment).

22. It is in the analysis of this question — i.e. where development and underdevelopment are directly interrelated phenomena — that further qualitative distinctions can be made (see especially chapter twenty-one).

PART B

BASIC CONCEPTS

CHAPTER FOUR: SOCIAL STRUCTURE AND ECONOMIC DEVELOPMENT.

CHAPTER FIVE: THE ECONOMIC DISTRIBUTION.

CHAPTER SIX: THE SOCIAL STRUCTURE.

CHAPTER FOUR
SOCIAL STRUCTURE AND ECONOMIC DEVELOPMENT

1. Introduction.
2. The social basis of development and underdevelopment.
4. Social structure and social relations.
5. Social structure and change.
6. The whole, the parts and the system.
7. Base and superstructure.
8. Determination by the economic.
9. Limits of base and superstructure.
10. Conclusion.

1. INTRODUCTION.

In this chapter, I argue that development and underdevelopment have primarily a social basis, and I elaborate a concept of social structure as a foundation for theorizing this. As general component structures of the social structure, the concepts of base and superstructure and the relationship between them are discussed.

2. THE SOCIAL BASIS OF DEVELOPMENT AND UNDERDEVELOPMENT

Development involves an interaction of humans, means of production (including raw materials – the objects of labour), and the context of labour (geographical and ecological) (Nolan and White, 1979:14). In interpreting the interplay of these elements, many writers have correctly argued against a "technicist" approach which ignores or underplays social issues (cf. Harrison 1981:419; Suret-Canale 1977:134; Berger, 1976:24; Baran and Hobsbawm 1961:275; Kahn 1978:133; Hindess and Hirst 1977:passim; and Standing 1981:186). I would similarly argue that the human element is the ultimately decisive variable, and therefore that economic development often depends more on social rather than technical and natural factors. The examples below bear this out.⁽¹⁾

3. THE SIGNIFICANCE OF THE SOCIAL: SOME EXAMPLES.

Land availability may appear to be an objectively physical constraint

on agricultural development. However, this condition is more commonly a social rather than a natural phenomenon. A land-population ratio is not given outside of definite social relations. Consequently the availability of land is primarily a social fact, with landlessness usually being a result of social arrangements (Friedmann, 1979:176; Weeks, 1978:25). As Patnaik (1979:389) points out, land shortage is not usually generalized over an entire population.

Land fertility is not a purely natural condition, but has to be understood in relation to production techniques and social relations (Hindess and Hirst, 1977:335, footnote 6). In particular, soil exhaustion is usually a socio-economic margin rather than an agronomic absolute. Thus it refers to a fall in fertility which is irrecoverable **within existing social cost levels** for the extra labour, techniques and raw materials needed to restore the level of productivity (Hindess and Hirst, 1977:169, 335 footnote 6; Genovese, 1971).

Demography is also a social, not a natural, variable in economic development, and its significance is largely dependent on factors other than sheer population density. It cannot *per se* account for economic development nor for underdevelopment. For example, Britain, and several other Western countries – despite high population growth between 1870 and 1910 – developed their productive capacity, whereas India with a similar growth did not. (Amin (1974:8/9, 1977:157). Baran (1962:242) holds that “over-population” is meaningless in general terms: it has to be stipulated in relation to what it is supposed to exceed. (An “excess” of people in relation to resources often reflects an unequal allocation of resources – and redistribution may suffice to redress the problem.)

4. SOCIAL STRUCTURE AND SOCIAL RELATIONS.

The social factor in development is not easily analysed. What we identify as social, political, ideological and economic realms are all inextricably interwoven in reality (Bernstein, 1978:15; Larrain, 1979:66)). In addition, we are confronted with complex tangles of tendencies and counter-tendencies, forces, influences, convictions, drives and resistances – all of which determine patterns of development (Baran and Hobsbawm, 1961:63).

Orthodox economic theory has traditionally reduced the social to the technico-economic, analysing development solely at the level of economics (Bernstein, 1978:18). While development is an economic concern (see chapter two), its explanation needs to be more broadly social. It is to the credit of some modernization theorists (eg. Hoselitz, 1964) to have drawn attention to the institutional and cultural concomitants of economic growth (Nafziger, 1979; Berger, 1976:51). (How successfully they have related these is another matter).

In my view, the concept of social structure is a basis for establishing coherence and system among the myriad social dynamics affecting development and underdevelopment. "Social structure" describes an organized set of "social relations". It is constituted by social **relations** which in turn refer to the general patterns present in concrete (and, to a greater or lesser extent, purposeful) social **relationships**.⁽²⁾ For example, in the concrete daily relationship between worker Siphon Kunene and employer Fred de Villiers, there are practices that correspond to a particular pattern of social relations prevalent amongst most workers and employers. It is in terms of these shared relationships and practices that individuals may constitute a social grouping in relation to other groups. A social structure thus exists in and through the way that social relationships and social practices/groups dialectically constitute each other.

This approach contrasts with a pluralistic viewpoint which more-or-less randomly identifies a hodge-podge assortment of disparate groups and activities. By focusing on **relations**, the concept of social structure provides the basis for understanding the basis of social groups, their activities and their interaction.

There is a danger in theorizing about social relations abstracted from a series of concrete relationships, that the analysis risks generating a reified and formalistic concept of "social structure".⁽³⁾ In my view, this can be avoided provided that the concept is seen as a concept and not confused with either the real relations to which it refers, and still less to real, purposeful and reflexive concrete relationships and practices sustaining these relations. (I return to this point in my criticism of Weber in section 9 below).

5. SOCIAL STRUCTURE AND CHANGE

Perhaps partly because of its origins in engineering and natural science, "structure" may sometimes connote rigidity and permanence

(Williams, 1976:255).⁽⁴⁾ However, within Marxism, the concept of structure involves the concept of contradiction and is therefore dynamic in character. Contradiction here refers to structural tensions between opposites which are related to each other within a unity (Mao, 1977b *passim*; Bottomore, 1985:93/4).⁽⁵⁾ The concept of contradictory social relations – and the corollary of contradictory social groups and group practices – is central to theorizing historical movement and change in the social structure.⁽⁶⁾ This dynamic conception draws attention to social structure as historical – as having a genesis, as well as possible tendencies to dissolution or supercession. A social structure does not simply exist or persist – it is created, reproduced and transformed. At the same time, however, we should avoid the pitfalls of imposing a teleology on a structure which leads to ignoring or underestimating limitations, changes and reverses in its movement (see also Byres, 1981:408). These observations are particularly apposite for the analysis of economic development (see chapter ten).

6. THE WHOLE, THE PARTS AND THE SYSTEM.

The social structure is based on relations between the parts (various constituent groups and their practices) which make up the whole. However, the whole is also "greater than" the parts in that many constituent groups would not exist as such outside of their relations constituting the whole, while other groups would be rather different in a context involving different relations. At the same time, one cannot focus on the whole as if it had unidirectional determinancy over the character of the parts. This error is evident in Wallerstein's (1974) and Frank's (1969a, 1969c) views of world development (see chapter fifteen). Analysis needs to take both levels into account, looking at the dialectical relationship between them.

That the whole is "greater than" the parts is significant because it enables us to conceptualize not only overarching relations between the

parts, but also the **dynamics** that a given social structure gives rise to. An example here is competition as a phenomenon that is not wholly apparent in the immediate relations between groups (and group practices), but which is a dynamic generated by capitalist relations and which acts upon them as a function of the whole structure (see chapter thirteen).

To encompass this phenomenon, the term "social **system**" points to both the social structure and the dynamics it gives rise to. This is the background to the concept of "economic system" (discussed in chapter seven) and the relationship between "economic system" and "social structure". It is also the background to what I term the "**system dynamics**" of competition, commercialization and capital accumulation (see chapter thirteen).

7. BASE AND SUPERSTRUCTURE.

In Marxism, the concept of social structure can be broken down into several other structures, particularly a "base" economic structure and a political-legal "super"structure. According to Marx:

It is always the direct relationship of the owners of the conditions of production to the direct producers ... which reveals the innermost secret, the hidden basis of the entire **social structure**, and with it the political form of the relation of sovereignty and dependence, in short the corresponding specific form of state (1974:791, my emphasis).

This quotation puts forward a key element of Marxist methodology, namely, that analysis has to begin with the relations around production if it is to explicate the whole social structure (and, for the purposes of this thesis, how this entirety relates to economic development).

There is a second aspect of the base-superstructure model to consider:

The totality of relations of production constitutes the **economic structure** of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the general process of social, political and intellectual life. (Marx, 1977:20, my emphasis).

This statement deals with both **structures** (economic, legal and political) and **consciousness**. When carefully unpacked it can be seen as specifying two distinct relations among these elements. On the one hand, there is the relation between material structures (economic as the foundation for the legal and political structures). On the other hand, there is the relation between this entire (complex) **totality** of structures and consciousness.

A pitfall in interpreting the model is to conflate these into a single relation, so that consciousness is seen as being determined by economic structures alone. A second pitfall is to view both relations in a transitively causal or expressive sense. I will argue below that consciousness (including ideology) is complexly determined by **all** the material structures, not only the economic base structure, and that both consciousness and the superstructure are **determined** rather than caused.

8. DETERMINATION BY THE ECONOMIC.

Understanding the relations in the base and superstructure in a transitive, causal sense leads to the false⁽⁷⁾ – and unproductive – “Marx-Weber” debate about the respective causal importance of the different components (see for example, Popper 1973:107). In the development context, Berger (1976:54) refers to the modernization theorists’ “chicken-egg” question of which “comes first” – economic growth or its social, cultural and psychological correlates. We could add here, political correlates too. Political development theorists like Apter (1965) and Almond and Coleman (1966) have assumed that economic growth automatically causes certain political effects (Mouzelis, 1980:354/5). The same assumptions for South Africa are held by O’Dowd (1977).

Because these assumptions are based on ahistorical, over-abstract and formalistic premisses, the debate – phrased in chicken-egg terms – can only

go round in circles. In my opinion, a more sophisticated view (and one distinct from many Marxist interpretations) has been to see the base structure as integrally **limiting**, rather than **causing**, the superstructure, and these structures as together having a similar relation to consciousness (Hindess and Hirst, 1977:16). This is understanding "determination" by the base as the setting of preconditions and the exerting of pressures, rather than causing or producing the superstructure and consciousness. Thus in this sense, "determined" is distinct from "predestined" (Williams, 1976:-90). Such anti-reductionism has been theorized in the concept of "conditions of existence" (see Cutler et al, 1977). A particular superstructure and consciousness are understood as the necessary conditions that a particular base structure would require in concrete existence **and vice versa**. But the economic base structure does not cause or call into being these conditions. Indeed there may well be contradictions between them all. The advantage of this more sophisticated view is that it stresses - without overexaggerating - the connections between (i) the base, (ii) the superstructure and (iii) consciousness. This holism is valuable in that it shows, for example, that it is inadequate to analyse social structure only in terms of (iii) without reference to (i) and (ii). Thus, the pattern variable approach to economic development (Parsons 1966), by defining its "modern-traditional" dichotomy in terms of values (universalism-particularism; achievement-ascription; specificity-diffuseness), must be judged as inadequate (see also Magubane, 1971). A value such as individualism, associated with modernity, needs to be seen against the real structural atomization of people in an economy which isolates them as individuals in commodity exchanges with each other. Focussing exclusively on cultural values makes it difficult to understand how these change with circumstances, and the way that past and present structural experiences give rise to and maintain certain outlooks (Moore, 1969:486/7).

Another example is that labour productivity cannot be subjectivized

and seen as a primarily voluntary phenomenon. This is important for evaluating the role that the ideology of "freehold" tenure has on agriculture. Different economic systems cannot be reduced to differences in motivation. Take for example, factory production (with concentrated supervision, labour pace dictated by subsumption to the pace of the machine or place in the division of labour), and individual peasant production. The productivity advantages and disadvantages in each case occur regardless of differences in motivation (Hindess and Hirst, 1977:167/8). Consciousness, while obviously important, is not a free-floating independent variable.

At the same time, neither (i) nor (ii) can be fully explained without (iii). Thus even if, for example, Weber gives too much weight to Protestant ideology in the development of capitalism, religious consciousness does have an efficacy in the practices and groups within the political and economic structures (Muratorio, 1980:38, Zeitlin, 1968:131-163). Althusser (1976:65) is rightly emphatic that capitalism cannot be analysed at the level of the economic structure alone. Similar points could be made about the inadequacy of analysing political and juridical structures without taking the economic structure and consciousness into account.

9. THE LIMITS OF BASE AND SUPERSTRUCTURE.

It is important at this juncture to note Max Weber's criticism of Marxism for presenting a theoretical schema under which a real situation or action is "subsumed as one **instance**" (1948:93). Weber held that Marxist concepts are ideal types with only a heuristic use (ibid:103), and therefore that it is "pernicious" to think of these concepts as empirically valid or real tendencies (ibid:103). But against this, Marxist concepts are intended to assist in producing a "reproduction of the concrete by way of thought" (Marx, 1973:101), and for this purpose they are intended to **represent** dimensions of real phenomena.

Thus, unlike the role of ideal types, the theory I am trying to

develop is one which refers ultimately to relationships and determinations within reality, rather than being a purely ideal limiting concept whose use is primarily for comparison (cf. *ibid*:97). While Weber's ideal types can fulfil their purpose just as easily by demonstrating divergence from reality (*ibid*:102), my theory aims to secure (what social convention assumes to be) a correspondence. In this way, I see theory contributing to knowledge by highlighting the relationships and determinations operative within particular realities.

Where Weber's criticism is valuable, is in pointing us away from treating the base and superstructure as reality itself. Some critics make this mistake, and argue that the model assumes too unproblematically that base and superstructure are distinct. Kahn and Llobera (1980:94), for example hold that the economic structure is not capable of universal definition. Laclau (1979) makes a similar point in arguing that "economic" in the sense of "pure economic" – distinct from other structures, practices and consciousness – is only the relatively apolitical form of production under market capitalism.

However, it would appear that these remarks misunderstand the conceptual status of the base-superstructure model. While Weber errs by seeing it as purely ideal type, they go wrong by viewing it crudely as direct reality. Instead, the model needs to be recognized as an analytical concept in which the concepts of economic base, the superstructure and consciousness are **abstracted** separately out of complex reality. In this reality, base and superstructure are certainly comprised of real relations, but mixed-up and integrated with other aspects of the real. The model is a means to analyse reality, not a reproduction or representation of that reality.

10. CONCLUSION.

In the light of the preceding sections, determination by the economic

structure can be understood in the following way. The economic base is the ultimate **reference point** in defining the way that the base and superstructure are related as "conditions of existence" for each other. The "base" is the **analytical** "anchor" from which one can investigate the general differences between structures, and between these and consciousness, as well as their relative autonomy, real conditions of existence and their real mode of interaction. With this perspective, one can analyse how, in reality, economic relations are reproduced or transformed in conjunction with their political and ideological conditions of existence, and what this means for development and underdevelopment.

This interpretation of determination is different from that of many Marxists. However, in my view, it represents the maximum that can be granted at this level of generality. I am now in a position to proceed from this point and begin to theorize the character of the economic base.

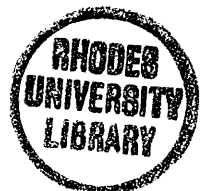
ENDNOTES

1. These examples are chosen specifically because they are often seen as the major blockages of development or contributors to underdevelopment.
2. The distinction between "relations" and "relationships" comes from Raymond Williams (1976b:257).
3. This in turn may lead to a rigid form-content separation where structural **form** (social relations) is one-sidedly seen to determine **content** (relationships between practices/groups). In order to account for historical and empirical differences, this one-sided view ends up portraying the social structure as an empty shell setting only negative (structural) limits within which the concrete contents (practices/groups) are "free" to vary as they please. Such is the method of analysts like Wrong (1976), who try to temper structural functionalism with notions of individual free will. But individual will itself needs to be explained. In this regard, I would argue that an analysis of contractions within and between social structures and social consciousness is more valuable than metaphysical speculation about human nature, reflexive praxis, etc.
4. The Althusserian use of structure has also been criticized for presenting a rigid and mechanical Marxist view (Geras 1972; Miliband 1972). This school's interpretation of social structure does indeed exclude the organic and processual character of the social structure. Thus, both Althusser (1976) and Poulantzas (1973) make a sharp distinction between structures and what they call their "social effects" - these latter being individuals or classes who are the supports or agents of the structures. Structures are not seen to exist in and through humans, but **vice versa** (Williams, 1976b:257). The dialectic between structure and practice is lost.

5. Contradiction is different to "contrariety" which is the clash of unrelated forces (Colletti, 1975:8). To understand movement and change, one cannot ignore contrariety. But because this concept refers fundamentally to disconnected and arbitrary forces and phenomena, it is not susceptible to theoretical elaboration. By contrast, the Marxist concept of contradiction refers to an identity of opposing forces, in the sense that one could not exist without the other. Because **these** forces are directly related, they are open to being theorized.

6. It may be noted that this movement is complex because of the uneven character of the dynamics, rhythms and efficacies within and between the constituent sub-structures and practices of a social structure (Althusser, 1976:185). Later chapters, (especially in Part F), will investigate the uneven and contradictory relations within the structures of development and underdevelopment, as well as between the two structures.

7. The debate is a false one because it inaccurately counterposes Weber to Marx, whereas it may be argued that Weber's work is in fact complementary to Marx's (see Zeitlin, 1968:130).



CHAPTER FIVE
THE ECONOMIC STRUCTURE

1. Introduction.
2. The economic structure.
3. The forces of production.
4. Productive capacity.
5. Relations of production.
6. Relations of production and class exploitation.
7. An example to illustrate the difference between forces and relations of production.
8. Relations of production at all three Moments of production.
9. Critique of alternative conceptions.
10. The economic.

1. INTRODUCTION.

The chapter analyses the concept of economic structure, breaking it down into forces and relations of production and viewing it in terms of three "Moments" of production. My theorization of forces of production, productive labour, necessary and surplus labour differs in several respects from most Marxist writings in field, including those of Marx himself.

2. THE ECONOMIC STRUCTURE.

According to Marx:

In the social production of their existence, men enter into definite relations that are indispensable and independent of their will, relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the **economic structure** of society ... (1977:20, my emphasis).

There are two distinct – though not in reality separate – structures in this totality of relations that Marx describes as comprising the economic structure (see Terray 1974:98, Morris, 1976:298). One of these is the structure of technical social relations around the means of production. This is designated in this thesis as the "forces of production". Used in this way where the term thus refers to a type of social relations, it is not reducible to "means of production" (see Hellman, 1979:145/6)).

The second structure within the economic structure is that of the social relations around the performance of labour for people other than the direct producers. I use the term "relations of production" more narrowly than Marx (above) to refer to this structure as distinct from the forces of production. Both sets of relations involve relationships between people and means of production. Beard (1987) makes a useful distinction between the two, in noting that means of production constitute a **term** in the one relationship (i.e. in my "forces of production"), whereas they are simply a **condition** for the other (i.e. for the "relations of production").⁽¹⁾ Both types of social relations are pertinent to productive capacity, but, as will be shown below, in ways that are quite different.

These two social relations structures are effective at what I have distinguished as three "Moments of production:

Moment A – relations of possession of and separation from the means of production,

Moment B – relations **in** production (i.e. **within** production),⁽²⁾

Moment C – relations in the distribution and utilization of the product.

As will be evident below, these three Moments of production do not relate to each other in a simple unilinear way (as the "A", "B", and "C" designation might suggest). The Moments of production and my theorization of forces and relations of production are key constructs for this thesis, and are used throughout the later chapters.

3. THE FORCES OF PRODUCTION.

Social production takes place in concrete labour processes that involve definite combinations of producers and means of production (the latter including both instruments of production and objects of labour) (Marx, 1972:174). "Forces of production" refers to social relations within and between such labour processes based on differing technical functions.

The concept of "forces of production" spans the totality of the

articulations within and between labour processes constituted as units of production (Godelier, 1969:335; Hindess and Hirst, 1977:11). It encompasses Moment B, i.e. the specifics of co-operation within each labour process and the co-ordination of several labour processes within a single unit of production (Hindess and Hirst, *ibid*:244).⁽³⁾ "Forces of production" also covers relations outside of the production process at Moment C, i.e. relations of distribution and utilization of the products of each labour process/unit of production in terms of a societal division of labour.⁽⁴⁾ The "forces of production" also encompasses Moment A — the technical relations of "possession/separation" from the means of production (see below).

The concept of "forces of production" also includes the relations between **sectors** of production. Examples are sectors constituted in terms of **similar activities** in the economic circuit ("industrial", "commercial", "financial"); or **size** ("small-scale", "large-scale) or **product** ("services", "manufacturing", "mining", "agriculture"). It is partly in the relation between sectors constituted by product that the "Agrarian Question" of economic development is located (see chapter twenty-two).⁽⁵⁾ The balance between sectors affects productive capacity where a preponderance of, for example, commercial or financial over industrial activity may have adverse significance (see chapters eighteen, twenty-one and thirty-three).

4. PRODUCTIVE CAPACITY

The "forces of production" are directly linked to "productive capacity" (or "productive force"), but the two are distinct concepts. While "forces of production" refers to the structure of technical social relations around the means of production, "productive capacity" is a **function** of this (as well as of other factors including the relations of production). Productive capacity is (in part) a consequence of the "forces of production", and not a synonym for it.

To understand the relation between the two, we can start by noting that there is a distinction between productive capacity and the actualization of this capacity. From the viewpoint of development, what is significant is **actual productive capacity in use**, i.e. as realized in material output.⁽⁶⁾ This is the result of various social and physical factors (see chapter four), and the rate of expansion of productive capacity depends on the most efficient ratio between them. Within this, the division and allocation of labour to various activities is a key factor, and the character of the forces of production have special significance in this regard.

A focus on **productive** as ultimately referring to the material consequences of labour is necessary for understanding the development of productive capacity.⁽⁷⁾ But while material output is the actualization of productive capacity, not all of it **raises** this capacity as such. Taking development to be a continuous process of expanding productive capacity, the most significant labour is that enabling increased improved or entirely new output, and this is labour that culminates in new, advanced material **means of production**. Development is thus bound up with the ability of a given economic unit to co-ordinate the forces of production in such a way as to maximize productivity in **this** area of work (not forgetting of course, that this area cannot exist in isolation of others).⁽⁸⁾

5. RELATIONS OF PRODUCTION.

The concept of "relations of production" refers to the structure of social relations concerning a distinction between labour that is necessary and labour that is surplus to the direct labourers themselves. In my schema, necessary and surplus labour are characteristic of **all** types of relations of production structures, and not in the sense that Marx's **Capital** uses them only in terms of capitalist structures (see Marx, 1972, chapter X).

The reproduction of a society is always greater than the reproduction of the individual productive labourers. A necessary condition of its continued existence is that these producers perform a surplus labour beyond that needed to create the material goods for their immediate reproduction.⁽⁹⁾ The surplus labour provides for the reproduction – dependents, the young (and to some extent the sick and the aged). It also provides for labourers involved in unproductive functions who perform activities which are indirectly necessary for the reproduction of the direct producers – such as organisational, co-ordinating, service, health, education, etc., functions. The **simple reproduction** of a society therefore means that the labour of the direct producers may be conceptually divided into “necessary labour” and “surplus labour” (Hindess and Hirst, 1977:26/7). This division, its proportions, and the allocation thereof, are pertinent to the development of productive capacity. For example, in some societies, reproduction may be on an **expanded** scale (Friedmann, 1979:162). Here, some surplus labour goes into development of the means of production. In this particular respect, the concept of surplus labour overlaps with Baran’s (1962) concept of “surplus” (see chapter eleven).

6. RELATIONS OF PRODUCTION AND CLASS EXPLOITATION.

That the direct producers perform surplus labour for others, does not mean that relations of production are therefore relations of exploitation. The concepts remain distinct. Contra Meillassoux (1960) and Godelier (1965), exploitation is not reducible to the appropriation of surplus without counterpart (see Dupré and Rey, 1973:151; Hindess and Hirst, 1977:68). The appropriation of surplus labour becomes exploitative when the producers are “separated” from the means of production, and only have access through accepting controls and conditions that alienate a proportion of their surplus labour to a “possessing” class (in the form of work or as products) (Meillassoux, 1970:103; Hindess and Hirst, 1977:266,232; Galeski

1972:189). This exploitation, and struggle against it, determines what constitutes necessary labour for the producers. In many cases (for example, simple commodity production — see chapter twenty-six), exploitation can push necessary labour to an absolute minimum.

The concepts of "separation/possession" refer to the effective ownership of the means of production and the associated capacity to set the terms of exploitation. While this issue is bound up with the relations of production, it also has a technical dimension falling within the forces of production. An example here is the difference between an assembly-line worker and a hoe-cultivator in their respective capacities for individual control of the means of production and initiation of the labour process. The relations of production are primary, however. The feudal hoe-cultivator can only initiate and control production once he has access to land — for example, within the context of feudal tenancy (Hindess and Hirst, 1977:— 238). The assembly-line worker under capitalism must generally be politically and economically acceptable to the owners of the means of production (or their agents) in order to participate in the labour process — although even then he is still excluded from control of it.

Class relations of possession/separation (i.e. Moment A) usually imply class power over Moments B and C. This involves control over the proportions of necessary and surplus labour (although not without an ongoing struggle) and therefore the extent of surplus labour, as well as the allocation and use of this surplus labour and its products. Relations of production embody relations of exploitation where class relations control of surplus labour at Moments B and C.

Exploitation usually involves the extortion of more surplus labour than would otherwise be necessary to reproduce a society — for example, the "extra" surplus labour to support unproductive members of the exploiting class, the above-average consumption of even the productive members of the exploiting class,⁽¹⁰⁾ and the political and ideological

apparatus necessary for enforcing the possession/separation and exploitation. (Adapted from Morris, 1976:298; Hindess and Hirst, 1977:50; Wright, 1980:179/180).⁽¹¹⁾ Exploitation, concerning the extent of surplus labour, and the distribution and use of it, has a complex significance for development, and varies in the context of different relations of production (chapter twenty-one contains a more detailed discussion of this).

7. AN EXAMPLE TO ILLUSTRATE THE DIFFERENCE BETWEEN FORCES AND RELATIONS OF PRODUCTION.

The difference between forces of production and relations of production can be illustrated in the following example. A given technical labour process such as small-scale cultivation may involve hired workers (who have no independent possession of the means of production) alongside family labourers. The family possesses the means of production, controls the cultivation and has ultimate say over what is to count as necessary and surplus labour for the employees. Thus although all labourers may perform the same work technically, they still differ in their relations to surplus labour. In other words, the forces of production are the same for everyone, but the relations of production differ (Cooper, 1978:158/9; Friedmann, 1978 *passim*, Friedmann, 1979:181, footnote 12).

8. RELATIONS OF PRODUCTION AT ALL THREE MOMENTS OF PRODUCTION.

Building on the discussion this far, it is possible to distinguish various "stages" of surplus labour corresponding to the Moments of production:

<u>Moments of production</u>	<u>Stages of surplus labour</u>
A. Relations of possession separation from the means of production.	1. These relations constitute a foundation for the type, extent, etc. of surplus labour.
B. Relations in production i.e. the labour process.	2. Performance of 3. Extraction > surplus 4. Appropriation labour
C. Relations of distribution and utilization of the social product ("post-production" relations).	5. Distribution of surplus product. 6. Utilization of surplus product.

Exploitative surplus labour relations (in stages 2, 3 and 4) depend on class relations of possession/separation (in stage 1). Relations of distribution may also involve class relations of possession/separation — not of the means of **production**, but the means of **distribution**.

Class control of distribution can be the basis for class appropriation (stage 5) of surplus product. But this is appropriation of surplus which has already been performed and appropriated in the labour process. There is thus an important — but in developmentalist writing often neglected — distinction to be drawn between exploitation in Moment B and Moment C.⁽¹²⁾ Relations of distribution are important for understanding the differences between classes. Viewed in terms of both physical and social reproduction, there are distinctions in the relations that different classes depend on in the distribution of necessary and surplus labour. Distribution of both means of consumption and means of production is central to the reproduction of the relations in the whole.

Forces of production relations have a bearing on class relations in distribution-reproduction. For example, there is a difference between a hoe-cultivator in diversified production and a fellow-cultivator in monoculture in their respective abilities to produce direct means of subsist-

ence more or less independently of Moment C and the classes controlling the means of distribution.

9. CRITIQUE OF ALTERNATIVE CONCEPTIONS.

The concept of "relations of production" refers to the social relations within and between **each** stage of surplus labour. This perspective differs from those writers who reduce the term to refer to only some of these stages. Most writers seem to take a position against reducing the relations of production solely to relations **in** production. They argue against this by stressing the interconnections between Moment A and B, **or** Moment B and C. Few stress all the interconnections. A third approach that does stress them ends up denying meaningful significance to Moments A or B in characterizing the relations of production.

For example, in an emphasis on Moments B and C, it is argued that the "relations of production" include relations of distribution, exchange and consumption (see Foster-Carter, 1978:233; Nolan and White, 1979:4).⁽¹³⁾ Another writer (Bernstein, 1979b:442) uses the concept in the same way, but adds the relations of utilization of surplus labour. In his view, the relations of production designate relations in production, and relations outside and after it — between units of production and in the whole process of reproduction.

The inadequacy of stressing only Moments B and C, has a mirror opposite in those who argue that "relations of production" encompasses A and B. It is argued that the relations within production are never given at the level of the labour process alone, but depend on the wider and social distribution of the means of production (see Sklair, 1979:330; Ennew et al, 1977:308). Hindess and Hirst (1977:83) go so far as to restrict the term "relations of production" to Moment A. For them it refers only to the social distribution of the means of production and its corresponding relations of possession/separation. However, against this, there appears to be

no reason to replace the more specific term "relations of possession/separation to the means of production" with "relations of production".⁽¹⁴⁾

A third approach found in the literature uses the term "relations of production" to refer to the whole structure of relations around surplus labour, but by ultimate reference to the very last stage: the utilization of the products of surplus labour. The concept tends to be used in the singular here (**relation** of production). Closer inspection reveals that utilization itself is seen to be determined by the "purpose of production",⁽¹⁵⁾ which in my schema is bound up with the system dynamics of the whole. Thus for Banaji (1980:516/7), a range of relations of exploitation can be grouped under one relation of production insofar as they serve the same end. (For example, all forms of surplus labour for him are part of a capitalist relation of production when their products are ultimately used as capital). (See also Roseberry, 1978:79). In his view, therefore, a relation of production is not to be conflated or identified with a set of relations of exploitation (1977:7). In my terminology, Moment B and Moment A are seen as secondary to Moment C, in particular to the relations of utilization as affected by a system dynamic.

This approach has the merit of linking the stages of surplus labour into an overall structural whole – but at the cost of blurring differences in exploitation relations between different labour processes, and even within them. Banaji attempts to define a relation of production by reference to what I see as two linked elements: relations of utilization and system dynamics. But the former is only one aspect of a relation of production, and the latter – while affecting the entire relation – is nonetheless a distinct phenomenon and not part of the definition of a relation. Both elements may be assist in **characterizing** (rather than defining) a relation of production? But even here, they should not be override other aspects: notably, Moments A and B and the issue of reproduction.

The problem that this raises is how to define the overall structure

which unites the stages of surplus labour within it, and at the same time keep account of the heterogeneity within it. As discussed in chapter seven (on the concept of mode of production), the concepts of heterogeneous and homogeneous relations of production structures, and the articulation between them in an "economic system", help to clarify the issue.

10. THE ECONOMIC

Because every concrete existing economic structure involves a division between necessary and surplus labour, production is never a wholly technical process with only technically determined social relations (Hindess and Hirst, 1977:26). Not only can there never be forces of production without relations of production, but Marxism assumes that at the very least all three Moments of production have an ideological component. It also holds that when the relations of production involve exploitation, then they involve a political-legal aspect. Examples here are the ideology of community redistribution under primitive communism and the juridical relationship of ownership under capitalism (Nolan and White, 1979:4).

Such political and ideological aspects of production relationships have two kinds of efficacy. Firstly, there are "external" structural interventions by institutions outside production (judiciary, police, etc.). Secondly, there is efficacy in the form of a dimension or quality of the relations around surplus labour. Thus, superstructural relations can be said to have, in the concrete, a presence in the relations of production.

There are also other social relations which are pertinent to the relations of production. Long and Richardson (1978:112) point to interpersonal and group relations outside production but essential to its maintenance. For example, kinship or associational membership may indirectly determine relations in all three Moments of production (ibid:206 footnote 3). Such relations can link groups controlling resources with groups that do the actual production, i.e. bring together Moments A and B (ibid:188).

Concrete relationships of production can only exist and be reproduced or transformed in conjunction with superstructural relations (Locke, 1976:14). However, at the level of theoretical abstraction, it is important not to conflate economic relations with their political and ideological conditions of existence (Hindess and Hirst, 1977:19). Development is and remains an economic category, despite being crucially bound up with political and ideological factors on the ground (see chapter two).

ENDNOTES

1. In naming the two relations, Beard appears to draw from Cohen's distinction (1978:80) between the "material" and the "social" relations of production. In my view, these terms are problematic. Firstly, material relations are no less social relations, and it appears strange to counterpose the two terms. Secondly, **all** social relations (including relations of production, family relations, friendship, etc.) have a material i.e. practical/physical dimension – just as they also have an ideal component. The Beard-Cohen terminology therefore can be criticized as being potentially misleading in regard to both the social dimension of the forces of production and the material dimension of the relations of production.
2. I owe this distinction between relations of production and relations in production to Nichols (1981:115) (who uses it to make a different point). In this thesis, relations in both the relations of production **and** the forces of production structures are present in the "relations in production" (Moment B of production).
3. Within each labour process, these technical social relations exist as an internal division of labour – for example, as a horizontal occupational work specialization. They may also involve a separation of the functions of organising production from direct productive activity itself, i.e. a vertical division of labour (Galeski, 1972:40).
4. A vertical and horizontal division of labour may also be involved here.
5. These sectors in the forces of production should not be confused with the so-called sectors defined by "mode of production" (e.g. "capitalist sector") or by "relations of production" (e.g. "co-operative sector"; "public/private sector"; "subsistence sector"). Such "sectors" are not part of the structure of **forces** of production.
6. As Marx puts it:
A machine which does not serve the purposes of labour, is useless. ... Living labour must ... change them (i.e. means of production – GB) from mere possible use-values into real and effective ones. Bathed in the fire of labour... they are consumed with a purpose, as elementary constituents of new use-values, of new products, ever ready as means of subsistence for individual consumption, or as means of production for some new labour process. (1972:178).
7. Marx often uses the term "productive" in the context of capitalist

production where it refers to labour that generates profits, as distinct from labour which consumes revenue. This distinction is independent of the material character of the labour concerned. (See Marx, 1976b:1038-41; 1973:305). This sense is clearly narrower than the general one I am working with.

8. This is important for analysing how the production of *inter alia* means of consumption and means of destruction should be seen with regard to development. There is a detailed discussion of this in chapter eleven.

9. This refers to the items requisite for the extant socially determined level of reproduction, not to sheer physical survival (Keyder, 1974:222).

10. Not all members of an exploiting class are inherently unproductive – contra Moore (1969:471), Friedmann (1979:168), Hindess and Hirst (1977:26), and (less so) Wright (1980:179,180).

11. For some writers (Clammer, 1978:216; Dupré and Rey, 1973:152) it is this use of surplus to reproduce the subjection of the producer which defines exploitation. (Hindess and Hirst (1977:68) misunderstand this and their criticism of these writers is thus misplaced.) The viewpoint of this thesis is that it is relations of possession/separation which are central to the functioning of exploitation, whether or not utilization of surplus reproduces subjection or not.

12. This distinction is conflated in the dependency theory of Frank (1969a) (see Booth, 1975:78/9; O'Brien, 1975:27, footnote 1).

13. Strictly speaking, relations of production as a **general** concept cannot include exchange" which is only a **form** of distribution in certain relations of production, and not a universal feature. (The **Grundrisse** (Marx, 1973) makes the same mistake). As regards "relations of consumption", this can be located within the broad concept of "relations of utilization" (which would distinguish consumption from productive utilization).

14. The "relations of production" thus conceived by Hindess and Hirst, are then held to determine the second Moment of production, and – through this – the third (see also Wright, 1980:179/80). It can be argued against them though, that relations of possession/separation in Moment A are not always, and are not totally, determinant of the relations around surplus labour. Relations such as control of distribution (e.g. markets) and utilization (e.g. finance) can determine the relations in the other stages of surplus labour (see Clegg, 1977:364; Terray, 1974:335).

15. This is especially clear in Banaji's argument (1976b:315) that the purpose of production (e.g. consumption by a feudal lord, rather than capital accumulation) defines the "relation of production". He holds that this is the case **even** if the labour process and immediate relations of exploitation (e.g. wage-labour) usually correspond to a different "relation of production" (i.e. correspond to a different purpose of production – such as capital accumulation associated with wage-labour) (see also Banaji, 1980:516). He quotes the **Grundrisse** (Marx, 1973:469) for support:

if a nobleman brings a free worker together with his serfs, even if he resells a part of the whole product, and the free worker thus creates value for him, then this exchange takes place ... for the sake of superfluity, for luxury consumption.

CHAPTER SIX
THE CLASS STRUCTURE

1. Introduction.
2. Class and forces of production.
3. Classes and strata.
4. Classes identified at Moment B.
5. Classes identified at Moment C.
6. Classes that are part of a heterogeneous relation of production.
7. Class, non-production relations and social practices.
8. Conclusion.

1. INTRODUCTION.

Much has been written on the Marxist theory of classes, and it would be both redundant and too lengthy to reproduce and comment on all of it here. Instead, I focus on what is significant about this theory in terms of the theoretical framework developed so far, and in relation to the concerns of social structure, development and rural development. In this, I criticize alternative notions of social structure and investigate the complexity of class structure in terms of the three Moments of production.

2. CLASS AND FORCES OF PRODUCTION

In my framework, classes are constituted by groups of people sharing common locations in the relations of production, specifically in regard to the control and extortion of surplus labour. Because class relations thus concern exploitation, the class structure is clearly not identical to the occupational structure as designated by the forces of production relations. A given technical function can perform a range of roles in the social relations of control and exploitation (Wright, 1980:186). Forces of production are pertinent for the class structure nonetheless. For example, technical differences between units and sectors of production can serve as a basis for classes to appropriate surplus in the relations of distribution between them (see Hindess and Hirst, 1977:134/5; Carchedi, 1975:19-36). A particular occupation in the labour process can similarly be an aid to

enforcing class control. However, it is the relations of production, not the forces, that define classes as such.

3. CLASSES AND STRATA

The class structure also differs from the structures designated by the stratification approach which divides the social whole into horizontally adjacent layers – usually in terms of income or wealth differentials. There are great inadequacies in this approach, with corresponding weaknesses in its value for understanding development.

Firstly, it ignores exploitation because inequality and exploitation are not always **necessarily** related (Clammer, 1978b:11). And where the two are related, the approach fails to link them to class exploitation in Moments B and C. While wealth differentials are significant for social conflict and class differentiation, the point (in this thesis) is to see under what circumstances they are the consequences of and contributors to class relations of exploitation, and how this relates to development (Bernstein, 1979b:430; see chapter thirty).⁽¹⁾

Secondly, stratification analysis fails to designate real effective social entities. It produces only juxtaposed labels and passive categories (Cox, 1979:23). In contrast to this, although the term "middle class" (encountered in chapter thirty-five) implies the existence of upper and lower classes, this is only in an abstract and nominal sense. There are no necessary real relations between them.⁽²⁾ What is specific about the Marxist view, is that it does not define classes simply by their philosophical and logical mutuality, but by their real interdependence.

The Marxist class structure therefore refers to real social forces engaged in practices that are directly – and contradictorily related to each other.⁽³⁾ The relations between classes **inherently** involve relationships of control, exploitation, domination and subordination – and therefore conflict (Byres, 1981:406). Class in the Marxist sense refers to

real concrete actors and joint practices, to contradiction and therefore to movement, change and development of social and economic structures. In terms of my theory (see below), this can best be analysed by locating classes in terms of Moments A, B and C of a relations of production structure – a method that is more comprehensive than several other Marxist approaches. To this I would also add the need to characterize classes in terms of how they reproduce themselves, and in terms of whether they exhibit any system dynamics deriving from the whole.

4. CLASSES IDENTIFIED AT MOMENTS A, B, AND C.

Class relations at Moment A, i.e. the relations of possession/separation do not in themselves ensure exploitation, but they characteristically provide the foundation for this to occur in Moment B – the labour process (Meillassoux, 1970:103). However, the relations at Moment A are not always totally congruent with the relations of exploitation in the actual labour process. There may be overlaps in production itself (i.e. in Moment B), between the conceptually-exclusive class functions implicit in class possession/separation (Moment A). Classes located in these places of overlap perform contradictory practices: for example, the “new middle class” executes exploitative control in the labour process, but is still an exploited class (Carchedi, 1975:51; Wright, 1980:183). As will be discussed in chapters thirty-one and -two, overlaps also exist with rich peasants and also often among rural development scheme settlers.

Class relations structured in Moments A and B have a specific presence and effectivity in Moment C – reproducing themselves through different relations of distribution and utilization. With regard to **distribution**, there are differences between those classes constituted in Moments A and B of production. For example, there is the difference between the distribution of surplus product by a wage-labourer to his family, and the distribution of surplus product by a capitalist to agents operating

repressive and ideological control apparatuses. These distributive relations are not in themselves exploitative; they occur after the initial exploitation of the wage-labourer by the capitalist and are not relations directly between these two parties.⁽⁴⁾ They are distinct from class relations of exploitation within distribution which depend on relations of possession/separation from means of distribution (see section 5 below).

With regard to **utilization** of surplus labour/product, there are again differences between classes pre-constituted in Moments A and B. These differences are important for understanding economic development — particularly the extent to which surplus product is used for productive or unproductive purposes. Differences in utilization are conditioned by the nature of the class structure. For example, capitalists' possession of means of production enables them to utilize much of the surplus labour they appropriate to consolidate and expand their possession. For wage-labourers, utilization is generally limited to reproducing their families without transforming their separation into possession. Comparing class utilization in different class structures brings out, for example, the different significance for economic development of a (consuming) feudal exploiter and a (reinvesting) capitalist exploiter.

Consideration of distribution and utilization leads directly to an assessment of **reproduction** of the whole class structure. Indeed, a focus on class differentiation in terms of reproduction is common in the literature (see chapter twenty-three). It is valuable insofar as it shows how distribution and utilization relations reflect and reinforce the other Moments of production. However, this ought not to be seen as the sole or even major utility of focussing on these relations. Distribution and utilization are not only significant for class reproduction, but crucially for the issue of development. And while the notion of reproduction links Moment C back to A, such unity should not automatically be assumed.

5. CLASSES IDENTIFIED AT MOMENT C.

Class exploitation can also exist within Moment C in the distribution and utilization of surplus labour in the form of surplus product.⁽⁵⁾ An important distinction to bear in mind here is the difference between classes defined by their relations in Moments A and B as they relate to distribution and utilization (as discussed above), and a class structure which is constituted in Moment C. Of course, the relations of exploitation in Moment C will articulate with the relations of exploitation in B, but they are distinct in that they involve "fresh" exploitation. Exploitation in this situation occurs where one class (eg. merchants) has exclusive possession of the means of distribution and on this basis compels other classes to yield a portion of their surplus product in the distribution process. These other classes are those based in Moments of A and B of production and whether they be exploiter or exploited, may both be exploited by this class controlling the means of distribution (See Palloix, 1973:83).⁽⁶⁾ (That such a class makes its profits from control of markets rather than production does not mean that it has no effect on production — see chapter twenty-one).⁽⁷⁾

Exploitative relations within utilization are significant for class distinctions, and for development as well. Here surplus product is extorted on the basis of control of the means of utilization — for example, by financial capitalists.⁽⁸⁾ Insofar as an exploiting class, constituted by exclusive control over means of utilization, exploits classes that use surplus product for **means of subsistence**, the exploitation is of a fixed amount of surplus already produced and appropriated. Insofar as the exploiting class exploits by controlling **the acquisition of means of production**, it can influence the actual performance and initial appropriation of surplus labour, again significant for producers in rural development programmes where debt relations often influence Moment B to raise the rate of exploitation (see chapters twenty-five and thirty-three).⁽⁹⁾

6. CLASSES THAT ARE PART OF A HETEROGENEOUS RELATION OF PRODUCTION.

Certain classes have consistent relations to each other and a presence in each Moment of production, as in the case, for example, of capitalist and proletariat classes. However, how do we analyse groups that are not part of such a homogeneous relations of production structure at A, B and C? What is referred to here are those classes in what I term **heterogeneous relations of production** – i.e. classes which articulate to other classes only in one or two of the Moments of production. (The concept of a homogeneous and heterogeneous relation of production is further elaborated in the next chapter.) There are two different categories here:

Firstly, there is the question of relations between classes that are based in different Moments of production. The existence of an exploiting class based in Moment A and B does not preclude the existence of a different class in different exploitative relations in Moment C, for example, merchants and finance capitalists. At the same time, the existence of class exploitation in Moment C does not depend on class relations in Moments A and B. For example, simple commodity producers or co-operatives embodying no exploitation in their labour processes, may be exploited in Moment C by merchants or usurers.⁽¹⁰⁾ Exploiting classes based in Moment C articulate within themselves and with the external classes which are already part of a different structure. This articulation constitutes a heterogeneous structure because while it involves real relations of exploitation, and therefore class relationships, these do not involve the same classes relating to each other at each Moment of production.

Secondly, there is the question of the relations between the classes which are part of different relations of production structures. For example, there is the relation between the "peasantry" or self-employed commodity producers to capitalists and workers in a predominantly capitalist society. These classes are only classes vis-à-vis the classes in the

capitalist relations of production structure insofar as there are exploitative relations between the two structures. In the absence of this, classes may be disarticulated from each other, though as classes they still retain relations with a counterpart in a single relations of production structure. But between the two situations, there may well still be articulation between one or other of the Moments of production. In order to comprehensively identify classes in these situations, it is necessary to examine the articulation of differing relations of production structures and look at the way that a heterogeneous relation of production may be created via intersections at Moment C (eg. commodity exchange), Moment B (labour), or Moment A (overlapping relations of possession/separation). (See Poulantzas, 1973:33; Meillassoux, 1970:103). This is taken up in chapter seventeen.

7. CLASS, NON-PRODUCTION RELATIONS AND SOCIAL PRACTICES.

Another dimension of concrete class relations to consider is that just as the relations of production are only "purely economic" as an abstraction, so are class relations and practices. Because class relations involve domination, subordination and exploitation — i.e. power relations — they have a political and ideological as well as economic character (Steeves, 1978:124; Mamdani, 1977:11; Crouch, 1977:4; Wright, 1980:212). It is acknowledged that class behaviour is a far more complex, opaque and ambiguous phenomenon than many Marxists would concede, even though many have tried — with varying degrees of success — to explain this by seeing the issue as a process over time and by identifying more specific structures and relations that individuals are involved in (eg. see Dupré and Rey, 1973:152; Clammer, 1978b:15). Class practices vary organizationally, ideologically and institutionally. There are various reasons for this:

Firstly, class practices and interests emerge in concrete class formation and creation, class consolidation, class reproduction, class

development and class demise. Some classes and practices will exhibit features difficult to understand because they are transitional and uncrystallized (Mamdani, 1977:10; Raikes, 1978:286; Byres, 1981:406/7). Classes and their practices need to be understood in terms of their capacity and likelihood to become something else (Cliffe, 1977:197). Certainly, much rural development planning assumes certain class trajectories for the people it aims at (see chapter twenty-nine). Multi-class membership by individuals is likely to affect their practices, as will seasonal changes in class membership, geographical mobility and interclass mobility (see Cliffe, 1978:327; Charlesworth, 1980:265; Alavi, 1973:295; Clammer, 1978b:15).⁽¹¹⁾ This complexity is important for productive capacity.

Secondly, the way the class structure is articulated with the forces of production will affect class practices in several ways. It may isolate or atomize members of a class, rather than bring them together. It may mix members of different classes together in the same technical function. It may combine contradictory class functions into one technical one. It is to be expected that classes constituted in this latter instance will exhibit ambiguity in the practices of class struggle (Wright, 1980:183; Crompton and Gubbay, 1977:95-8). This is an important issue in examining the significance of class formation under rural development strategies (see chapter thirty-three and -four).

Thirdly, class places, relations and practices are also affected by relations outside of production. Production relations may be embedded in broader and diffuse social, ritual and political relations – such as patron-client relations (Herring, 1981:139). Concrete class structures are therefore a result of “multiplex” structural relations such as relations to a ruling political party, cultural and educational resources, and juridical and kinship structures (see Herring, *ibid*:148; Byres, 1981:444/5; Miliband, 1972; Friedmann, 1978).

Fourthly, much variation in class practices is due to the degree of class consciousness – i.e. the consciousness of a class as a class for itself (Byres, 1981:407). Besides the significance of class location for class practices, location in extra-economic structures (families, a nation-state) are also pertinent.⁽¹²⁾ Class practices are also influenced by culture and by consciousness derived from the ideologies imposed by other classes (see Femia, 1975 *passim*; Awiti, 1973:231, describes this for rural Ismani, Tanzania). Because of all these variables, one writer concludes that 'pure' class consciousness is rarely, if ever, to be found. It is nearly always 'cross-cut' and may even be nullified (in certain circumstances) by ethnic, regional or religious loyalties (Kitching, 1972:336). A related factor affecting class practices is the extent to which class relations are visibly manifested. This is especially important in both exploitation itself and its results (Feldman, 1975:162; Hindess and Hirst, 1977:64; Cabral 1969:51). Class formation is less socially effective where no distinctive cultural characteristics have evolved to identify classes as groups with distinct lifestyles (Feldman, 1975:165). This has special relevance to the political significance of many rural development strategies (see chapter thirty-six).

Notwithstanding the complex significance of these structural, institutional and ideological influences, the fact remains that a class structure and class practices involve people sharing similar actions and therefore classes are still of relevance as social forces – be their members "conscious" or not.

8. CONCLUSION.

The analysis above has outlined a theory of classes that will be applied in subsequent chapters. It is worth briefly concluding by noting how this theory relates to the mass of disparate non-class groupings and institutions which influence the question of development – for example,

religious movements, political parties, occupational groups and so on. In my view, two factors point to the importance of class groupings over and above these in economic development.

Firstly, and admittedly tautologically, classes by definition are directly related to production. In contrast, the general practices of these other groups **qua** groups do not involve consistent or direct relationships to the means of production. They are therefore not related to each other in terms of production — i.e. they do not form a structure of relations around the means of production (Williams, 1976:253). While they may be important and indeed crucial at certain periods, it is evident that classes are consistently involved in economic issues. Hence the importance of classes in studying social structure and economic development.

Secondly, while no one would deny that non-class groups and their practices — for example, national movements, kinship associations — have played a part in the history of economic development, these movements are not wholly separate from classes. Rather, they are comprised of classes and fractions of classes in particular alliances and accommodations. The grouping as a whole is linked to class practices accordingly, and economic development affects people in such groups differently in relation to their varying class places. In the context of the study of development, it is therefore valid to analyse non-class groups in terms of their relations to classes (see Galeski, 1972:108; Meillassoux, 1970:103) (although such groups are certainly not reducible to the sum of their class components).

In the same way, and with the same objectives, non-class structures may also be analysed in terms of their relation to classes. These structures include familial (see chapter twenty-six, for example); political (State) (see chapter twenty-eight); economic and market; the "structure of dependence" (Dos Santos, 1970); the structure of "centre-periphery" (Amin, 1974) or "metropole-satellite" (Frank, 1969); and the "colonial structure" (Arrighi:1977) (see chapter twenty-one).

ENDNOTES

1. The stratification approach does not simply neglect this class exploitation point – it actually obscures it. Focussing on the variations of wealth serves to cover over the social relations of production (Smith, 1979:306). The different component origins (and therefore social relations) behind the wealth are blanked out (Little-John, 1973a:115).

2. No doubt it is this type of limited classification to which Keita subscribes, judging by his remark (1960:34, quoted in Miller, 1974:524) that “the differentiation of classes does not imply a diversification of interests and still less an opposition of interests”. But in the Marxist view, groups are not classes if they are not connected by contradictory practices and interests.

3. It is evident therefore that classes in the Marxist view only exist in terms of their social relationships with each other (Wright, 1980:178). In each structure of a set of relations of production, the classes complement and presuppose each other (Godelier, 1972:335). As Byres (1981:406) puts it, they cannot be understood without each other: “They are constituent and mutually determining parts of a whole process. To isolate them from each other is an act of distortion”. There is therefore no such thing as a single class (Mamdani, 1977:8). In other words, class is a relational property of a group of people vis-à-vis another group.

4. This is distinct from class relations of exploitation within distribution. These relations take place after production proper and the initial appropriation therein and are concerned with the distribution of a fixed quantity of surplus product (see below).

5. Clarke et al (1978:119) identify classes in production, distribution, exchange and consumption. There are several problems in this however. Firstly, exchange may be regarded as a form of distribution and it is therefore questionable whether separate classes may be identified in distribution and exchange. Secondly, it is difficult to conceive of classes based in consumption, unless this is interpreted more widely as relations of utilization. To identify classes in Moment C requires specifying surplus labour extortion in these relations. Thirdly, Clarke et al (ibid:120) claim to have in their method a basis to distinguish between industrial, landed and financial capitalists. It would appear, however, that only the latter are identified by the focus on Moment C relations. (The criticisms made here are supported in the next few pages).

6. It is possible that the exploiting class of Moments A and B may also control the means of distribution in C and thereby doubly exploit the producers. Where it does happen, as in the case of certain rural development strategies (see chapter twenty-nine), the two forms of exploitation still remain conceptually distinct. The “second round” exploitation is a zero-sum equation of fixed proportions determined by the previous Moments.

7. Merchant capital affects production because it tends to drain surplus out of it and reinvest it in trade (Kay, ibid). (See chapter twenty-one). There is nothing to stop merchants from moving into exploiting in production proper – particularly when there are low returns in Moment C – but then the nature of the exploitation changes (Kay, ibid:124). (Joffe (1980:18) incorrectly criticises Kay for inconsistency here).

8. This distinguishes it from the former type of exploitation – and also from the case of an exploitative class based on possession of the means of distribution where exploitation is limited to a fixed amount of surplus product (eq. merchants). In real life, usurers and merchants may be combined in the same people, but the two forms of class exploitation are still conceptually distinct.

9. There are different opinions about the extent to which financial capital can enter into exploitation at Moment B even if, unlike productive capital, it does not bring the labour process fully under its sway. According to Bradby (1975:146), Rey (1973) holds that finance capital can control social reproduction without getting involved in the immediate process of production. For Roseberry (1978:23), unlike merchant capital which by definition is confined to relations of distribution, "interest-bearing capital" can enter into direct relations with direct producers (see also Howard, 1980:73). Clearly it can also enter into direct relations with direct exploiters. However, even though it is in these ways able to dictate certain of the conditions of production (witness the International Monetary Fund), and therefore appears close to exploitation in Moment B, it is still conceptually distinct from class exploitation based on direct immediate possession of the means of production. Joffe (1980:23) follows Roseberry (1978) in arguing that "usury capital" can enter into relations with direct producers and become the primary mechanism of exploitation. Hence, she says, it must be considered as a production relation. A more precise conceptualization, however, would be to see this as a heterogeneous relation of production in as much as it does not have an integral link with any particular relations (and classes) at Moments A and B.

10. As noted earlier, however, where usury enables the debtor to acquire means of production, it comes close to exploitation and control in Moment B even although it is a distinct form of exploitation.

11. Such phenomena will affect the extent to which individuals become crystallized into a class for itself. Relative stability in class membership is generally a pre-requisite for the development of class consciousness, interests and conflict. (Littlejohn, 1973:113; Kitching, 1972:342; Feldman, 1975:162). Where individuals straddle several different class places or are mobile between separate class places, this has consequences for their social effectivity. If such experiences are "stable" in the sense of constituting a patterned experience, and if they are widely shared, they may well generate consciousness and interests which constitute the individuals involved into a social group. This will clearly be different from groups constituted by experiences in single class places.

12. As Herring notes,

The embedding of production relations in personalistic and customary social relations of a broader sort alters the experiential quality of class relationships, encasing them in an elaborate ideational complex of mutuality, quasi-familial intimacy and norms of reciprocal diffuse obligation" (ibid:141). (See also Alavi, 1973:23; Hobsbawm, 1973:7/8).

PART C

UNITS OF ECONOMIC ANALYSIS

CHAPTER SEVEN: THE CONCEPT OF MODE OF PRODUCTION.

CHAPTER EIGHT: MODE OF PRODUCTION AND THE ARTICULATION OF LABOUR PROCESSES.

CHAPTER NINE: THE DYNAMICS OF ARTICULATION.

CHAPTER TEN: ECONOMIC TRANSITION.

CHAPTER SEVEN
THE CONCEPT OF MODE OF PRODUCTION

1. Introduction.
2. Relations and forces of production.
3. Conceptualizing the mode of production.
4. Levels of abstraction.
5. Units of analysis.
6. Scope of analysis.
7. Mode located at the labour process.
8. World system as mode of production.
9. Conclusion.

1. INTRODUCTION.

This chapter theorizes the concept of "mode of production" – a concept which is central to analysing patterns of development. It outlines the obstacles to be avoided and also specifies the level of abstraction and scope of analysis covered by the concept. I deal with the question of its relation to productive capacity in chapters eleven and thirteen.

2. RELATIONS AND FORCES OF PRODUCTION.

In Marx's view:

The direct relationship of the owners of the conditions of production to the direct producers ... always naturally ... (corresponds) to a definite stage in the development of the methods of labour and thereby its social productivity. (1974:291, my insertion).

In my terminology, we may discern here a proposition that there is a correspondence between relations and forces of production. To this correspondence also corresponds a level of productive capacity. In Marx's view, there is thus a limited functional compatibility between these elements (see also Godelier, 1972:349). In support of this, one can cite the example of capitalist relations of production which cannot simply correspond to any method of labour or any degree of productive capacity. Instead they require forces of production with a hierarchical division of labour, and a minimum productive capacity (see Marx, 1976b:1024/5,1035).

In my view, it is when this correspondence between relations and forces of production structures spans Moments A, B and C – and is reproduced as such in conjunction with system dynamics deriving from the whole – that a “mode of production” is constituted. This is what makes it possible to identify for example, a **capitalist** relations of production structure (as opposed to a structure which might involve some seemingly capitalist features but will still not constitute a capitalist mode of production).

Such an articulated combination of a homogeneous relations of production structure with a homogeneous forces of production structure, is the basic structure of the general concept of mode of production. It is therefore also the basic structure of all modes of production in general, designating the essential relations common to the (less-abstract) concepts of each particular mode of production. The correspondence of mode of production to a level of social productivity (i.e. productive capacity in my terms) makes it a central concept for development studies.

3. CONCEPTUALIZING THE MODE OF PRODUCTION.

Although a mode of production is an articulated combination of **both** forces and relations of production, the concept is conventionally characterized primarily by the relations of production structure, and only secondarily by the associated forces of production (Hindess and Hirst, 1977:183). Thus, the major (but not the sole – see below) differentiating feature between modes of production is the structure of relations around surplus labour in each.⁽¹⁾ This characterization enables distinctions to be drawn between class and classless modes of production, as well as between different modes of production within this.⁽²⁾

The existence of the concepts of mode of production and particular modes of production does not mean that concrete situations solely involve the relations these concepts designate. There may well exist heterogeneous

relations of production structures – i.e. structures whose articulation of Moments A, B and C is not homogeneous in terms of the classes involved.

The concept of mode of production is complex in two respects: firstly, the place of “mode of production” in levels of abstraction, and secondly, its scope of reference. The first issue concerns the extent to which the concepts of “mode of production” and particular modes can be elaborated at the conceptual level without losing their status as conceptual abstractions. This involves the question of what details (such as component units of a mode) can be elaborated at the given level of abstraction, without the concepts sliding into limited empiricist generalizations (see sections 4 and 5 below). The second issue concerns the relation of “mode of production” to different units of analysis, from the labour process to the total economy. This involves locating the basic effective unit of relations designated by a mode of production, within the context of a myriad of economic articulations and interconnections (see section 6 below).

4. LEVELS OF ABSTRACTION

The concept of the mode of production designates not a **juxtaposition** of relations and forces of production structures, but an articulated **combination** in a particular mode of effectivity.⁽³⁾ Each specific mode of production therefore refers to a unified structural whole and, as such, modes are mutually exclusive objects. It follows from this that although modes are distinguished by relations of production, the differences between them cannot be reduced to this factor alone. One also needs to locate a mode's **differentia specifica** in the fact that the concept covers more than the sum of its parts. Here, the system dynamics generated as a function of the whole are significant. For example, the capitalist mode of production differs from other modes not only in its relations and forces of production structures, but also in the way that these structures generate competition. Reference to the forces and relations of production helps to pinpoint how

modes differ on points like control at various Moments. But the differences between the system dynamics of diverse modes cannot be ignored.

This argument means that an element like wage-labour is not on its own evidence of the CMP (see chapter thirty-one). Similarly, there is the very different nature and function of rent in the totality of the feudal mode of production compared to the capitalist. In the feudal mode, rent is a relation of exploitation in Moment B of production (the labour process). In a society with a dominant capitalist mode, it is appropriation within relations of distribution, (i.e. effective at Moment C) (Hindess and Hirst, 1977:296/7). The mere presence of rent is not evidence of the feudal mode of production — what counts is its function in the whole (ibid:293).

The points made above demonstrate that general theories applying to all modes of production can only be minimally elaborated. Similarly, general theories of development that transcend the differences between modes of production are — at best — highly limited. Largely for this reason, I eschew a general theory of development for all modes, and concentrate specifically on the CMP in this thesis.

5. UNITS OF ANALYSIS

The limits to theorizing the general concept of mode of production also imply that the constituent units of each specific mode will — to a certain extent — be mode specific. For example, while the hunting/gathering bands of "primitive" communism have a division of labour within and between labour processes, it cannot really be said that these labour processes constitute distinct "units of production". In the "Asiatic" mode of production⁽⁴⁾, the effective unit was the commune, in the "Ancient" mode of production⁽⁵⁾, it was the warrior city (Duggett, 1975:165). The effective economic unit under feudalism — the village or local region, has a very different status under capitalism (Hobsbawm, 1973:219). Another example is the so-called "Germanic" mode of production. Here "the economic totality

is, at bottom, contained in each individual household, which forms an independent centre of production for itself" (Marx, 1973:484, quoted by Duggett, 1975:165). In other words, there is not much distinction between the unit of production and the mode itself in the Germanic case -- in contrast to the capitalist mode whose relations **between** units (commodity exchange) are crucial features for the mode of production. The issue this raises (and dealt with in Part I) is to what extent an articulation between capital and "peasant" producers (for example on outgrower schemes) constitutes a capitalist unit of production in the CMP.

6. SCOPE OF ANALYSIS.

Cohen (1981:79) distinguishes **mode** of production from "manner" of producing, and indeed, a mode is not simply **any** manner of producing. It is a defined concept with a specific scope of analysis. Marx's writings do not make it easier to pinpoint the scope of the concept: he uses "mode of production" to refer to both the **entire base structure** in the base -- superstructure model, and to the (narrower) actual **labour process at the point of production** (Banaji, 1976a:301). The question is what distinguishes and what relates the "mode of production" to the two units of analysis? The answer lies in locating them all within the various Moments of production. However, as will be evident in the discussion that follows, few writers explicitly approach the problem in these terms. Instead, it has been common to define the mode of production either in terms of the smallest units (labour processes) or the largest (the world economic system).

7. MODE LOCATED AT THE LABOUR PROCESS.

If we accept that a mode of production is an articulated combination of homogeneous relations and forces of production, and that both these structures are wider than the structure of the labour process, then "mode of production" and "labour process" are certainly not coterminous (Sklair,

1979:329/30; Littlejohn, 1973b:89). However, even if a mode of production is not identical to a labour process, this does not rule out the possibility of using the latter as a basis for deriving or generalizing the former. However, two errors are often made in this approach. The first is a technicism which only looks at the technical division of labour in the labour process and ignores the question of surplus labour. The second, more fundamental, error ignores the role of relations beyond the individual labour process — i.e. Moments A and C of production. This second error invalidates the basic method of this approach, even when it is not hampered by the technicist error. Meillassoux (1972) and Terray (1972) have come under fire for both errors (Cooper, 1978 *passim*; Hindess and Hirst, 1977:61).⁽⁶⁾

The technicist error faces the problem that every labour process with a different internal division of labour and/or means of production, becomes the basis for a new mode of production. There is no foundation for understanding that (within limits) there is space for some variation in the labour processes that may exist **within** a single mode of production (see Hindess and Hirst, *ibid*:62; see chapter eight).

Even where the technicism avoids the second error and operates with units of analysis wider than the labour process, it can still be criticized for ignoring the relations around surplus labour. Categorizing modes of production in terms of sectors of labour processes (for example, as "small-scale manufacture mode of production"; "agricultural modes of production") is inadequate because it is still only half the story.⁽⁷⁾

It is evident that even where the technicism is avoided, the actual method of deriving the mode of production from the labour process can still lead to a mistaken proliferation of modes of production. For example, such an approach would see a feudal corvée labour system as an articulation of two modes of production: one where the producer works for his family, and another where he performs surplus labour for the lord. Against this, the concept of mode of production is based on the premiss that the structure as

a **whole** is crucial (Sole, 1977:39). It does not refer to the level of the labour process alone, nor to that of sectors of labour processes, but to the total structure spanning the three Moments of production (see Lecourt, 1977:149; Sklair, 1979:329/330). Referring back to the example above, the two feudal labour processes are not independent adjacent processes but are integrally and interdependently linked within a feudal mode of production.

Two writers who have tried to generalize the mode of production (or the "economy" in a synonymous sense) from the labour process are Sahlins (1974) and Chayanov (1925) (see 1966:166).⁽⁸⁾ They both assume that the structure of the whole is no more than the aggregation of similar units (Friedmann, 1979:159). In opposition to their position, however, it is the ensemble of social relations (both forces and relations of production) which sets the conditions of existence of labour processes and their effectivity as individual units, and this cannot be neglected in theorizing a mode of production (Ennew et al, 1977:306).⁽⁹⁾

In consequence, I would argue that the structure of the mode of production cannot be derived from the labour processes. The method needs to be reversed so that labour processes are located and characterized in terms of their wider conditions of existence, i.e. within a heterogeneous or homogeneous articulation with Moments A and C of production (see Ennew et al, 1977:307/8). In the case of homogeneous articulation, in conjunction with reproduction of the whole and the associated system dynamics, the labour process would be part of a mode.

8. WORLD SYSTEM AS MODE OF PRODUCTION.

If the mode of production cannot be identified at, or derived from, the minimum unit on the scale, what about the other extreme? Here the Gundar Frank school of dependency theorists have approached the question through their analysis of how economic units link up to form a total system (O'Brien, 1975:112). Wallerstein (1977:5) is probably the most explicit

dependency theorist in locating the "mode of production" at this level:

A mode of production is a characteristic of an economy and an economy is defined by an effective ongoing division of productive labour. *Ergo*, to discover the mode of production that prevails we must know the real bounds of the division of labour of which we are speaking. Neither individual units of production, nor political or cultural entities may be described as having a mode of production, only economies. Given this premise, there are only four possible modes of production, only three of which have been known thus far in empirical reality. They are reciprocal mini-states, redistributive world empires, a capitalist world economy, and a socialist world government. (Quoted by Foster-Carter, 1978:239)⁽¹⁰⁾

There is something to be said for stressing interconnections and effective totality. The problem is that remaining at such a level leaves the economic structure explained in general and nothing in particular (O'Brien, 1975:12). Everything is connected to everything else, but the how and why remain obscure (ibid:23). One can see the wood, but not the trees.

Indeed, it is most unlikely that the total structure which Wallerstein identifies with a mode of production in fact constitutes an articulated combination of a single and distinctive relations of production structure with a single and distinctive forces one. Such a combination is more likely to be located at a lower level substructure.⁽¹¹⁾ It is not surprising, therefore, that the whole Frankian approach has been criticized for detracting from the complexity of the whole (Foster-Carter, 1978:239; Laclau, 1971 *passim*; Brenner, 1977, *passim*).

Laclau (1971) has tackled this problem by retaining the Frankian stress on totality, but not correlating this with the mode of production structure. He describes the totality by the useful concept of "economic system", which designates a unified, structured and differentiated whole that comprises the articulation of a number of modes of production (and, I would add, heterogeneous relations of production structures). Such a concept of the economic totality can be characterized in terms of the

dominant mode of production in the articulation – for example, one could speak of a “capitalist economic system”. This is very different to identifying a capitalist mode of production with a capitalist economic system – which is what the Frankians do (Booth, 1975:75). A capitalist economic system is fundamentally, but not homogeneously, capitalist (Obregon, 1974:394-7; Mamdani, 1977:138). And, as a **system**, the unit involves not a simple juxtaposition of elements, but a structure of relations. In addition, it is likely to be characterized by **system dynamics** deriving from the whole (see chapter four).

9. CONCLUSION.

If it is inadequate to locate the concept of mode of production at either the minimum or the maximum effective economic unit, this is because the concept lies somewhere between these extremes – which in turn are related to each other through it. A concrete labour process must be located at least within a heterogeneous relations and forces structure or within the homogeneous relations and forces structure that, if reproduced in conjunction with the system dynamics of the whole, will make up a mode of production. Whichever situation prevails, it in turn is likely to be located in the context of an **economic system** of articulation of diverse modes and heterogeneous structures. It is also likely that this economic system will be characterized by the system dynamics of the dominant mode of production (Long and Richardson, 1978:183). The next chapter analyses the specific relationship of a labour process to a mode of production.

ENDNOTES

1. It is in this sense that Gallisot's remark (1975:426) should be understood: “it is by reference to the nature of social classes that one identifies the mode of production” – classes being located in the relations and not in the forces of production.
2. It would be wrong to assume that because productive capacity is the focus of this thesis, that the analysis should concentrate solely on the forces of production. As argued in chapter five, productive capacity is a

function of **both** forces and relations of production. In looking to explain productive capacity and its correspondence to a given mode of production, an analysis should therefore begin by identifying the relations of production, and then investigate their articulation with forces of production.

3. A mode of production is not a structuralist "combinatory" of variables — the formal play of which would allow for the deduction or prediction of different modes of production (Althusser, 1976:130).

4. Strictly speaking, because a mode of production is an abstract concept, it is misleading to characterize it in geographical terms (Sole, 1977:41) (That modes exist and vary geographically in the concrete is a different issue). The "geographical" label here, like that later in the paragraph ("Germanic") is retained because of its classical usage and for want of an accepted alternative.

5. The remarks in endnote 4 apply here. Although a mode of production is an abstraction from the historical concrete, it should, as an abstraction, not be characterized by the "heyday" of its historical existence.

6. This criticism is less justified in Meillassoux's case who (inconsistently) acknowledges that hunting, cultivating and herding are not to be identified as modes of production (see 1972:99). Terray, however, uses the different terms of co-operation in the labour process as a means for identifying modes of production (Hindess and Hirst, *ibid*:340, footnote 10).

7. The same applies to attempts to locate the mode of production at the level of the whole forces of production structure. Thus concepts like "industrial society" are only half the story (Littlejohn, 1973b:384). Aside from the question of the scope of analysis (the Moments of production), it would be an even worse error to ignore — not only the surplus labour relations — but also those of the forces of production. Such an error would end up characterizing a mode of production in terms of its instruments of production or its product / raw materials (Sole, 1978:4).

8. In fact Chayanov ignores not only external relations but also surplus labour relations internal to the labour process of a peasant to the household. His view of "self-exploitation" of the household conceived monolithically depends on this (Harrison 1979:89)

9. A unit of production like a household labour process can exist within a range of inter-household and group relations. Far from being reducible to the relations in production, the broader relations in fact set limits to intra-household relations (Friedmann, 1979:159).

10. Wallerstein seems to treat the forces of production in the economy ("division of labour") and the relations of production (i.e. surplus labour relations) as the mode of production ("redistributive"; "reciprocal"). For him it is primarily the former which defines the effective unit.

11. It is theoretically conceivable that a particular effective economic entity may have interlinkages that add up to a single articulated relations and forces of production combination **and nothing more**. In this case, the mode of production would be the economic system. However, this seems unlikely in any concrete economic totality.

CHAPTER EIGHT
MODE OF PRODUCTION AND THE ARTICULATION OF LABOUR PROCESSES.

1. Introduction.
2. The need for conceptual distinctions.
3. When the labour process is internal to the mode.
4. Internal labour processes as distinguished in the literature.
 - 4.i. The criterion of laws of motion.
 - 4.ii. The criterion of reproduction.
 - 4.iii. The criterion of integration into Moments A and B.
 - 4.iv. Conclusion.
5. Subsumption and variant labour processes.
 - 5.i. Subsumption of Moment B through the system process to C.
 - 5.ii. Subsumption through the articulation of Moments A and B.
6. Class and articulation.
7. Conclusion.

1. INTRODUCTION.

As discussed in the previous chapter, an economic system involves an articulation between diverse labour processes. This raises the question of how within this system, a mode of production relates to its own endogenous labour processes, as well as to those that are linked to it but remain exogenous. Seen from the other side, the question is what makes a labour process part of a homogeneous, rather than a heterogeneous, relations and forces structure? Put metaphorically, we need criteria to identify which trees fall squarely within the wood, and – by implication – which are merely on the fringes.

2. THE NEED FOR CONCEPTUAL DISTINCTIONS.

One approach to the problem of distinguishing internal and external articulation has been simply to gloss over the difference altogether. Friedmann (1979:160) proposes the term "form of production" to cover both types of articulation, but it is precisely the differences between them, i.e. the correspondence or otherwise of a labour process to a mode that needs to be theorized.

Investigating this issue might seem to be conflating two levels of analysis – the case of "external" labour processes being an empirical

question varying according to the concrete specificity of the economic system; the case of the "internal" ones being a purely conceptual question. But this is a false polarization. Both "internal" and "external" articulations involve theoretical and empirical issues. This can be demonstrated by a reviewing a debate between Taylor (1979, 1980) and Mouzelis (1980) concerning changes in the articulation between modes of production.

In the debate, Mouzelis (ibid:366) criticises Taylor's lack of criteria for distinguishing when "relations of production" (sic) constitute a mode of production, and when they only constitute a labour process within a mode. (By "relations of production" Mouzelis means what I have called the relations in production, i.e. within the labour process).⁽¹⁾ Taylor's response (1980:389) is (in part) to historicize the question and argue that it cannot be dealt with in the abstract. He holds that the articulation of modes of production is a temporary affair characteristic only of transitional periods between modes of production. While the CMP at one stage articulated with full non-capitalist modes, it has since undermined their reproduction to the extent that it now only articulates with their remnant labour processes. These processes (by Taylor's implication) are now internal to the CMP, though he still describes them as non-capitalist.

Taylor's point has some validity — there are limits to abstractly theorizing about these issues and the articulation of modes is often a transitional affair (see also Spiegel, 1979:23). However, this is not entirely satisfactory. Firstly, the CMP currently articulates not only with the remnants of former modes (as Taylor assumes), but with entire non-capitalist modes (in the socialist countries) and with labour processes which have never been internal to a mode of production as such (for example, domestic labour and simple commodity production). This articulation has to be conceptualized. Secondly, it is necessary for Taylor to explain the point at which a historical articulation of modes of production changes to the articulation of one mode with remnant labour processes. Thirdly, and

crucially, in what way (if at all) can there be **non-capitalist** labour processes **within** a CMP? Alternatively, at what stage can "remnant" labour processes be said to be transformed into capitalist ones within the CMP, as opposed to being externally articulated to it? The point is that the need for conceptual criteria does not vanish by seeing the articulation of a mode of production with its own and with external labour processes in historical and empirical terms.

3. WHEN THE LABOUR PROCESS IS INTERNAL TO THE MODE.

The issue of internal articulation could be easily grasped if a characteristic labour process could be theorized for each mode of production -- for example, a particular labour process that could be described as characteristically capitalist. This, however, requires an explanation of the criteria conferring such a status, and here the issue becomes complex because there can be (up to a point) some variation in the labour processes within a single mode of production. For example, there are the different labour processes involved in a feudal mode which correspond to different forms of rent payment (labour, cash, kind). Another example is the different labour processes between capitalist piece-work and factory production.

A related complexity concerns the question whether all the labour processes within a mode of production should be characterized by the name of the mode -- for example, as capitalist labour processes in a capitalist mode. This is more than a taxonomic quibble -- it has implications for seeing the tendencies in the labour process (see Galeski, 1972:22). In turn, this is significant for studying economic development -- despite the way that some writers simply dismiss the issue.⁽²⁾

Several writers have tackled the need to develop criteria to identify "internal" labour processes, and analyse the similarities and differences between them. However, as I will now show, the division between "internal" and "external" labour processes varies from writer to writer, and the

distinctions are seldom explicated.

4. INTERNAL LABOUR PROCESSES AS DISTINGUISHED IN THE LITERATURE.

Some writers just take for granted the typicality of particular labour processes (and related units of production) for particular modes of production. For example, they assume the latifundium for slavery, the estate for feudalism, and the factory for capitalism. But even those who broach the subject more critically and consciously are often unsatisfactory. Among them, various criteria have been used to characterize "internal" labour processes, including those of "laws of motion", "reproduction" and "integration", but none of these is adequate on its own.

4.i. The criterion of laws of motion.

Banaji (1976a:302) focusses on the "laws of motion" of the mode as the key element in the relationship between a mode and its internal labour processes. For him, the typicality of labour processes for particular modes of production depends on whether they function according to the "laws of motion" of the particular mode of production. Ultimately his position distinguishes degrees of correspondence of motion of each labour process "part" to the mode of production "whole". Thus he speaks about labour processes as varying in the extent to which they are an "adequate" or "crystallized" form of the mode of production.⁽³⁾

Banaji's view, however, is basically circular: the mode and the labour process correspond if they manifest the same laws. What these "laws" are, how the labour process and mode of production might interact to produce them, and what the explanation is for different "crystallizations" in different labour processes, are all unexplained. Banaji therefore fails to answer his question - "the process of labour, the mode of production - what connects them?" (ibid:300). This is not to say that the criterion of correspondence of the part (the labour process) to the "laws of motion" of

the whole is *per se* invalid (although I would prefer to interpret such "laws" as system dynamics). However, it is inadequate as the sole determining criterion. This can be seen in the case of merchant capitalists exploiting a class of producers who maintain possession of the means of production, e.g. artisans. Despite often exhibiting characteristics of a capitalist system process (e.g. competitiveness and commercialization), such producers are not integrated within a capitalist relations of production structure. Instead they relate to it as an external class relationship mediated through Moment C. As a structure of three Moments of production, this is a heterogeneous relation of production, and not part of the CMP.

4.ii. The criterion of reproduction.

For some writers, a labour process is an internal part of a mode of production if it is physically reproduced within it (see Taylor, 1980:389; Ennew et al, 1977:310; Williams, 1975:31). One potential problem here is that this is broad enough to incorporate fundamentally different labour processes within a single mode of production.⁽⁴⁾ For example, besides wage-labour exploitation, one finds that simple commodity producers, domestic labour, co-operatives and state enterprises can all be integrated into reproduction based on exchange of products with capitalist labour processes and sharing the superstructural context of capitalist property relations. To call all these "capitalist" because of this, would be to obscure important differences in their relations at Moments A and B and their relations to the system dynamics of the CMP.⁽⁵⁾ The danger in using the criterion of incorporation into reproduction is therefore that it may locate a labour process within a mode when this process is actually only part of a heterogeneous structure articulated to the (homogeneous) mode.

4.iii. The criterion of integration into Moments A and B.

Some writers draw the line by specifying strict integration of a

labour process into a homogeneous relation of production structure. This focus differs from the reproduction approach described above, in that it does not rest only on a physical articulation between a labour process and a mode of production, but on integration at the level of social relations. Hindess and Hirst (1977:270,104,305) hold that a mode of production is not defined by the relations within a labour process; instead it is the determinate articulation of the process within the system of social production as a whole that counts. On this basis, they argue that a unit which appears to be capitalist is only strictly so if its reproduction is dependent on capitalist exchange relations. For them this means a system of commodity circulation in which means of production and labour power are also exchanged. (See also Friedmann, 1979:16).⁽⁶⁾ In this view then, a labour process is capitalist if it involves the same classes as are present in capitalist relations in Moments A and C of production.

Clearly, this ignores the issue of system processes as they relate to the labour process. This position also involves the danger of designating a labour process based on wage-labour exploitation as **non-capitalist** if it has some integration with non-capitalist relations at Moments A and C such as plunder, unequal exchange or with labour-power that originates in other modes of production. In other words, the purity of the whole becomes everything; the character of the parts counts for nothing.

Here Asad and Wolpe (1976:503) have criticized Hindess and Hirst, asking:

if the appropriation of surplus value by productive capital under a specific form of labour process structured by the relations of production (i.e. relations in production - GB) is not capitalist, what is it?

In fact Hindess and Hirst do not go as far as claiming such instances to be **non-capitalist**: they refer to them as "capitalist" in quotation marks to distinguish them from true capitalist labour processes. But the problem

still remains that what constitutes a "true" capitalist labour process — namely, in this view, absolute integration into Moments A and C — makes it difficult to grasp the complexities and the developmental character of labour processes which are not so neatly categorized. (See Part J).

4.iv. Conclusion

It is clear that defining a labour process as internal to a mode cannot be limited to any single criterion. The criterion of "laws of motion" (or, better, system dynamics) leaves things too broadly defined. The criterion of "reproduction" does likewise. And the criterion of "integration" into Moments A and C is too narrow by itself. In my view, all of these criteria play a part in characterizing a labour process. Relating them to my conceptualization of modes of production (see previous chapter), it follows that a labour process is internal to a mode of production when (i.) it is integrally articulated into the structure of a homogeneous set of relations of production and corresponding forces of production; (ii.) its operation contributes to and is affected by the system processes (Banaji's "laws of motion") produced by this structure; and (iii.) its reproduction is within this structure and on the basis of products originating within it.

5. SUBSUMPTION AND VARIANT LABOUR PROCESSES.

We now have established criteria for defining when a labour process is part of a mode of production. It is possible to proceed to investigating the range of variations within this — i.e. variant labour processes that still form part of the same mode of production.⁽⁷⁾ In my view, variance needs to be located in the context of certain basic invariant relations in Moment B with particular regard to the three criteria noted above. The substance of this variance has been explained by Marx's concept of subsumption, interpreted in various ways. Some writers use the concept to

theorize the articulation between Moments A and B, while others focus on B and C. Depending on the emphasis, a different picture emerges as to the range of labour processes reproduced within a mode of production. Subsumption in either sense is a concept originally linked to the theorization of the capitalist mode, and its application to other modes cannot be assumed. However, one can argue that, if conceived in its most abstract meaning, it would appear to have some relevance to conceptualizing variants at a (limited) general level.⁽⁸⁾

5.i. Subsumption of B through the system-process to C.

For some writers, it is the degree to which the actual labour process is subsumed under the system dynamics of the mode that is important in assessing the range of labour processes possible within a mode of production. For Banaji (1980:516-8), a mode of production is defined by its motion, manifested in its direction towards a particular end – Moment C.⁽⁹⁾ Banaji claims that the motion of accumulation under capitalism can exist in non-wage-labour labour processes which, in his view, means they are therefore subsumed under – **and indeed are part of** – a capitalist relation (singular) of production structure.⁽¹⁰⁾ (For similar reasoning regarding artisan producers subsumed to merchant capital, see Taylor (1979, in Mouzelis 1980:363) and Joffe (1980:18b).⁽¹¹⁾

Marx distinguished between formal and real subsumption, **both** of which exhibited the system dynamic of commercialization (see 1976b:1037). Indeed, it is difficult to grasp how any **internal** labour process in the CMP could not. Formal subsumption may, however, exist outside the CMP, and while it may still exhibit commercialization there (ibid:1019/20), the latter only becomes fully realized and indispensable when the labour process is within the CMP (ibid:1037). As regards the interpretation of subsumption in terms of system dynamics, therefore, it appears wrong to see it as a criterion for conceptualizing variation within a **mode of product-**

ion, or for that matter, even to see it as distinguishing between what is internal and external to the CMP.

The problem with Banaji's approach (as we have seen above) is that it conflates what are actually several different sets of class structures, and then concludes that the diverse labour processes do not actually differ from each other. However, seen in terms of other criteria, in particular a single set of relations in production, it would appear that different degrees of subsumption of Moment B to the system process can – and do – significantly characterize labour processes.

5.ii. Subsumption through the articulation of Moments A and B.

The concept of subsumption has been used in a different way to that described above to link the relations of possession/separation with the relations in production, in particular regarding the forces of production at each Moment. A precondition for both formal and real subsumption of the direct producer within exploitative relations in production is some form of separation of the direct producer from the means of production (Marx, 1976b:1025/6; Hindess and Hirst, 1977:226; Asad and Wolpe, 1976:484). Although it is not specifically clear in Marx, the specific **type** of subsumption depends ultimately on the forces of production relations in Moments A and B, and variations here may be used to account for variations in labour processes. The invariant relations are the relations of production as they exist in Moments A and B, the variants are in the forces of production at A and B.

In Marx's theory of the capitalist mode of production, the producer is **formally** subordinated to and exploited by capital by being separated from the means of production (i.e. conditions at Moment A). This is a negatively-determined subsumption, though it is no less effective for this in enabling a capitalist to intervene in and direct the labour process. Indeed, it is an adequate basis for the capitalist to increase surplus

value absolutely through intensifying production and lengthening the working day. "Real subsumption", for Marx, takes the control of the worker a stage further. It corresponds to the production of relative surplus value, which Marx saw as being based on large-scale production using science and technology in the labour process (1976b:1035). (See chapter twelve for a discussion of relative surplus value, the detailed meaning of which is not pertinent here). For Marx, such technical conditions of production in turn involve the development of specialization and co-operation and a division of labour within the labour process (1976a:464/5;486). What makes this different to formal subsumption is that the new **forces of production** at Moment B deprive producers of any individual control over their labour and the means of production. They are now subordinated not only to a capitalist, but to capital-in-action in the form of the pace of a machine or an assembly line division of labour (Marx, *ibid*; 1976b:1024; Morris, 1976:300). They become **really** subsumed under capital.⁽¹¹⁾

Extrapolating from this analysis, it may be said that the scope for variation in labour processes internal to a mode of production is in the forces of production at Moments A and B, and that this occurs within the limits of the class structure as defined by the relations of production. Variant labour processes conceived in this way have effects on the surplus labour relations – but within the limits of the basic class structure. For example, within the class relations of feudal possession and separation and exploitation, differences in the proportions and forms of necessary and surplus labour may exist as a result of forces of production relations corresponding to cash, kind or corvée rent appropriation.

6. CLASS AND ARTICULATION.

According to Kahn (1978:123) the question of distinct production relations can only be resolved in terms of class relations. This is an important point – not only for adding clarity to the analysis, but also

because it draws attention to the fact that the integration or articulation of a labour process with a mode of production needs to be seen in terms of contradiction and struggle. This applies not only to external articulation between different production relations, but also to articulation between labour processes within a mode of production.

At the level of the enterprise, a labour process that is internal to a mode of production must involve homogeneity between the classes in it and in Moments A and C. Thus if an economic system has a predominantly capitalist mode of production and therefore capitalist relations in Moments A and C, and there is a co-operative or simple commodity production enterprise in the system, then these latter must be characterized in terms of their own relations of possession/separation, distribution and utilization i.e. as external labour processes that articulate to the capitalist mode through a heterogeneous relations of production structure. There cannot be a non-capitalist labour process within a capitalist relations of production structure strictly defined. Only **capitalist** labour processes (including very particular variations) are admissible. (There may, however, be capitalist characteristics outside of the CMP, without this being sufficient to constitute the capitalist mode as such).

The relation of a (class) mode of production to its internal labour processes (including variations) will involve:

<u>Forces of Production</u>		<u>Relations of Production</u>
A. technical co-operation in social production. ->	<u>Relations of possession / separation</u> Class x <---> Class y	<- A. control of means of production
B. internal division of labour ->	<u>Labour processes</u> Subsumption of x to y in the class relations in production. (Variations based on the forces of production)	<- B. class exploitation
C. entire product between units (articulation between the labour processes of the mode) ->	<u>Relations of distribution/ utilization</u> Subsumption of B into C via system dynamics, where class relations of x are subordinate to y. (Variations located in degrees of subsumption).	<- C. surplus part of the product between classes

Up to now it has been assumed that the labour process internal to a mode of production is homogeneous in the sense that it contains only one set of relations of exploitation. But at a less abstract level, there may be different relations of exploitation within a single concrete labour process unit.⁽¹²⁾ An example is the combination of family and wage labour in a middle peasant enterprise. In this case, we could speak of the articulation of differing relations of exploitation in a labour process only one set of which would be internal to a mode.

7. CONCLUSION.

This chapter has covered the debate concerning articulation between the parts and the wholes of modes of production. It has argued for criteria for what makes a labour process internal to a mode of production (and thereby also dealt more closely with what constitutes a mode itself). These criteria also inform us what locates a labour process outside a mode. Within internal labour processes, I have examined the question of variation, in terms of differing "subsumption" of a labour process to Moments A and (through a system dynamic) Moment C of production. In the next chapter

er, I look at the articulation between modes of production and **external** labour processes.

ENDNOTES

1. In particular he cites Taylor's view that wage-labour under feudalism is merely a labour process, whereas "Asiatic" and lineage-based production are actual modes of production articulated to the capitalist.

2. For instance, in referring to certain Third World units of production, Kay (1975:102) writes:

It would be wrong not to recognise these undertakings as capitalist, for they possess all its formal qualities. On the other hand they have certain features which suggest that it would not be completely correct to treat them in this way.

After mentioning the features of migrant labour and low capitalization, he continues, "of course it may be claimed that neither of these features change the fundamental character of these enterprises as capitalist, but merely define them as a particular type of capitalist enterprise. Whatever one decides ..." and he goes on to a different point. But in order to explain the specificity of these undertakings, their character and their likely development, it is surely necessary to try to characterize them as accurately as possible.

3. For Banaji (ibid:301/2), industrial capital's initial labour processes are hardly distinct from the feudal guilds. In other words, capital begins by operating with labour processes inherited from another mode of production. In his view, the real capitalist mode of production is when the labour process is determined by capital itself and corresponds to the mode's motion. To support his point, Banaji quotes Marx's *Grundrisse* (1973:586/7) that where merchant capital pumps surplus labour out of small peasants, "here then the mode of production is not yet determined by capital, but rather found on hand by it."

4. This problem is evidenced by Hindess and Hirst in their view (1977:82) that the "Ancient" mode of production is based on, *inter alia*, slave production, tax farming, independent peasants and artisans.

5. Taylor (1980:39) shares the position that a single relations of production structure can reproduce a range of labour processes. However, his position is slightly different in that he distinguishes between a capitalist and non-capitalist labour process within a capitalist relations of production structure. The problem is, however, how is one to distinguish between these labour processes? Where is the line to be drawn between the different degrees of integration into reproduction, in changes from quantity to quality? How are we to demarcate capitalist and non-capitalist labour processes that are articulated to Moments A and C? In answer to this, it can be argued that in a **homogeneous** production structure, the labour process is **directly and integrally** articulated with Moments A and C. In such a conception the relations in production are uniquely and intrinsically linked to the relations of possession and separation and to specific relations of distribution and utilization.

6. Friedmann takes an even stricter view than Hindess and Hirst. For her (1978:160):

markets in products, labour power, credit and means of production must encompass all units with wage relations in order for the reproduction of each unit to be fully capitalist in form. From this perspective, latifundia employing landless labour in a context of labour immobility are not fully capitalist.

7. That the issue is ridden with problems is evident in the claim by Hindess and Hirst (1979:21) that variants can correspond to different mechanisms of exploitation – i.e to diverse sets of relations in production. This clearly runs counter to the schema developed above about the internal elements of a mode of production, as well as to Hindess' and Hirst's own stress on integration of Moments A and B.

8. In some respects this discussion below overlaps with the earlier analysis about what makes a labour process internal to a mode *per se*, although it deals with the distinct issue of variations **within internal** labour processes.

9. Conversely, for him (1976a:315) a wage-labour exploitation labour process need not be part of a capitalist mode of production and may lack capitalist motion.

10. This is perhaps how Galeski's view of subsumption should be interpreted. For him (1972:22) the concept refers to the subordination of forms of economic activity to principles determining the functioning of the economy as a whole.

11. For Marx, both formal and real subsumptions are variants of a **fully** capitalist labour process, i.e. both subsumptions are fully integrated into capitalist relations of possession/separation, distribution and utilization, capitalist reproduction and capitalist system processes. Formal subsumption of labour to capital may exist outside of the CMP, but it also may be a stage in the CMP, and a foundation for real subsumption (Marx, 1976b:1034; 1972:478). As such, formal subsumption in the latter case is not simply wage labour and commodity production at Moment B, but this in articulation with a capitalist mode as a whole.

12. For Joffe (*ibid*), while the differences are in subsumption to capital, one cannot therefore say that one form is capitalist and the other not. Instead the one is only a cruder and more overt capitalist labour

CHAPTER NINE
THE DYNAMICS OF ARTICULATION

1. Introduction.
2. External articulation.
3. Domination and subordination in articulation.
4. Articulation, system dynamics and "survivals".
5. Some models of different types of articulation.
6. Articulation and the economic system.
7. Articulation and the social formation.
8. Articulation and the superstructure.
9. Conclusion.

1. INTRODUCTION.

This chapter looks at the dynamics of articulation and draws attention to the role of classes and the relations involved. Some models of different situations of articulation are proposed. Articulation is then analysed more concretely in reference to social formations, and in terms of its superstructural dimensions.

2. EXTERNAL ARTICULATION.

The criteria for what constitutes an internal labour process (see previous chapter) provide a negative designation for when labour processes — despite articulating to the mode of production — still remain external to it. The task remains to theorize the positive content of articulation between external labour processes and the mode, and what developments are likely from this.

An initial problem is in distinguishing when the economic system involves an articulation of complete modes of production, and when only an articulation of a mode with some labour processes and classes via heterogeneous relations of production. This involves the question whether an "external" labour process is actually internal to a different mode of production and therefore an aspect of the articulation of entire modes of production, or whether it is only part of a relation of production which is too heterogeneous to constitute a mode. (The detailed implications of this

for development are elaborated in Parts E and J of this thesis.)

An articulation of two modes of production would require the existence of two distinct relations and forces of production combinations – each with its own relations of possession/separation, labour processes and relations of distribution/utilization. There would appear to be few analytical problems when the interaction here is of a peripheral or *ad hoc* kind. However, the articulation between modes can (and often tends to) become a more complex interaction than simply juxtaposed coexistence – namely, an intersecting relationship involving domination and subordination.⁽¹⁾

4. DOMINATION AND SUBORDINATION IN ARTICULATION.⁽²⁾

Articulation is not stable, nor is it given by some sort of metaphysical functionalism (Mouzelis, 1980:367). It is usually a dynamic and changing historical phenomenon. However, at any one point it should be possible to analyse articulation in terms of domination and subordination. For example, this is evident in the work of Terray (1974:335) who describes articulation in pre-colonial West Africa. Here a slave mode articulated with a lineage mode. The former was dominant because it subordinated the functioning of the latter to the dictates of its own reproduction. It seems fair to say that in this case there were still two modes of production in existence – even if they were not completely independent.

However, other writers describe situations where the subordination is not simply to a dominant mode's reproduction – but is **within** this reproduction. Hindess and Hirst (1977:161) speak about a subordinate mode as being dependent for its conditions of existence on other modes of production (referring here to American slavery articulated with capitalism). If this is the case, to what extent can the dependent or subjected mode of production still be held to constitute a "full" mode of production? Asad and Wolpe, for example, believe that a mode that is dependent on another for its reproduction is not a non-mode, but simply a subordinate mode

(1976:492,503/4). However, if modes of production are exclusive concepts and reproduction one of the criteria for a mode (see chapter seven), it seems difficult to comprehend how an entire mode of production can be held to exist if it is reproduced by another.⁽³⁾

This issue can also be analysed from several other angles. One of these is the role of material inputs in reproduction and dominant/subordinate articulation. Spiegel (1979:27) argues that a mode of production is no longer a mode if it becomes dependent on another for such inputs. This would certainly appear to be the case if the dependence that Spiegel refers to means that the subordinate "mode of production" is not inherently viable economically. If, however, the dependence is not structurally intrinsic to it — for example, if it simply uses a particular substitute for its own inputs, such as a particular technology — and the mode is capable of reproduction without these, then in my view its relations may still constitute a mode of production.

A different angle to consider in dominant/subordinate articulation is the dependence of one mode on another mode's social relations (rather than material products). It is highly questionable here whether the dependent "mode" is still a mode — it is more likely to be a heterogeneous structure in subordinate articulation to a mode of production. (This is the case with simple commodity production as analysed in chapter twenty-six).

Moving on to another angle, it may be noted that, if the subordinate structure is not a mode of production, this has not prevented Hindess and Hirst (1977:15,263) from allowing that it may constitute **elements of a mode of production** within the reproduction of a dominant mode, provided that they do not contradict its conditions of existence. In response, Asad and Wolpe (1976:502) have accused Hindess and Hirst of inconsistency. Because Hindess and Hirst see a mode of production as an articulated combination of elements, they should — allegedly — not be able to specify elements of a mode outside of the combination.

But this is a rather formalistic criticism. That the combination is crucial for the nature of the elements in a mode of production, does not preclude these elements from existing — with inevitable differences in their nature and functioning — outside the mode of production and articulated to other modes of production through heterogeneous relations of production. For example, wage-labour (at Moment B) as an element of the capitalist mode of production (and therefore as a capitalist feature in consequence), may exist outside the CMP as such. As a result, it would be wrong to treat wage-labour as evidence of capitalist relations of production (i.e. at all Moments of production), let alone a capitalist mode of production complete with system dynamics and reproduced as such. At the same time, I would hesitate to conceptualize such an element of the CMP as being **within** for example, a feudal mode of production, rather than being articulated to it through a heterogeneous relation of production. This point has important bearing for conceptualizing rural producers who articulate with capital, as discussed in chapters thirty-one and -two.

An additional angle to consider about domination/subordination in articulation is the issue of system dynamics and the role of superstructural relations. I deal with these in sections 4 and 8 below.

4. ARTICULATION, SYSTEM DYNAMICS AND "SURVIVALS".

Articulation between modes of production appears historically to have led to the undermining of one mode, transforming it into pure capitalist forms, or reconstituting it in a new form as an external heterogeneous relation of production.⁽⁴⁾ Webster (1978:168, footnote 6) points to the latter in noting that while it is useful to distinguish features of Chopi society that are not manifestly capitalist, from the capitalist mode as such, it is questionable whether these features can still be seen as pre-capitalist if they are "fully incorporated under the hegemony of the capitalist mode of production" (see also Cowen, 1981:123).

Some writers have taken this up in a rather vague "form-content" distinction. For example, Roseberry (1976:47) speaks about pre-capitalist forms of labour process being maintained while their basis is altered. Mandani (1977:138) describes pre-capitalist relations and forms of production as being restructured with new content. This distinction becomes clearer when seen in terms of an articulation that imposes a new **system dynamic** on a pre-existing structure of production.

One example that can be seen in these terms is the way that a "peasant" farm subsumed under a capitalist economic system changes its mode of functioning (Galeski, 1972:22). The farm becomes determined by the capitalist economy as a whole and it consequently acquires some of the features of a capitalist enterprise. Thus capitalism's drive to accumulate can be imposed on non-capitalist labour processes which persist despite losing the system dynamics corresponding to their modes of production. For this reason (*inter alia*), the labour processes in such a situation are not modes of production "in any scientific sense" (Joffe, 1980:25). (This is taken up again in greater depth in chapter seventeen). (Writers like Banaji, Joffe and Taylor (1979, cited in Mouzelis, 1980) go too far, however, and see these labour processes as now being **internal** to the capitalist mode of production - see previous chapter).

Some writers (eg. Fransman and Davies, 1977:297, footnote 4) use the term "form of production" rather than mode of production "in order to stress the significant degree of dependence" of an external production structure on a mode (see also Raikes, 1978:321, footnote 23). However, this provides little more than an index of the consequences of articulation. If the implication is that a "form" (unlike a mode) may develop new content (i.e. system dynamics), then the points above are pertinent.

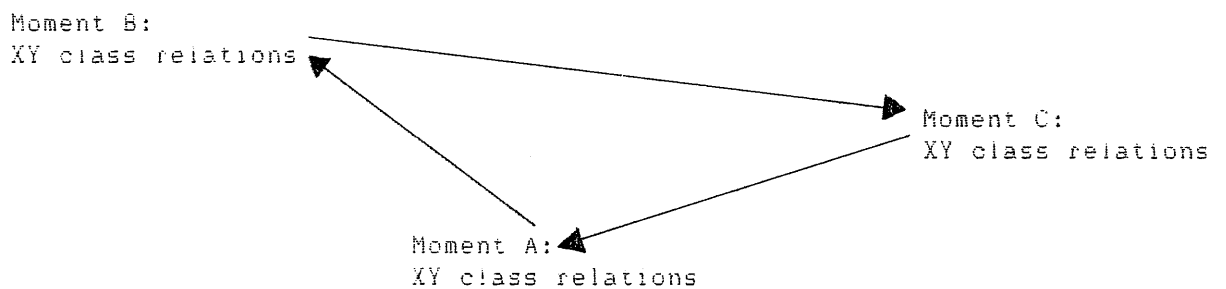
Foster-Carter (1978:228) holds that Rey's concept (1973) of relations of exploitation is helpful in conceptualizing "survivals" in this type of situation. It offers, he says, some precision for those who allow for the

survival of pre-capitalist forms in "indirect relations of production and exploitation" (i.e. in Moment B in my framework), but who react against the idea of entire modes co-existing. This does provide more specificity than the metaphorical "form-content" view. It accords with my theorization which takes account of articulation of production structures at each of the different Moments of production, and enables us to analyse "survivals" in terms of heterogeneous relations of production.

5. SOME MODELS OF DIFFERENT TYPES OF ARTICULATION.

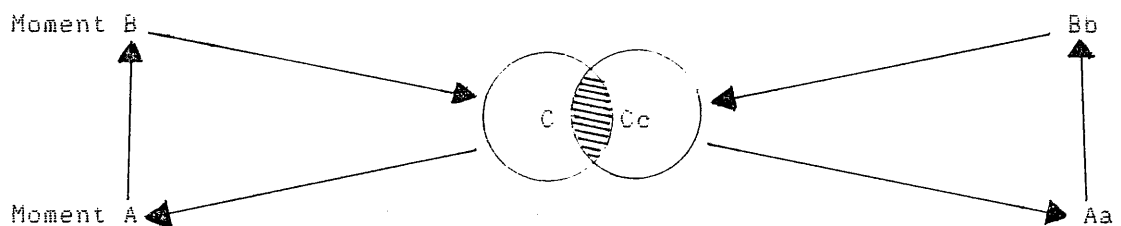
Some of the differences in articulation (in a class mode of production) can be represented as follows:

5.1. A MODE OF PRODUCTION



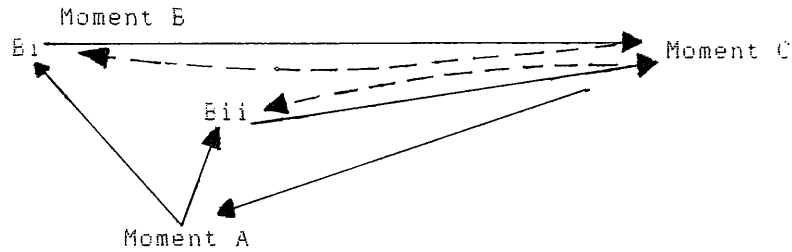
In this diagram, the same classes are present in each Moment of production, and the three form an integrated whole. Thus relations in the labour process at B are congruent with the general class relations of possession and separation at A. In addition, the relations of distribution and utilization at C follow the class divide in Moments A and B, and in turn they reinforce and perpetuate the possession-separation relations at A.

5.2. ARTICULATION OF TWO MODES OF PRODUCTION IN AN ECONOMIC SYSTEM



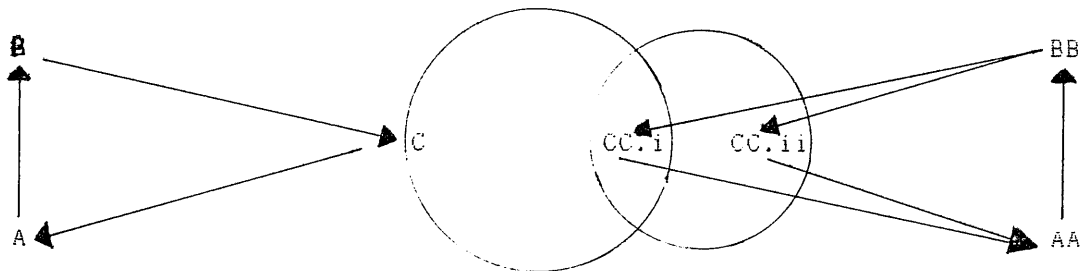
This diagram shows two distinct and autonomous modes of production that partially intersect at the point of their distribution relations. Different class relations exist in each mode, present at all three Moments.

5.3. ARTICULATION OF A MODE'S INTERNAL LABOUR PROCESSES



Labour processes (involving the same general class relations at A) articulate with each other through common and intersecting distribution relations at C. These labour processes are internal to the mode of production.

5.4. ARTICULATION OF AN EXTERNAL LABOUR PROCESS WITH A DOMINANT MODE OF PRODUCTION, CONSTITUTING A HETEROGENEOUS RELATION OF PRODUCTION.



In the articulation with mode of production (A, B and C), the structure of AA, BB, CC.i and CC.ii is constituted as a heterogeneous relation of production. This situation covers simple commodity producers whose distributive relations are wholly within the CMP. Its relations of possession-separation, in production and of utilization remain non-capitalist.

6. ARTICULATION AND THE ECONOMIC SYSTEM.

Domination and subordination in articulation means that it is possible to characterize the economic system in terms of the dominant mode of production – as, for example, a capitalist economic system. It is worth noting that the economic totality of an economic system has different territorial levels of effectivity – eg. at regional, national and international levels (Laclau, 1971:33). In terms of empirical analysis, it is necessary to spell out how (if at all) each level constitutes a specific effective unity, and what the interrelations between levels are.

It would consequently be wrong to restrict the identification of modes of production to the level of separate national economic systems where these systems are parts of a wider international economic system. For instance, the capitalist mode of production exists (and is dominant) across

a number of national economic systems. The efficacy of each system – including the articulation within each national economic system between the dominant capitalist mode of production and other local modes of production and production structures – gives it a significantly different character in each. But it remains the capitalist mode nonetheless. The articulation of different modes of production may also span several national economic systems. An example of this is the Comecon regional socialist economic system articulated to the international capitalist economic system.

The concept of economic system (at regional, national or world level) includes not only an articulation of modes of production, labour processes and heterogeneous relations of production, but also articulation between labour processes constituting sectors. Sectors may span several distinct forces of production structures (and therefore also the distinct relations of production structures that correspond to them). Thus, forces of production sectors defined by activity, size or product may involve relations which are part of several modes or heterogeneous relations of production.⁽⁵⁾

The economic system involves not merely different labour processes, but also a range of relations of circulation, distribution and consumption (Godelier, 1972:335). This attention to the complexity of articulation in the total division of labour enables us to follow Amin (1974:4) in distinguishing between a world (“international” is actually more accurate) capitalist economic system and a world capitalist market. For Amin, Eastern Europe is a marginal part of the market, but it is not part of the system because its internal relations are not dependent on this market.⁽⁶⁾ In other words, there are different levels at which the economic totality designated by economic system is effective – depending on the integration and intersection of the various Moments of each production structure.

7. ARTICULATION AND THE SOCIAL FORMATION.

Articulation "on the ground" involves far more than economic factors, and here the concept of social formation is useful in analysing the added complexity. For some writers, the concept of "social formation" is not very different from that of "economic system" (for example, Asad and Wolpe, 1976:492,504). However, the concept usually refers to more than this in that it designates the concrete conditions of existence of these economic forms (Hindess and Hirst, 1977:13/4, Morris, 1977:308). In addition, although an economic system may exist at varying levels of territorial effectivity, "social formation" tends to designate only the effective unit covered by a nation state (Poulantzas, 1978:95). "Social formation" takes the national economic system into account as a politico-spatially constituted system. Even more than this, the concept includes the entire social and political tableau of a national economic system, and not only where this pertains to the effective economic unit.⁽⁷⁾ The concept is therefore far broader than that of economic system.

Articulation of modes of production within and across social formations involves both economic and extra-economic dimensions (Locke, 1976:18, footnote 6).⁽⁸⁾ There is some debate, however, as to the implications of this point for the scope of the concept of mode of production (see Sole 1978:41; 1977:38). For example for Terray and Poulantzas, the concept includes political and ideological elements, but for Meillessoux and Balibar it covers only the economic (Mouzelis, 1979b:175/6, footnote 51).

For Muratorio (1980:40, 57 footnote 2), this kind of articulation indicates that the concept of mode of production itself includes the totality of social relations and human practices — not just economic. For her, it is because factors like "ethnicity, religious beliefs, values, norms, laws, symbolic forms of domination and resistance, in sum institutions and ideologies, enter as constitutive elements of the modes of produc-

tion", that the articulation of modes involves ideological articulation. The substance of Muratorio's point is correct, but she nevertheless conflates the concepts of social formation and mode of production.⁽⁹⁾

This issue about whether mode of production refers only to the economic, or to the social totality has been an important debate in the literature. Clarke et al (1978:119) say that the political and ideological are of a different order to the economic, and only enter the analysis at the level of concrete social formations dominated by a mode of production (see also Roxborough, 1976:126/7). But there are problems with this view.

Firstly, it might be taken to imply that - unlike the case of politics and ideology - theoretical elaboration of the economic can be applied unproblematically in empirical analysis. However, even at the economic level, the concept of a mode of production designates only general features and therefore its existence in a social formation depends also on specific concrete economic conditions of existence. Consequently, a mode of production may well exist in more complex, uneven material economic form (not to mention here its articulation with other economic structures). A better way of viewing things is to see the social formation as the political, ideological and economic relations necessary for the existence of a mode of production (Hindess and Hirst, 1977:13/4).⁽¹⁰⁾

Secondly, the perspective of Clark et al is problematic in that it can lead to a functionalism whereby the economic teleologically invokes the political and ideological (Mouzelis, 1980:367; 374 footnote 11). In my view, the mode of production is better seen as determining the relations between the political, ideological and economic conditions of existence (Hindess and Hirst, 1977:15). In terms of the base/superstructure model (see chapter four), it may be argued that in any given social formation, the superstructure corresponds (in some cases in a contradictory way) to the relations of the base (structured in dominance by one mode), and the base can only exist and be reproduced in conjunction with these extra-

economic conditions.

The superstructural conditions of existence of a mode are thus never given in the abstract by a mode. Both these and the economic conditions are formed, modified and transformed at this level. And as Morris (1976:308) correctly notes,

all modes of production exist only in the concrete economic, political and ideological conditions of a social formation. ... A mode of production cannot effect its reproduction/transformation in and of itself. This can only be ensured as the outcome of specific class struggles conducted within these very conditions. (See also Mouzelis, 1980:364 - GB).

It is at this level that modes of production are to be analysed in terms of the classes and forms of state that affect their development. The dynamics of class formation and transformation need to be seen as part of the articulation of modes of production in the concrete (Cliffe, 1977:197; see also Taylor, 1979, in Mouzelis, 1980:364).

8. ARTICULATION AND THE SUPERSTRUCTURE

Articulation at the level of the social formation thus implies an articulation between economic and extra-economic levels -- but what does this actually involve? In answer to this, one can point to the way that the articulation of particular structures at one level affects the structures at other levels.

Changes in the base of a pre-capitalist mode of production "are going to generate, and be visible through, changes in all social relations" (Cliffe, 1977:205). Cliffe notes that changes in land tenure affect family patterns, and kinship is re-shaped by re-organisation of the division of labour. The changed patterns due to articulation are "resultants" - "shaped by both parents, reflecting characteristics of both".

Another outcome of articulation may be that a dominant mode ends up articulating only with superstructural relics of the other mode (Spiegel,

1979:23). (This is one way of trying to theorize the form-content problems of external labour processes articulated to a mode). In some cases, however, it is the superstructural level that may be changed while the base remains more-or-less constant. Another scenario is evident in the Peruvian case (Bradby, 1975:153) where the articulation destroyed the particular economic relations that specifically underpinned the political power of the Inca state, but maintained the rest in transformed form.

The effect of articulation between particular instances is not symmetrical for the two sides of the relationship. Thus the West African slave trade had a different significance for the two modes of production involved in this articulation. Whereas for the capitalist mode, it was primarily of economic significance, for the pre-capitalist mode of production it served to boost political power. The further subsequent development of exchange (into the trade in products) undermined the pre-capitalist ruling class. This was because while commodity exchange is distinct from the political in capitalism, it is the way that the political operates in a lineage mode of production (Dupré and Key, 1973:156/7). Different realms of a social formation have different roles for each concrete mode of production. Therefore, the transition from one mode of production to another may involve - through the transformation of the conditions of existence of the earlier mode - a re-ordering of the roles of the various levels in the social formation. Development policy often views articulation (not always recognizing it by this name) in terms of the putative effects at the superstructural level (see chapter thirty-five).

9. CONCLUSION.

If articulation at an economic level has effects at other superstructural levels, it is also often the consequence of forces at these levels. In particular the role of the state in articulation is a key element of understanding questions of development, underdevelopment and economic

change. It is taken up in chapter fourteen. The significance of this, and of domination and subordination at all levels of articulation, for development is discussed in Part D in the context of the international capitalist economic system, and in Part I in conceptualizing rural social structure in articulation with the capitalist mode of production.

ENDNOTES

1. It would be fascinating to analyse Marx's remarks in the *Grundrisse* about the effect of conquest in terms of the articulation framework. Marx describes how the conquered may be brought under the conqueror's mode of production - although sometimes only partially; how the conquered mode may be left intact - but have tribute extorted from it; and how there may be a reciprocal interaction which creates a new synthesis from the fusion of both systems of production (Marx, 1973:97)
2. Domination and subordination are further analysed in chapter sixteen.
3. Wolpe's response to the issue has been to label the dependent "mode" a "restricted mode of production" (1980a:34-38). This he counterposes to an "extended mode of production" which has its own "laws of motion" and mechanisms of reproduction. While Wolpe is on the right track in his distinctions, it seems confusing to call both situations a "mode" of production, albeit "restricted" or "extended". In my terminology, Wolpe's "restricted mode of production" is a heterogeneous relation of production (subordinately articulated with a mode for its reproduction and system processes), and the "extended mode" is simply a "mode of production".
4. Changes that occur in concrete articulation may appear as subtle, undramatic and seemingly insignificant, but these may culminate in qualitative transformation of the distinctions, relations and class interests of the subordinate mode (Cliffe, 1977:205/6).
5. Contrary to Long and Richardson (1978:177), the "informal sector" involves more than only petty commodity production relations.
6. It is sometimes held that while there is a First, Second and a Third World, there are only two major modes of production in the current world economy (Mafeje, 1977:413). This observation can be more precisely conceptualized in terms of the above discussion.
7. Understood in this way, the concept of "social formation" draws attention to elements that are not necessarily given by the concepts "society" or "country". "Society" draws attention to social characteristics, but not necessarily to the articulation of different structures. "Country" is similar to "social formation", except that it is historically specific - tending to refer to nation-states only. In contrast, "social formation" covers any effective societal entity based on an effective economic, social and political unit.
8. It is important to state this because the articulation approach has

been criticized for being economistic and ignoring the political level of articulation (see Mouzelis, 1980:368/9; Foster-Carter, 1978:243).

9. Poulantzas (1978:27) also argues that political and ideological relations are present in the constitution of a mode of production and do not only and functionalistically enter the picture at the level of reproduction. For him, it is because they are present in this first place, that they play an essential role in reproduction. However, what he confuses here is the level of the social formation with that of the mode of production.

10. Hindess and Hirst are not entirely consistent on this issue. They sometimes imply that these conditions are part of the mode, as in their analysis of ideological and political relations **vis-a-vis** primitive communism and the ancient mode of production (Asad and Wolpe, 1976:489, 492).

CHAPTER TEN
ECONOMIC TRANSITION

1. Introduction.
2. Economic change through internal and external articulation.
3. The "transitional" mode of production.
4. All modes of production as finite.
5. Critique of the finite mode approach.
6. Concrete transition.
7. Transition and articulation.
8. Class and transition.
9. Conclusion.

1. INTRODUCTION.

The previous two chapters have analysed articulation between economic forms, concentrating on articulation between modes of production, as well as between modes and labour processes via heterogeneous relations of production. Domination and subordination in this articulation may result in destruction, absorption or qualitative restructuring of the weaker side in the relationship. This significant component of economic change is analysed in depth in Part E in the context of articulation within the international capitalist economic system. However, economic change may also result from a dynamic that is internally rather than externally determined, and this is the major topic of this chapter.

2. ECONOMIC CHANGE THROUGH EXTERNAL AND INTERNAL ARTICULATION.

Articulation, as discussed in the previous chapter, involves relationships of domination and subordination. These may lead to transition from the dominance of one mode to another.

For Asad and Wolpe (1976), it is the contradictory combination of modes of production (and of modes and elements of modes) which explains transitions between different modes. The idea is partially correct (although even here this is not the whole story of transition – as the discussion below will demonstrate). However, contrary to another idea they advance, it is difficult to see how a situation of contradictory

combination can be seen in terms of a whole mode being reproduced **within** a different mode of production. It would appear instead that what is involved is an external articulation between one mode and some element(s) of another. This articulation can constitute a heterogeneous relation of production with the external element, (which may, if it is not part of a mode of production, also already be a pre-constituted heterogeneous relation).

In fact, because Asad and Wolpe see **external** articulation (and hence domination and subordination) as internal to a mode of production, they are unable to offer criteria for explaining change and transition, i.e. when, for example, the subordinate mode/elements become the dominant mode, and when the dominant mode eventually ceases to be a mode and becomes only elements. It can be argued that it is more fruitful to see domination/subordination and reproduction/transition in terms of an economic system involving an articulation of a mode of production through external heterogeneous relations of production. This enables a clearer picture of changes in domination and subordination to be drawn.

External articulation is an important factor, but by no means is it the whole story of transition from the dominance of one mode to another. A mode of production does not stay static during external articulation: a significant part of economic change is the outcome of a mode's internal contradictions as distinct from its external dynamics. The genesis and development of new economic forms out of the old in this manner does involve articulation - but **among** elements of the same mode of production, rather than between qualitatively different economic relations.⁽¹⁾

3. THE "TRANSITIONAL" MODE OF PRODUCTION.

Balibar (1970) has theorized a concept of a "transitional mode of production" to characterize internally-determined transition from one mode to another (Hindess and Hirst, 1977:264).⁽²⁾ In particular, he argues that a "transitional mode of production" powered the historical change from

feudalism to capitalism (Mouzelis, 1979b:52). In contrast, Dobb (1962:16) dismisses any idea of an "intermediate mode of production" between capitalism and feudalism, asking what kind of animal this would be. But it is precisely this issue that Balibar tackles with his theory of the structures of a transitional mode. For him, a transitional mode - unlike an ordinary one - does not have a correspondence of structures. On the contrary, it has a distinct non-correspondence - both within economic structures, and also between these and political structures (Mouzelis, 1979b:52).

Balibar argues that between feudalism and capitalism there was a distinct mode of production, namely, "manufacture", which involved a non-correspondence of feudal forces of production and capitalist relations of production. He describes this (at Moment B - the labour process) as involving handicrafts and the manufactory combined with wage-labour exploitation (although a disjunction would probably also be evident at Moments A and C) (see also Hindess and Hirst, 1977:267/8).

Other writers have stressed the non-correspondence between economic and political structures. Dupre and Rey (1973:160,162) write of a new and "unstable" mode of production constituted by colonialism - a mode which is "neither capitalism nor the lineage mode of production". This reference to the instability of the structure (and, by implication, to its transitional nature) is explicitly developed in Rey's later work (1973, cited by Bradby, 1975:147) where he speaks directly of "transitional modes of production", characterizing them as structures that give way to other modes.⁽³⁾

For Balibar, it is the non-correspondence in the transitional modes of production which makes them transitional. It is this structural tendency which distinguishes them from ordinary (non-transitional) modes. He holds that the correspondence of forces and relations of production in an ordinary mode of production is such that the efficacy of each is limited to the reproduction of the whole. By contrast, the non-correspondence of a transitional mode means that either the relations or the forces of product-

ion are transformed by the effect of the one on the other.

Thus, in a transitional mode of production, reproduction is simultaneously dissolution. The non-correspondence ensures that the mode has an ending to it. Indeed it is almost teleological in its development towards a new stable mode where either the forces or relations will correspond to new counterparts (Hindess and Hirst, 1976:264/5). What Balibar is theorizing here is a concept of a "finite" mode of production to complement the concept of an "eternal" mode (ibid:275). While the finite mode inevitably dissolves or transforms itself into a new mode, the "eternal" mode has no such structural necessity.

There are two basic problems with Balibar's efforts. In the first place, although he credibly tries to theorize the contradictions internal to the structures of a transitional situation, there is no explanation as to how these contradictions work themselves out in social transformation (Mouzelis, 1979b:53). Nor is there a clear distinction drawn between changes which take place within the terms of a contradiction, and changes which qualitatively transform the contradiction.

Secondly, Balibar does not explain how the correspondence of an ordinary mode of production can become the non-correspondence of a transitional one. (He rather weakly suggests that the movement from stable reproduction to unstable transformation is a contingent and accidental matter (see Hindess and Hirst, 1977:275)). This problem cannot be overcome by positing yet another structure - this time between eternal and finite modes (Mouzelis, 1979b:52). The approach is thus unable to fully explain historical transition between modes of production.

4. ALL MODES OF PRODUCTION AS FINITE.

One approach to understanding how modes of production change is to eliminate Balibar's radical division between eternal and finite modes of production. Banaji (1976a:317) for example, says that the "laws of motion"

of the feudal mode generated the conditions for the capitalist mode. This type of approach therefore does away with "eternal" modes altogether - all modes become transitional.⁽⁴⁾

In one strand of Marxism, this type of view sees history as a more-or-less inevitable sequence or stages through the various modes of production. The motor of the process is seen as being the inexorable growth of productive capacity. The role of the relations of production is viewed as reactive and limited to accelerating or retarding the inevitable growth of this capacity, but still as ultimately swinging in behind this growth (see Stalin, 1940b, in Lecourt, 1977:10; Cohen, 1978:165; Cabral 1969:77; Barratt Brown, 1976:47, footnote 10). Clearly this view is an advance on Balibar's insofar as it provides a motor for change within and between modes of production. However, as discussed below, it is highly problematic with regard to the particular motor designated.

This technological determinist conception has its origins in Marx's **Preface to the Contribution to the Critique of Political Economy** (see also Lecourt, 1977:110, footnote 9). It is also partly rooted in the passage from Marx's **Poverty of Philosophy** about the handmill giving rise to society with feudal lord, and the steam mill producing the industrial capitalist (see Braverman, 1974:18). Because this conception seems to grossly underestimate the role of human agency in history, attempts have been made to reconcile it with less deterministic facets of Marxism. For example, Braverman tries to modify technological determinism by arguing that while productive capacity may produce social change, it is itself a product of social conditions (ibid:19). He points out that productive capacity grows **within** the context of a particular relations of production structure. Thus the steam mill grows out of feudalism; capitalism in turn produces electricity, internal combustion and atomic power. In other words, while the movement within a mode of production is seen by Braverman as being of **the forces** of production, it is powered by **the relations** of production.

In Braverman's view, the determining role of forces of production on the relations of production is only when they "outgrow" the relations within which they have developed. In this conception, the contradiction between the relations and forces of production develops within a mode of production. It is resolved by new relations which correspond with the forces, whereupon the contradiction develops again, and so on. Braverman thus refines technological determinism, but it must be pointed out that he still shares the major flaws of the approach. As I discuss below, these are the unsubstantiated assumption of ever-expanding productive capacity, and the unexplained way in which such expansion is supposed to bring about change between modes of production.

5. CRITIQUE OF THE FINITE MODE APPROACH.

Against Braverman and the technological determinists, it is incorrect to think that modes of production teleologically develop productive capacity, or that this alleged phenomenon creates a structure of non-correspondence between forces and relations of production which then pulls the latter into line with the former.

Firstly, not all modes of production involve an inexorable growth of productive capacity -- the course of productive capacity itself needs to be explained. Secondly, and perhaps more importantly, not all transitions between modes of production are the result of relations of production "catching up" with advanced means of production. Several writers have argued that feudalism did not inevitably lead to capitalism. Capitalist forces and relations of production, in their view, grew independently of developments within feudalism. They add that feudalism collapsed in its own ruins, and that capitalism grew upon these (see for instance, Brenner, 1977:78, 81). Another example is that world history thus far has seen a transition between capitalism and socialism in cases precisely where capitalism has only partially developed productive capacity (and even

underdeveloped it in some instances). Indeed, it has been argued by some Marxists that socialism is a pre-requisite to the development of productive capacity in the Third World (see Sklair, 1979:313).⁽⁵⁾

I would argue that while it is necessary to reject Balibar's assumption of modes as inherently eternal, it does not follow that modes (by virtue of an allegedly expanding productive capacity – or anything else for that matter) are therefore inevitably finite. This is not to deny that where a mode of production (eq. capitalism) has developed productive capacity, it may create structural tensions and pressures towards new relations and forces of production. (In advanced capitalism, there are pressures towards collective production and general regulation of the economy). The point is therefore to take account of tendencies and contradictions of a mode of production which may, though not necessarily, result in non-correspondence of economic structures. Such dislocations allow for **possible** outcomes wherein correspondence is re-established or created anew in a new mode of production. It is still necessary, however, to spell out the actual transforming agencies in these situations. As Locke (1976:17) says, no concrete transition can be explained in terms of the contradictory presence of the general form of two modes of production.

6. CONCRETE TRANSITION.

The reproduction and transformation of a mode of production has to be located in terms of the conditions of existence in a social formation. In my view, the real motor of change within (and also between) modes of production is primarily the class struggle (in its various forms) taking place within the social structures and system dynamics of a particular concrete situation (see also Mouzelis, 1979b:53, 1980:367; Morris, 1976:309).

On this basis, it is possible to agree with Hindess and Hirst (1977:202) that "nothing in its concept prohibits the continued

reproduction of a mode of production, and nothing in its concept requires that a mode of production transgress its own limits, i.e. dissolve itself." The concepts of the various modes of production provide the basis for a qualitative differentiation of historical reality. But they do not constitute a theory of transition between a sequence of modes (ibid:7).

The conclusion to this is that transition cannot be theorized in great detail in the abstract. For example, there is no general pattern of transition from feudalism to capitalism (Hindess and Hirst, ibid:289). The most that can be done is specify the necessary changes for the transition from one mode of production to another, and to analyse the stability or otherwise of a mode's internal contradictions - both within and between its forces and relations of production, and between these and its political and ideological conditions of existence.

7. TRANSITION AND ARTICULATION.

An important point about internally-powered transition is that it is neither a rupture where production is suspended, nor is it a pure, total and unitary transformation of the given mode of production. Instead, economic change is likely to be uneven, and to involve external articulation relationships -- for example, capitalist labour processes articulated with the (changing) feudal mode of production.

For Morris (1976:297), the transitional period between feudalism and capitalism combined features of each mode of production. He argues that this does not constitute a new mode because despite the "merging of features - it is still possible to disentangle the web of relations sufficiently to specify the dominant mode of production" (ibid).⁽⁶⁾

Certainly the identification of such a mode and its tendencies does help to characterize the direction and conflicts in the situation. Dobb (1962:16) for example, in arguing against an "intermediate mode of production" in England between 1600 and 1800, demonstrates the value of

seeing the situation as capitalist - at an immature stage, but capitalism nonetheless. Because Balibar misperceives this, he fails to see that the labour process non-correspondence which he describes is actually a variant of a capitalist labour process. (The relations in production were capitalist, they varied only in their forces of production dimension). Balibar thus ends up reducing the capitalist mode of production to only one of its variant labour processes - "real subsumption" based on advanced means of production (Hindess and Hirst, 1977:267). In Marx's view, while formal subsumption of labour under capital may exist outside the CMP as such, it may also be a stage within the CMP (see previous chapter; Marx, 1976b:1019/20;1054). Balibar's view is poorer for excluding such a conception.

8. CLASS AND TRANSITION.

A question which still remains to be examined is when the turning point is reached: at what stage can the capitalist mode (or any other) be said to have emerged as dominant? (see Hindess and Hirst, *ibid*:289). Dobb's (historically-applied) answer here is that "one could only speak of the situation as being non-feudal if there were no longer a feudal ruling class with its particular source of income still surviving" (see also Gallisot, 1975:418).⁽⁷⁾

Transition, seen in terms of class contradictions, can be identified as qualitative or quantitative according to whether the major terms of the contradiction - viz. the classes involved - are changed or not. Inasmuch as classes can serve as indices of qualitative and quantitative transition, it is necessary to establish changes in class structure and class dominance clearly at all three Moments of production (and also at the level of political structures and consciousness).

This is not to reduce all the contradictions of transition to class contradictions. For example, the contradictions between the relations and

forces of production are tensions between two structures of social relations: the technical and the surplus labour relations. Although class relations are affected by, and involved in, these tensions, the two contradictions are still distinct. Furthermore, analysing transition involves identifying not only class issues, but also the constitution of system dynamics out of the whole, and its continued reproduction as well.

9. CONCLUSION.

Focussing on classes provides more than criteria for quantitative/- qualitative assessment of economic change - it also enables us to analyse transition in terms of class formation, conflicts and alliances. Any concrete transition (eg. following the Russian revolution) involves these class dynamics both within the dominant mode of production and in its relations of external articulation. The separation of internal and external dynamics is an abstraction performed in theory. In any empirical situation, **all** the class dynamics (including both those internal and external to the dominant mode of production) are part of the picture of economic change.⁽⁸⁾

The points in this chapter are of particular relevance for this thesis in analysing the role of planned development in economic change. Such development strategies are often conceived by planners as being catalysts of fundamental economic **transition** in Third World economies. This may be profitably analysed in the light of the issues dealt with in this chapter, viz. how the class relations and forces/relations of production involved articulate both with planned development schemes themselves, as well as with external classes and production relations, and whether the economic change they initiate is qualitative or quantitative in character.

ENDNOTES

1. Rey (1973) has been accused of creating a macro-framework of articulation which ignores the distinction which I theorize here as that between internal and external articulation (see Foster-Carter, 1978:218). In fact, however, Rey does note the difference between the articulation of fully-fledged modes of production (with one being introduced from the outside) and when the articulation arises endogamously (see quotation from Rey in Foster-Carter, *ibid*:230).
2. It is interesting in this regard to note that the *Grundrisse* speaks of certain modes of production as "hybrid, intermediate forms" (Marx, 1973:512).
3. Rey holds that a transitional (to capitalism) mode replaced the pre-capitalist modes as a result of their articulation with the capitalist mode. Strictly speaking, this understanding of "transitional mode" is of a different order to Balibar's - it arises from external rather than internal articulation. Rey also differs from Balibar by arguing that there was no transitional hybrid mode in the transition from feudalism to capitalism. Instead, the dynamic of feudalism was itself transitional in that it created the conditions for the capitalist mode (Bradby, 1975:144). On this, Rey's position is similar to Banaji's (see Banaji 1976a).
4. Godelier (1972:345) describes this type of view. For him, it sees the genesis of one system as the simultaneous process of the development of internal contradictions in the old system.
5. Although there is not space here for a detailed critique of G. A. Cohen's defence of the forces of production as the motor of history (1978:165), the two points made in the main text here are - in my view - fundamental criticisms of the technological determinist approach which Cohen fails to refute.
6. Hindess (1976) and (less explicitly) Locke (1976:17) argue along similar lines that there is no "socialist mode of production" in a socialist transition period. Instead, at any given stage the combinations of capitalist and communist modes can be identified so as to reveal the dominant mode.
7. For Hilton (1973:208), even though European capitalism was and is riddled with feudal relics, capitalism and feudalism are distinct social formations because they are based on different modes of production, legitimated by different ideological systems and dominated by struggles between social classes distinctive of each.
8. This perspective enables us to understand how, as Asad and Wolpe (1976:505) argue, the conditions of existence of one mode can partially be the conditions or existence for the elements of another mode - as in the way that the feudal mode provided a market for emerging bourgeoisie of the capitalist mode (Hindess and Hirst, 1977:296/7; see also Rey 1973).

PART D

CAPITALISM AND DEVELOPMENT

CHAPTER ELEVEN: SURPLUS AND ECONOMIC DEVELOPMENT.

CHAPTER TWELVE: THE STRUCTURE OF THE CAPITALIST MODE OF PRODUCTION.

CHAPTER THIRTEEN: THE DYNAMICS OF ARTICULATION.

CHAPTER FOURTEEN: CAPITALIST DEVELOPMENT AND THE STATE.

CHAPTER ELEVEN
SURPLUS AND ECONOMIC DEVELOPMENT

1. Introduction.
2. The case of Chinese agriculture.
3. Utilization of surplus labour.
4. The concept of surplus and development.
5. The two departments of production.
6. Conclusion: politics and surplus.

1. INTRODUCTION.

The previous chapters have established a general framework for analysing development, with the concepts of forces and relations of production of a mode of production and articulation between different economic elements in an economic system. Transition and change in these relations lies not in some metaphysical inexorable growth of productive capacity, but in class structures, contradictions and struggles. This chapter analyses the way in which all this affects the development of productive capacity. To this end, it looks at relations of utilization in terms of the concept of "surplus".

2. THE CASE OF CHINESE AGRICULTURE

A brief case study is useful for bringing out the fundamental issues. The experience of collectivization in Chinese agriculture up-ended the technological determinist view in terms of which transformation of the relations of production follows the development of productive capacity (Nolan and White, 1979:13). In Maoist China, transformation of the relations of production preceded rationalization of the forces of production, and the modernization of productive capacity was predicated on these changes (Nolan, 1976:213,194; Nolan and White, 1979:13). Following socialist collectivisation, the process saw increased production in the short term, and mechanization eventually. The Maoist argument was that socialist relations of production enabled the most efficient organisation

of the existing means of production, and therefore of the extraction and utilization of surplus labour for technological development (Sklair, 1979:-- 315,328). It is fairly well documented that this development strategy did raise output -- indicating thereby that some unrealized potential capacity was unleashed by the production relations (Moore, 1969:209; Nolan, 1976:-- 202,217 footnote 18; Sklair, 1979:317).⁽¹⁾ From this, several significant points can be made about the utilization of surplus labour.

5. UTILIZATION OF SURPLUS LABOUR.

What emerges from the Chinese experience is that a transformation of the relations of production coupled with a change in the forces of production can -- with the existing means of production -- increase the amount of surplus labour performed and surplus product produced. This is achieved by bringing unused items into production and also by organizational measures like rationalization, co-operation and specialization in the division of labour (Baran, 1962:20; Hymer, 1972).⁽²⁾ This type of re-organization occurs at the level of the forces of production within a given mode of production, which may (though not necessarily) require transformation of relations of production as a prerequisite.

There are limits to the changes possible within a given mode of production and its structure of production relations. There are also limits to any increase in output possible without introducing new technology.⁽³⁾ Nonetheless, even limited increases can be crucial for economic development -- if they are channelled into the development of new means of production. This latter proviso is crucial. Changes in the forces of production can lead to increased surplus labour and therefore to increased output, but the relations of production may absorb this in increased consumption rather than use it for development and expansion of the means of production.⁽⁴⁾ What is vital for economic development is not only how the relations of production (class structure) can affect (through the forces of production)

the **extent** of surplus labour (embodied in surplus product), but also its **use** (Stirton Weaver, 1971, cited in Booth, 1975:71). In other words, both quantity and quality have to be taken into account in analysing Moment C.

The importance of analysing the **use** of surplus is further evident in those cases where it conditions the **extent** of surplus labour in a given production system. For example, in the pre-colonial Ashanti and Gyaman kingdoms of West Africa, the relations of utilization were such that goods were sought after due to their own utility – rather than being bought with a view to selling at a profit. The result of this was that the needs (and capacities) of consumption – rather than profit-making – determined the volume of the surplus labour performed by the exploited class (Terry, 1974:334). In this type of situation, the scale of production and degree of exploitation is limited because of the predominance of use-value production rather than production for exchange (Meillassoux, 1972:97). Thus, analysis of development needs to encompass not only the generation of surplus, but the relations of utilization as well.

4. THE CONCEPT OF SURPLUS AND DEVELOPMENT.

These issues have been formally theorized by Baran (1962:22-4) with his concept of "economic surplus". For him, the rate and direction of economic development depends on the size and mode of utilization of economic surplus (ibid:44). Surplus in his sense refers to the resources available to build productive capacity.⁽⁵⁾ It is the difference between what a social formation produces and what it actually consumes. More precisely, surplus is what is left over for investment in growth after the consumption of social groups and the renewal of the means of production and other items regarded as necessary in the social formation concerned (see also Heilbroner, 1981:37; Arrighi and Saul, 1968:287).⁽⁶⁾

For Baran, "potential surplus" is what **would** be available for economic development in a different organisation of the social formation. Such a

case would, for instance, do away with elite excess consumption, unemployment, waste, excess unproductive labour, and so on. Hughes (1977:217,220) makes a distinction within "potential surplus" between "hidden" and "latent" surplus. "Hidden" refers to items such as the consumption of the exploiting classes, luxury housing, remittances abroad, loan repayments, profit outflow and investment in prestige projects. "Latent" surplus refers to what could be done with better methods of production, land-use and scale of production. In my conceptual schema, the category of "hidden" surplus is bound up with the **relations of production**, and particularly at Moment C - the relations of distribution and utilization. "Latent" surplus refers primarily to reorganizing the **forces of production**.

Surplus for development may thus be increased by realizing what was previously only **potential** surplus. This involves a change in the relations of production for releasing **hidden** potential, and a change in the forces of production for realizing **latent** potential. However, it is also necessary to investigate how surplus is actually invested for development. Ultimately, raising the productive capacity of an economic unit is premised not merely on realizing potential surplus and using actual surplus, but on these being geared towards exponential development of productive capacity. This means development not simply as a **quantitative** expansion of the extent of **existing** forces of production, but as **qualitative** expansion by the introduction of advanced means of production. In my view, the latter is the key factor in development.

Relations of production may constitute a limit on quantitative development. For example, it has been argued that feudal lords attempted to increase surplus by expanding their estates onto peasant land and increasing peasants' rents (Banaji, 1976a:314/5). But, after a point, this meant exhausting the peasantry (ibid: 317/8) - as indeed happened in countries like France (see Brenner, 1977). There was thus an intrinsic limit to this form of feudal development. Arguably, it gave rise to two options: either

it remained blocked, or it forced exploitation beyond its limits, provoking the creation of new relations of production. The latter option, as it turned out, was -- in the form of capitalism -- more conducive to using surplus to expand capacity by investing it in advanced means of production.

5. THE TWO DEPARTMENTS OF SOCIAL PRODUCTION.

The category of "hidden" surplus can be interpreted to refer to not only the consumption but also the **production** of luxury goods (and armaments, too). Interpreted in this way, such production can be seen to divert surplus away from areas that are more productive from the point of view of development. The significance of such hidden surplus can be pinpointed with Marx's concepts of two departments of social production (1971:399). In Marx's view, society's reproduction may be seen in terms of the co-ordination of these departments. **Department I** concerns the production of **means of production**, while **Department II** concerns the production of **articles of consumption**. What is important for development is the expansion of productive capacity through the development of **Department I**.

In terms of the discussion of realized productive capacity in chapter five, the production of hidden surplus such as luxuries (and armaments) is productive labour because it involves the production of **material** items. However, this needs to be qualified somewhat in the light of Marx's two departments. What is ultimately most important is that productive capacity is based on **particular** material items: the products of **Department I**, viz. **means of production**. Clearly, luxuries and armaments are not means of production (the latter in fact concern means of destruction -- hence Mandel (1975) terms them Department III). However, neither are socially necessary material items such as clothes, food, housing and so on, means of production. On the contrary, these -- plus luxuries (and armaments also in a sense) -- are articles of consumption coming from Department I. None of these are in themselves **direct** contributors to productive capacity.

However, the production of new material **means of production** in order to manufacture **any** of these (i.e. including luxuries and armaments), does directly qualify as expanding the productive capacity of a unit.

From this standpoint, there is no debate about the extent to which luxury (and armament) production constitutes a hidden surplus. While hidden surplus is produced by **productive labour** in the sense of it consisting of material items, these items do not increase **productive capacity**. If one is talking about the production of **means of production** (for whichever purpose), then one is talking about the **use of actual surplus**, and hidden surplus does not enter the picture. This does not escape value considerations about the role of luxuries and armaments in development, but it does shift them to another plane.⁽⁷⁾

6. CONCLUSION: POLITICS AND SURPLUS.

Focussing on the role of surplus in economic development draws attention to the political character of the process. Relations of utilization do not exist independently of Moments A and B of production. Indeed, it may be argued that it is the class structure and class struggles that determine both the amount of surplus labour performed and appropriated, as well as what is done with it thereafter (see for example, Ziemann and Lanzensdörfer, 1977). This raises important political and economic questions like who works for whom and with whom, where the product goes and who controls it; and how the system is reproduced (see Meillassoux, 1972:98).

As an example, the allocation of surplus to re-investment for economic development is a political issue because saving must come out of class incomes (Mamdani, 1977:5; Hughes, 1977:21). In this regard, Rostow's particular theory of economic development based on levels of savings, can be found wanting. It is ultimately a "bloodless schema of stages" that does not do justice to the multitude of political and economic factors in development (Baran, 1962:61).⁽⁸⁾

A focus on the political aspect of development leads us to see that the creation and use of economic surplus, and therefore the pattern of economic development, depends on the dominant class political forces (Hughes, 1977:218; Weeks, 1975:99; Harrison, 1981:331). And indeed, different classes define development differently according to their particular interests – and likewise for the measures they prescribe to achieve it (Dos Santos, 1969:62). This is taken up again in the context of development planning in chapter twenty-seven. More immediately, however, I take on the task in the next chapter of analysing the capitalist mode of production as a preliminary step to relating it to the issues of surplus and economic development.

ENDNOTES

1. At the same time however, the level of the means of production did affect the operation of the forces and relations of production. As the Chinese were to discover, they could not "leap" too far ahead of technical conditions without falling on their faces.
2. In this regard, Hughes (1977:219) holds that African agriculture has great potential. Lewis (1954) also points to this phenomenon with his concept of "disguised unemployment" in pre-capitalist African agriculture (although this should not be exaggerated – see Arrighi's criticism of the concept, 1970).
3. Before the advent of machinery, only a limited increase could be gained by congregating workers together (Dobb, 1968:23).
4. For example, the wealth produced in the Ancient World went not into development, but luxury consumption, politics and patronage (Hindess and Hirst, 1977:166).
5. Hindess and Hirst (1977:74) reject the concept of surplus because of the lack of any absolute standard for evaluating what is surplus and what is necessary to a society. Taylor (1981:383) criticizes the concept as making it difficult to differentiate between economic systems. Both these criticisms have some validity and are symptomatic of the over-generality of the concept. Nevertheless, the concept is still very useful at the level of discussion in this chapter for designating important overall issues in economic development.
6. The products of **surplus labour** (as defined in chapter five) are not identical to **surplus** in the sense described above. **Surplus labour** in my definition is labour that is surplus only to the immediate reproduction of the producers involved in performing it. It does not necessarily produce

surplus products for investment in **growth**.

7. The discussion about productive labour has another complication added to it with the concept of relative surplus value. Here, what becomes important is labour that produces those specific means of production which in turn reduce the labour-time necessary for the social reproduction of the producers. See chapter thirteen.

8. Rostow's attention to political issues in economic development is limited to his private political bias which appears in the subtitle of his book (1965) - "An Anti-Communist Manifesto".

CHAPTER TWELVE
THE STRUCTURE OF THE CAPITALIST MODE OF PRODUCTION

1. Introduction.
2. Moments A and C of the CMP.
3. The system dynamic of commercialization.
4. Moment B and the CMP.
5. The CMP and surplus labour: exploitation.
6. The expansion of the CMP.
7. Conclusion.

1. INTRODUCTION.

In this chapter, I draw substantially from Marx's theorization of the capitalist mode of production (hereafter CMP) -- but reinterpreting and developing it in terms of my framework as theorized this far. The aim of this enterprise is to highlight the aspects of the capitalist social structure which are significant for analysing issues around surplus and development under capitalism (as discussed in the next chapter). I begin with Moments A and C, and then turn to "commercialization", Moment B and the expansion of the CMP.

2. MOMENTS A AND C OF THE CMP.

Beginning with Moment C, commodity exchange is a central invariant element of the CMP (Hindess and Hirst, 1977:102).⁽¹⁾ Under capitalist relations of distribution and utilization, the means of consumption, the means of production and labour-power must all be commodities. And the latter two must enter into Moment B (production proper) as such.

Analysing this more closely, it is apparent that such generalized commodity relations are based on a particular class structure. From the vantage point of Moment A, this involves the separation of the direct producers from the means of production (leaving them only in possession of their labour power), and the concentration of these means in the possession of a different class (Marx, 1972:668).⁽²⁾ A historical precondition for the existence of the CMP therefore is the dispossession of the producers

(Godelier, 1972:334). But while this is a necessary condition for capitalism at Moment A, it is not sufficient unless it has a particular consequence at Moment C (see Duggett, 1975:165). The consequent labour-power must be available as a commodity, and must therefore be **mobile** — i.e. free to circulate within Moment C, as should be the case with any other commodity under the CMP. Similarly, the means of production must also circulate as a commodity at Moment C. Capitalists should be free to buy, sell and accumulate these through the market. And for the generalized exchange of all these commodities, a standard of value and means of exchange is needed in the form of money. This facilitates the concentration of movable wealth capable of being turned into profit-yielding capital (see Marx, **Grundrisse**, 1953:404, quoted by Baran, 1962:138).⁽³⁾

A capitalist must thus be able to buy all production inputs on the market, and assembled under his control, a capitalist labour process is constituted (Sohn-Rethal, 1979:118/9).⁽⁴⁾ Particularly important in this schema is the notion that capitalism involves not only the market, but also the labour market (Friedmann, 1978:80). In fact, "only where wage-labour is its basis, does commodity production impose itself on society as a whole" (Marx, **Capital I**, 1976:733, quoted in Sohn-Rethal 1979:51; see also Cohen, 1978:183). This is because separation from the means of production determines that producers (outside of thieving) can only get means of consumption through purchasing them with cash received from the sale of their labour-power. For the means of consumption to be available to be bought requires that they are — or become — commodities. The growth of proletarianization — the supply of wage labour — is therefore also the growth of the internal market and generalization of commodity relations across the means of consumption (Dobb, 1962:26).

It is therefore not enough for a CMP labour process to be integrated into commodity circulation — it must obtain its labour through this too. This point is ignored by Frank (1969c), for whom capitalism is merely a

system of production for profit on the market in which someone other than the direct producer realizes the profit. Frank concentrates primarily on Moment C, and to a lesser extent B, and ignores how commoditization at C is integrated with class relations at A. Wallerstein, however, explicitly tackles the issue within the Frankian approach. For him,

Capitalism ... means labour as a commodity to be sure. But in the era of agricultural capitalism, wage-labour is only one of the modes in which labour is recruited and recompensed in the labour market. Slavery, cash-crop production ..., share-cropping, and tenancy are all alternative modes (1974:400).

He concludes that participation in the market means that "slaves and serfs receive payment (however euphemistic this term)". This line of argument leads to designating these classes – as well as peasant petty commodity producers – as wage-labourers/proletarians (see also Amin, 1974:26; Joffe, 1980:24). This rather tortuous reasoning is clearly inadequate when seen against the more rigorous view of capitalism as a mode of production that combines specifically homogeneous, rather than heterogeneous, relations.

Capitalist production is therefore the production of commodities by means of commodities. A unit of production is only capitalist if (*inter alia*) it is integrated into such a total commodity circulation system (Hindess and Hirst, 1977:220). This system rests, as will now be apparent, on a structure of definite social class relations.⁽⁵⁾ If, in addition to being integrated into capitalist Moments A and C, these labour processes are reproduced predominantly by articulation with each other, and if they further exhibit CMP system dynamics (see chapter eight), then they are internal to – and in fact constituent elements of – the CMP.

3. THE SYSTEM DYNAMIC OF COMMERCIALIZATION.

The context of commodity circulation integrating Moments A and C together means that there is mobility of labour power, money, means of production and wage-goods. This mobility in turn gives rise to competition

as a **system dynamic** of the CMP, as explained in the next chapter. For the present, however, I take competition for granted. Commodity circulation and competition underpin a system dynamic of **commercialization** whereby CMP labour processes necessarily have a profit rationale. Capital is any sum of money advanced to make more money (Kautsky, 1976:12). Thus the general formula for capital is $M \rightarrow M'$, money to more money. In fact, this covers not only productive capital, but also merchant and finance capital: in all of these, the original outlay is an advance, rather than an expense, and the rationale is the largest possible increase in money (Kay, 1975:87; Bernstein, 1979b: 423). However, as discussed in chapter six, merchant and finance capital may articulate with a whole range of labour processes and only exploit in Moment C. For this reason, they constitute heterogeneous relations of production and are not an integral part of a mode of production. Productive capital is distinct from these other capitals because it combines the commodities of labour-power and means of production and organizes them into a productive labour process (Bernstein, 1979a:424). In a social formation dominated by the CMP, merchant and finance capitals may articulate with productive capital (and even directly with wage-labourers) outside of the labour processes.

4. MOMENT B AND THE CMP.

Moments A and C serve as the context -- and in some respects, as the foundation -- for Moment B. How does the capitalist labour process articulate with this context? Firstly, it can be noted that, insofar as production units in Moment B articulate with each other via C, the relations **within** a capitalist labour process are very different from the relations **between** these labour processes. The latter are exchange relations that constitute a **societal** division of labour. Within each individual labour process, the division of labour takes place under the control of a single capital. Instead of internal exchange, there is a planned and

controlled distribution within the unit of production (Braverman, 1974:73). By contrast, the division of labour at the level of the market is structured relatively independently of subjective factors, and operates as a system effect of the CMP at the societal level (Hymer, 1972:41).⁽⁶⁾

In what way is the capitalist labour process still integrally articulated with Moments A and C? In response to this question, it has been noted that

the capital-relation during the process of production arises only because it is in the act of circulation, in the different fundamental economic conditions in which buyer and seller confront each other in their class relation (Marx, *Capital I*, quoted by Palloix, 1973:71).

Capitalist class relations at Moment A mean that "to those who have machines, men are given" (Berger and Mohr, 1975:67). In exchange for a wage, workers sell their capacity to work (i.e. their labour-power) to capitalists, and therefore constitute themselves as subordinates under the control of others (Marx, 1976b:1025; Crouch, 1977:4,5). The capitalist labour process takes place between elements which are a capitalist's property. It is therefore determined by the capitalist and the product goes to him (Morris, 1976:299; Carchedi, 1975:13; Wright, 1980:180).⁽⁷⁾ Control and exploitative relations in Moment B are made possible by the class relations of Moment A (see chapter five).

In a capitalist labour process that is only formally subsumed, workers may be conglomerated (but in independent work operations, and in which the capitalist may directly participate). In a different case of formal subsumption, workers may be in a piecework putting-out system.⁽⁸⁾ Under real subsumption, the workers become "collective labourers" and the capitalist — who under formal subsumption often takes direct part in the labour process — tends now to distance himself (Marx, 1972:312-314). While retaining economic possession, he usually hires another to control production.

None of this variation – contra Berle and Means (1932) – changes the basic capital-labour relation or the mechanism of exploitation. Nor does it change capitalist features at all Moments of production, reproduction and system dynamics. I discuss these issues again in chapters thirty-one and -two, where I analyse various rural classes and their labour processes in terms of whether they are capitalist or not.

5. THE CMP AND SURPLUS LABOUR: EXPLOITATION.

For Marx, capitalist exploitation consists in the fact that labour-power can produce value greater than its own. The difference between its value as paid for by the capitalist, and the value of its output, constitutes a surplus labour expended by the producer, embodied in commodities as a surplus value. This is appropriated by the capitalist and realized as profit through exchange.⁽⁹⁾ The production and distribution of surplus value tends to involve conflict, largely around the struggle of the producers for a family wage and humane working conditions.

Marx (1972:299) further identified two forms of exploitation under capitalism. "Absolute surplus value extraction" involves an absolute increase in the labour-time exacted from the producers – whether by intensifying labour or lengthening the working day. While such absolute surplus value involves more surplus through more work, "relative surplus value" involves more surplus through more productive work (Fine, 1978). This latter form of surplus value is qualitatively different from absolute surplus value. It involves two ways increasing surplus labour time: firstly, increasing the surplus labour of **one set** of producers relative to the others, and secondly, increasing the surplus labour relative to the necessary labour time of **all** producers.

The former is not always recognized as relative surplus value in Marxist literature, although clearly identified by Marx as such (1976a:530/4). By mechanizing production, the productivity of the worker is

raised, enabling him to produce more in a given time. This adds the same value to the total product, but spread over more individual items. The value of each item thus falls in relation to the socially average value. By selling above the individual value, i.e. at the average value, the capitalist realizes the difference in value as a surplus relative to other capitalists producing at the average social productivity.

In contrast to this kind of relative surplus value that pertains to advanced labour processes, the second kind affects the entire capitalist mode of production. It too derives from the way that mechanization reduces the value of individual goods. Taking place in sectors producing wage-goods, this phenomenon reduces the labour time necessary to produce the value of the wage. Reduction of necessary labour-time means the expansion of surplus labour-time – a potentially key factor for economic development.

While all capitalist-employed wage labour can produce absolute surplus value, not all such labour contributes to relative surplus value exploitation. For example, capitalist service, circulation or entertainment enterprises produce profits through absolutely exploiting wage-labour, but only where these activities cheapen the costs of reproducing wage-labour, do they contribute to relative surplus value. Luxury and armament production also do not affect the costs of wage-goods and therefore mechanization in these sectors cannot directly help reduce the socially necessary labour-time for reproducing labour power (see Bullock, 1974:9). They may develop productive capacity in a different way, i.e. indirectly, where their profits or technology find their way into Department II (the production of means of production) (Amin, 1974:185), but this is quite distinct. Agriculture, unlike armaments and luxuries, is fundamental to relative surplus value and in this way (as well as others) to economic development. (See discussion on the Agrarian Question, chapter twenty-two).

6. THE EXPANSION OF THE CMP.

The widening and deepening of capitalism is seen by Marx as expanded reproduction (1972, chapter xxiv; Amin, 1974:2, 190). As the expansion proceeds, the size of individual capitals increases and the vertical and horizontal division of labour within each of them grows accordingly. The capitalist enterprise may grow from workshop to factory and from national corporation to multi-dimensional national corporation and to multinational (Hymer, 1972:43,37). In Marx's terms, this is the phenomenon of concentration of capital, alongside which is centralization — a drop in the number of effective units of production (Marx, 1972, chapter xxv, section 2). Centralization comes about through the merging, take-over or elimination of existing enterprises by others.⁽¹⁰⁾ The result is monopoly at Moment A, and this also often has implications at Moment B and Moment C.

In Marx's work, the expanded reproduction of capitalism is characterized as a process of **capital accumulation** (Marx, 1972, chapter iv). Capital accumulation is dependent on the **rate of profit** which determines the speed of possible expansion of each capital. In my schema, this accumulation involves the exponential development of production based on capitalist relations at all Moments of production, with its main system dynamics being competition and production for profit.

Capital accumulation thus amounts to the development of capitalism, but this is not the same thing as capitalist development, i.e. capitalist development of productive capacity. For example, accumulation may be in Marx's "Department II" (the production of means of consumption). The **means of production** in these kinds of capitalist enterprise must certainly be included in an inventory of the productive forces constituting capitalism's productive capacity. But the **products** of these enterprises are a different question. Where these products help to reduce necessary labour and therefore to increase surplus labour, they **may** increase productive capacity, especially in "Department I" — the production of means of production.

Items such as luxuries or armaments do not have this significance, because they do not contribute to relative surplus value, and thence to an increase in relative surplus labour. The complex relationship between capitalist **development** (of productive capacity) and capitalist **accumulation** are discussed in the next chapter.

6. CONCLUSION.

The CMP is a mode of production in the sense that it is based on homogeneous relations of production, i.e. relations between the same classes at all three Moments of production. These Moments are integrated together in an interdependent whole, with particular system dynamics deriving from it. As far as its internal articulation is concerned, the CMP's labour processes can be seen to be reproduced within the CMP, integrated with Moments A and C, and exhibiting the system dynamics of the whole. It is against this background that I now turn to consider in more detail the relationship between the CMP and development.⁽¹¹⁾

ENDNOTES

1. At the level of capitalist social formations, there are differences in the extent to which various spheres of social life are integrated into the commodity exchange circuit. Housework and childrearing activity straddle the margins of commodity circulation, unlike transport, furniture and even food production which are far more integrated into the circuit (see Poulantzas, 1978:27).

2. Private property in the means of production is an invariant condition of the CMP (Cliffe, 1977:205; Hindess and Hirst, 1977:294). However, it is not necessary that these means must be privately owned by the capitalists themselves; enough if they can be privately hired. Thus state or communally-owned land can be compatible with the CMP (Hindess and Hirst, *ibid*). This is an important point in evaluating the class character of rural development schemes set up on state or community land and managed by a capitalist company (see chapters thirty-one and -two).

3. **Both** capital and labour are vital. As Amin (1974:87) points out, Spain had the wealth, but not the proletariat. The same point applies to the Middle Ages, antiquity, and the East (*ibid*:139). In many Third World

countries, the situation is the direct opposite.

4. Of course, in the historical development of capitalism, the capitalist has often had to take part in the labour process (Sohn-Rethal, *ibid*). However, this labour input may be viewed analytically as the capitalist selling labour-power to him/herself. Clearly, this is a contradictory condition (see chapter six), and it is similar to that of kulaks discussed in Part I.

5. This is a fact forgotten by Marx's unfortunate Mr Peel of Swan River. This character – despite taking 3000 “persons of the working class” to Australia – was unable to bring the CMP with them. He was left without even anyone to “make his bed or draw his water” (Marx, 1972:717).

6. There is also a third level to take into account in any social formation: the State's role of providing a degree of conscious co-ordination of the market's structuring of the division of labour (Hymer, *ibid*; Heilbroner, 1981:37). (See chapter fourteen).

7. If workers were not separated from control of these, the labour process could be different. If they had access to money, they would not have to sell their labour-power to survive; if they controlled the means of production they could produce as they determined; if they controlled the labour process they could set the pace and extent of surplus labour (Wright, 1980:181).

8. The piece-work payment system makes no difference to the essentially capitalistic nature of the wage (see **Capital**, 1976a:517). It should not be confused with independent simple commodity producers selling to a merchant capitalist. In this latter instance, the capitalist does not possess all the means of production, and to the extent that there is exploitation, it is in Moment C rather than (as in the CMP) in Moment B.

9. This exploitation is distinct from expenditure on labour-power that does not generate any profit, but merely transfers income, i.e. labour-power that represents an increase in consumption without any surplus value exploitation (Amin, 1974:196). (This shows that not all wage-labour is capitalist: a distinction must be made between revenue (spending profits) and capital (making them)). It is also distinct from that profit-making capital which derives its profits not from wage-labour exploitation, but from surplus transfer within Moment C of production (This latter is – as has been argued – a heterogeneous relation of production).

10. Where ownership of agricultural land is fragmented, centralization may sometimes be a pre-condition for concentration (Kautsky, 1976:30).

11. While the emphasis in this chapter has been on what Cohen (1978:181) calls the “structural” definition of capitalism, the next chapter examines its “modal” definition (*ibid*) – that is, the purpose of capitalist production, viz. the accumulation of capital.

CHAPTER THIRTEEN
THE CMP AND THE USE OF SURPLUS

1. Introduction.
2. The CMP and expansion.
3. Partial explanations of capitalist development.
4. Explaining competition and accumulation.
5. Competition and advanced means of production.
6. CMP counter-tendencies to development.
7. Conclusion.

1. INTRODUCTION.

It has been claimed that capitalism refers ultimately to the production of relative surplus value on the basis of machine production and large-scale industry (see Marx, 1976b:1021; Poulantzas, 1978:57). According to Marx (ibid:1035), "the development of capitalist relations in adequate form to establish a mode of production *sui generis* ... presupposes a definite stage in the evolution of the productive forces of labour". But capitalist social relations and exploitation (as opposed to the capitalist *mode of production*), can and do exist at low levels of mechanization and small-size of establishment (Ennew et al, 1977:303). The direct subordination of labour to capital may occur irrespective of the state of technological development (Marx, 1976b:1034). What, therefore, is the connection between capitalism and development? This chapter analyses this issue, examining both its positive and negative features.

2. THE CMP AND EXPANSION.

Capitalism involves expanded — rather than simple — reproduction. The nature of the CMP requires that profit is reinvested and the field of capitalist production be expanded. This may be on an extensive or intensive basis. The former involves the enlargement of given enterprises, the latter is the setting up of new enterprises.⁽¹⁾ (Another form of capitalist expansion is transformation — through articulation — of non-capitalist units of production, as discussed in chapter sixteen). But whichever kind

of expansion is involved, it need not - as discussed in the previous chapter - be in industrial capacity and development of the means of production. It can be in quantitative extension of existing production, or in sectors like luxuries or armaments. It can - up to a point - even be outside of the CMP, for example as merchant or finance capital investing in Moment C rather than B.

Nonetheless, capitalism in using its surpluses to create the means for gathering additional surplus, has tended historically to transform its wealth into new and better means of production. While both capitalism and earlier pre-capitalist societies have used surplus for war, public adornment, religion and the maintenance of privileged classes, only capitalism has had a systematic tendency to use surplus to expand its productive capacity (Heilbroner, 1981:57). How is this character of capitalist relations of utilization to be explained? Several explanations have been offered to account for why the capitalist mode of production has an expansionary dynamic and how this operates to increase productive capacity.

3. PARTIAL EXPLANATIONS OF CAPITALIST DEVELOPMENT.

One explanation - common to modernization school writers - is a voluntarist account which rests ultimately on a conception of **homo economicus**. It focusses on acquisitive and "maximizing" economic motivation. Capitalism is seen as a system rewarding hard work and innovative risk-taking, and as unleashing these drives in such a way as to optimize economic growth. This assumes that capitalist ideas pre-exist and in fact give rise to a capitalist social structure. But such ideas themselves need to be explained in terms *inter alia* of their structural context.⁽²⁾

The **homo economicus** view does not provide an adequate account of expansion, nor of the connection between expansion and economic development. These are not explained by attributing a universal character and primary causal significance to an isolated aspect of the capitalist super-

structure. (See chapter four). In addition, it is evident that the rationale of capitalist production is not reducible to the consumption demands of the capitalist. Capitalism involves buying in order to sell (i.e. starting with money in order to make more money), not selling one commodity in order to obtain a different one (see Marx, 1976b:1030). At the level of the system, the profit rationale exists -- as will be argued below -- independently of the motivation of the capitalist (which is not to dismiss the importance of capitalist ideology and capitalists' motivations), and this system dynamic needs to be explained.

A second explanation about why the CMP tends to develop productive capacity is based on the ability of the capitalist enterprise to reap the benefits of co-operation and division of labour, and the advantages of specialization in the societal division of labour (see, for example, Marx, 1972:714; Hymer, 1972:41; Sweezy, 1976; Adam Smith, 1937). These features are contrasted to small-scale individualistic and unarticulated production processes. By owning all the inputs of production, the capitalist was historically able to assemble them in one place -- thereby increasing productivity and enabling machinery to be used.

However, there are certain problems with this explanation. For example, co-operative labour and specialization are not unique to the capitalist mode of production, but are also found in slavery for example. So this is unlikely to be the major explanatory factor for capitalist development. Further, and more fundamentally, the question of economic development is not simply productivity, but why this should be continuously expanding through the production and adoption of new means of production. It is necessary to explain the CMP's use of surplus for reinvestment.

A third explanation emphasises the role of competition in the CMP, and holds that this explains increasing mechanization of production (see Mamdani, 1977:145; Furtado, 1964:56; Howard, 1980:65). Dynamism is not located in capitalist units of production taken separately, but derives

from the effect of the whole system on the parts. An isolated capitalist unit in a non-capitalist context may have only simple and not expanded reproduction -- but, this approach argues, this is not possible within the CMP as a whole.

Thus, Baran (1962:45) sees competition as effective in that it forces businesses to improve methods of production and to increase and diversify output. This compulsion is effective because only by continual reinvestment and cost-cutting innovations can they remain in the competitive struggle (ibid:48). Competition is crucial to the engine of capitalist development because it involves the "stick of bankruptcy" and the "carrot of extra-profits" to enforce investment and technological progress (ibid:73). Or, as Dobb (1951:57) puts it, "if any spur was needed to make him (i.e. the capitalist -- GB) plough back rather than hoard his gains, competition was that spur -- the haunting fear of being ousted from the struggle if he did not continually improve his methods of production."⁽³⁾

There is much of value in this third approach. But it remains inadequate in two respects. How is competition itself to be explained? And how exactly does its cost-cutting pressure lead to continual mechanization of production? Only by answering these questions can we understand how the articulation of capitalist relations and forces of production in the CMP results in relations of utilization where capital accumulation encompasses expansion through advanced means of production.

4. EXPLAINING COMPETITION AND ACCUMULATION.

One cannot simply explain competition in terms of the profit motive of individual capitalists. Competition is a structural situation which, like Hobbes' state of war of all against all, produces its own condition as its own result -- largely irrespective of individual feelings about the matter.

Friedmann (1979:167) holds that it is the commoditization and mobility of factors of production and subsistence, and their incorporation into the

reproduction of each unit of production (i.e. total integration into the market) which explains competition. She does not spell out exactly why, but this idea can be developed.

Human existence under capitalism can only be secured through exchange – and for this it is necessary for an individual to have something to exchange. Clearly, the lot of the wage-labourer who has only labour-power to exchange is more tenuous than that of a capitalist who owns not only personal labour power, but also capital (monetary and/or in means of production) and the commodities produced by this capital. Yet the “stick of bankruptcy” remains nonetheless a very real threat to capitalists. There is no guarantee that the goods produced in their labour processes will be accepted by the market. Survival of a capitalist enterprise under capitalism requires that each tries to get an edge over its rivals in the marketplace. (In fact, even when a capitalist concern is economically secure, this tendency still manifests itself – and necessarily so, because security under capitalist competition can only be temporary.) If capitalists failed to respond to the pressure to successfully exchange their products, they would cease to exist as a class. The existence and continued reproduction of the CMP therefore implies *ipso facto* that capitalist production units are integrated into, and subsumed under, the competitive imperatives implicit in the structure of generalized commodity exchange.

It can therefore be seen that the very class structure and relations of distribution (exchange) under capitalism provide the foundation of competition. The latter is, in short, a system dynamic deriving from the structure of the CMP at Moments A, B and C, and it tends to have a self-perpetuating effect. Competition underpins a system dynamic of commercialization, in terms of which the motive force of capitalist production is profit. More than this, the CMP is not simply production for profit, but on a continuously expanded scale – i.e. it is the accumulation of capital. As three system dynamics of the CMP, competition, commercialization

and capital accumulation are both distinct and closely related.

I now turn to the issue of why competition should lead capitalists to reinvest in expanding productive capacity. Integration into the market means that the surplus appropriated by a capitalist is worth only as much as its **social** exchange value, and this is set by the average socially necessary labour time for the production of that particular good (Marx, 1972:51/52). In order to be able to exchange at this value, the enterprise has to introduce measures which keep it on a par with its competitors. However, it is by no means obvious that these methods automatically involve the use of new means of production - i.e. the qualitative expansion of productive capacity via the mechanization of production.

5. COMPETITION AND ADVANCED MEANS OF PRODUCTION.

Measures to keep abreast of competition can include - other than adopting advanced means of production - expansion through the extension of existing methods and means of production, without this including technological change.⁽⁴⁾ In addition, capitalists may gain a competitive edge on the market by cost-cutting - not by the introduction of advanced means of production, but through increased absolute surplus value exploitation. At the same time, there are limits to this form of exploitation, and this fact impels capitalists to look to other methods as well. A brief look at these limits bears out the inadequacy of reliance on absolute surplus value exploitation to survive competition.

Firstly, one limit on absolute surplus value exploitation is the need for the reproduction of the workforce, which is a precondition for the continued existence of the capitalist **qua** capitalist. A **second** limit is the degree of mobility of labour. Where possible, workers tend to move away from the worst exploiters - compelling the latter to reduce exploitation, and simultaneously enabling lesser exploiters to increase exploitation in their new context of excess labour supply. This phenomenon tends

to equalize wage rates, making it more difficult for a single capital to extract more absolute surplus value than its competitors do. A **third** limit on absolute surplus value exploitation is the way that class struggle inhibits the utilization of this method (Marx, 1975:534). Historically, there is the example of the world-wide struggle over the length of the working week and the working day in the history of capitalism (Marx, *ibid*: chapter X; Fine, 1978:92).

The limits and blocking of absolute surplus value exploitation historically has meant that it has been advantageous for capitalists to cut costs by mechanizing production. Higher labour costs in the United States were an important cause in the development of a ready market amongst capitalists there for labour-saving technology (Habbakuk, 1967, cited in Hindess and Hirst, 1977:334, footnote 59). There is more to mechanization, however.

The adoption of advanced means of production does not only save labour (and enable new tasks to be performed) – it can also increase both the productivity per labourer, and the speed of production. These latter two factors are both important elements in affecting rates of profit, and therefore capitalist accumulation as a whole. It is in them that further reasons can be found for why competition develops productive capacity through revolutionizing the means of production.

With regard to the first factor, an increase in productivity per worker means that labour-time for the production of a given item can be reduced below the socially average labour-time. As a result, an individual capitalist can sell at the going exchange rate (i.e. at a price above actual value of the goods) and appropriate a surplus profit thereby. Alternatively, he can realize the average profit rate – but at a cheaper price than the going rate, and in this way “corner the market”.

The **average** rate of profit is included in the total costs of production, which in turn is the basis of the going market price (Kautsky, 1976:16, Friedmann, 1979:181, footnote 14). Where this price is above the

real value of a mechanized production process – and the capitalist thus realizes an above-average profit rate – it is likely to be only temporary. The average rate of profit does not necessarily appear at any point in time, because it is continually in the process of formation and reformation. Advantages underlying a higher rate are gradually eroded as other capitals adopt new production methods (Tribe, 1977:78). There is thus an inbuilt continuous dynamic towards raising the productive capacity of the whole.⁽⁵⁾

The **second** factor affected by advanced means of production is the speed of production. An increase in the turnover time of production means that the value of commodities realized can be put back into production more quickly, and this reduces the total capital needed to be advanced over a definite period of production cycles. Although the absolute amount of surplus value and profit may be unchanged, the fall in the amount of capital advanced raises the rate of profit (Kay, 1975:138/9,145; also Sohn-Rethal, 1979:148). This then is another key reason why individual capitalists tend to mechanize under competition.⁽⁶⁾ (That capitalists also try to speed up production through “Fordism” and time and motion studies, etc., complements rather than contradicts this predominant mechanization strategy).⁽⁷⁾

6. THE CMP'S COUNTER-TENDENCIES TO DEVELOPMENT.

Berger (1976:51) holds that capitalism's “built-in commitment to growth” is not negated by temporal variations, and says that the same applies to the operation of the market and its formal and informal modifications. But this remark needs to be weighed against the CMP's own real countertendencies to development. Certainly, the CMP does not develop productive capacity smoothly, evenly, universally or even unambiguously.

The theorization earlier in this chapter relates the economically progressive character of the CMP to competition, which in turn rests on a

capitalist class structure and the associated mobility of labour and capital. But while competition (as the contradictory interaction between capitals), is a most important phenomenon, it should not obscure the existence of capitalist collaboration (eg. oligopolistic price-fixing) — which comes about precisely because of it and which may have adverse effects on development (Fransman and Davies, 1977:293; 296 footnote 42).

Within the CMP itself, competition tends to generate its opposite in the form of monopoly (or oligopoly more strictly speaking). This is bound up with a stage in the development of the means of production where overhead costs make it difficult to adjust production profitability to market fluctuations. The response of the larger capitalist enterprises is to try to control the market, and one method to aid this is monopolization (Sohn-Rethal, 1979:145).

Monopolization may involve the development and adoption of enhanced means and methods of production at Moment B, but it tends to reduce the structural imperatives for this. Under monopoly, there is a small number of firms of very large size, and the costs of entry into competition are high.⁽⁸⁾ The result is a privileged sanctuary of a sort: price competition declines and the market is informally regulated (Baran, 1962:76/7, 83). Both within a social formation, and especially on an international plane, this is likely to have negative consequences for development, with inequalities in bargaining position and opportunities, and political and economic privileges of all sorts — a far cry from the "mirage of perfect competition" (ibid:116; Amin, 1974:53).

Monopolies thus create immobilities that weaken the progressive economic effect of competition. However, monopolies remain mobile themselves, and in a way that may often undermine development. The productive capacity of a given economic unit may be weakened where (for example, Ireland, Wales) capital has moved production away in search of greater profits elsewhere. And even within a given unit, capital —

motivated by profit rather than development — may move out of the most developmentally productive spheres into less productive and even parasitic realms such as luxury production, finance capital or real estate speculation.

Another countertendency to development exhibited by the CMP lies in the essentially unplanned character at Moment C. Baran (1962:39) thus holds that waste and irrationality (i.e. "hidden surplus" — see chapter eleven) — rather than being fortuitous blemishes — relate to the very essence of capitalism. Heilbroner (1981:38) points to the disruptions at all stages of production: in the hiring and disciplining of labour, selling of output, etc. And according to Dobb (1951:61), capitalist crises can lead to bankruptcies, stagnation and retardation (see also Beckmann, 1980:55).⁽⁹⁾

7. CONCLUSION.

It would be simplistic to draw a single conclusion about the CMP and economic development, particularly at this level of theorization, and certainly much more could be said on the issue. For my purposes, however, I have highlighted some of the key ways in which the social structure and system processes of the CMP have consequences on the development (and underdevelopment) of productive capacity. To complete this general picture, I turn now to the significance of the capitalist state for development.

ENDNOTES

1. This distinction shows that it is incorrect to assert as do Berger (1976:151) and Smith (1979:306) that the expansion of each **enterprise** appears to be built into its operational rationale. Rather, this characteristic applies to each **capital** and may be manifested not in the extension of its given enterprises, but in the setting up of separate ones.

2. For example, motivations like acquisitiveness are not natural, but

historical products of social development (Marx, 1973:222). See Brenner (1977) for a devastating criticism of *homo economicus* assumptions.

3. If competition is the incentive, then the consequent expansion of each enterprise serves as a market for others. Known as the "accelerator effect", this describes how an increase in demand may induce an increase in investment (Amin, 1974:224). (The "multiplier effect" is the relation between investment and the increase in consumption which it engenders).

4. It is partly because Chilean market farmers only increased their production in this way, that Kay (1981:489/90) argues (incorrectly in my view) that they were not capitalists even though they employed and exploited wage-labour.

5. Fine (1978) holds that the blocking of absolute surplus value compels the capitalists to mechanize for the purpose of relative surplus value exploitation. As discussed in the previous chapter, there are two forms of relative surplus value. One form is the objective effect on the value of labour-power across the entirety of capitalist society, caused by mechanization in sectors relating to wage-goods production. The other form is the distinct situation resulting from an individual capitalist's deliberate strategy at the level of his enterprise. Mechanization puts a capitalist ahead of competitors by enabling him to sell at the average price and (until they catch up) receive a relative surplus value over and above what they realize. It is only this form of relative surplus value that holds good for Fine's analysis.

6. Turnover time affecting the rate of profit includes not only production time, but also circulation time. Marx cites improved communications (based on new material means of communication) as the chief means of reducing circulation time (1974:71).

7. There are complex debates about whether advanced means of production do not, paradoxically, also reduce the rate of profit — i.e. Marx's theory of the "falling rate of profit" (Marx, 1974: Part III). Suffice it here to say that Marx believed that as capitalist mechanization increased, there was a relative decrease in the proportion of new value created in relation to total capital outlay, and the rate of profit would fall in consequence. Among what Marx saw as several countervailing tendencies to this "falling rate of profit", he noted that mechanization itself can indirectly increase the rate of surplus value exploitation through contributing to relative surplus value. However, it may be argued that far from being a mere countertendency, this phenomenon in fact renders problematic the notion of a falling rate of profit *per se*. While the debate is important, it has little direct bearing on my theorization of capitalist development; I hence leave it aside in this thesis.

8. For example, the minimum size of a steelworks is determined technically, but its economic minimum size — i.e. for it to be viable — is determined by competition in the market (Carchedi, 1975:72, footnote 27).

9. This is not the place to enter into the debate around the nature of capitalist crises, but rather to draw attention to this phenomena and its negative economic significance. (See O'Connor, 1973; Mandel, 1975).

CHAPTER FOURTEEN
CAPITALIST DEVELOPMENT AND THE STATE

1. Introduction.
2. Structural form of the capitalist state.
3. Changing forms and functions.
4. Political functions of the capitalist state.
5. Economic functions of the capitalist state.
6. Conclusion.

1. INTRODUCTION.

Capitalism at the level of a social formation (rather than simply as a mode of production) cannot be analysed without taking into account its superstructural conditions of existence and especially the state.⁽¹⁾ Indeed, the state stands out as being of major significance for not only the CMP, but also often as the locus of articulation between this mode and other economic forms. This is certainly the case with the colonial and post-colonial capitalist states (Mamdani, 1977:143).

The emphasis in this chapter is mainly on situations where the CMP has already achieved dominance over non-capitalist relations of production, and the significance this has for development. The status of this discussion is theoretically informed generalization from concrete social formations rather than a general theory about the role of the state in capitalist society (see Jessop, 1982:211).

Analytically speaking, the state is part of the superstructure in the base-superstructure abstraction, and it is conceptually distinct from the economic structure of relations and forces of production (see chapter eight). This structural distinction is also evident in real social formations, notwithstanding the way that each capitalist state is closely integrated with economic structures and processes.

There are two key aspects of the capitalist state: its superstructural form on the one hand, and its role and functions on the other. In addition, there is the relationship between these to be considered. In certain

strands of Marxism, the structural form of the capitalist state is seen as deriving from its "necessary" functions. My position would accord with this form-from-function model — but with the following qualifications:

Firstly, the role of the capitalist state is dialectically related to base **and** superstructural levels of analysis (as well as to other factors). As such, this role (and therefore the structural form of the state as well) cannot be seen as being functionalistically invoked or crudely determined by the economic base.

Secondly, both form and function need to be understood in terms of their constitution by real social classes and processes. The capitalist state is therefore a living structure and a fluid reality: a process embodied in **changing** forms, roles and functions (Wolfe, 1974:143,149).

Thirdly, the state form itself has a character that exerts its own relatively autonomous influence on the functions performed by the capitalist state (see below).

2. STRUCTURAL FORMS OF THE CAPITALIST STATE.

The historical development of capitalism has involved distinct realms of economy and state. The state both rises from capitalist society and imposes back on it (Wolfe, *ibid*:147). While the state is by and large institutionally separate from the relations of production, it has a presence and effectivity in them. This is the very basic form of the capitalist state and it continues despite changes in government, the differences in degree of involvement in the relations of production, and variations within the state structure itself (Wolpe, 1980b:401,403; Wolfe, 1974:149/50). Unless both political and economic structures are changed — as well as the relationship between them — into qualitatively new entities, the state remains fundamentally capitalist.

Within the limits of capitalist relations of production, the state generally **promotes** capitalist exploitation, but does not do the exploiting directly: this is done by the capitalist class — with the aid of the state to be sure, but not **through** the medium of the state (Holloway and Picciotto, 1977:96).⁽²⁾ This does not preclude the capitalist state from becoming involved in production and exploitation, and developing an economic apparatus for this purpose as in the case of state capital. (State

capital in agriculture is discussed in chapters thirty-three and thirty-four). However, state capital is only **capital** in so far as it still exists within a context of capitalist system dynamics and capitalist relations at all three Moments of production in the social formation concerned. Where state capital develops to the point of supplanting, for example, private capitalist relations of possession-separation and capitalist processes such as competition, then the dominant mode of production is no longer capitalist in the sense defined in this thesis.

Because of all this, the existence of state capital does not mean that the state has become a class. Under capitalism, the bureaucracy and the army are not a class. Despite high incomes and vested institutional interests, these state groups can only become a class by creating an independent base in the economy. State aid can be — and in many cases, especially in neo-colonialism, often is — used to this end. But until such an independent base is achieved, state functionaries are not a class — although some of them may be in the process of becoming such. In the interim, they receive surplus and direct it on the basis of their state-based relations with production-based classes (Mamdani, 1977:287/8).

3. CHANGING FORMS AND FUNCTIONS.

The changes within this basic form of the state are bound up with the changing functions it has been made to perform, as described in the following brief and generalized sketch.⁽³⁾

The early capitalist state in its absolutist form has been explained by its role as a centralized apparatus used against pre-capitalist classes and economic forms. It was therefore the form of capitalist state suitable for creating new relations at Moment A — i.e. suitable for dispossessing the peasantry and creating a proletariat, and for centralizing wealth and means of production in a different class. It was also suitable for creating new relations at Moment C — i.e. eliminating feudal features that

inhibited generalized commodity exchange both territorially and socially (Marx, 1972, chapter xxiv; Hindess and Hirst, 1977:298).⁽⁴⁾

The same type of context explains the form of the capitalist state in colonial social formations. Economic mechanisms for monetarizing, commercializing, and proletarianizing pre-capitalist production were often inadequate, and were often replaced by the colonial state's taxes, compulsory crops, and expropriation of land (Amin, 1974:143). As state-imposed measures forced the commoditization of pre-capitalist simple reproduction, producers were pushed into the commodity circuit as cash-croppers or wage-labourers (Bernstein, 1978:423/4). In this way, the colonial state internalized in the colonized social formation, an external relationship of domination by the CMP (Legassick, 1976:439).

This interventionist form of state has historically been a precondition for the economic instance of a capitalist social formation to come to the fore in reproducing capitalist relations of production. Once established, these relations of production can be reproduced — in comparison to other class modes of production — **relatively** independently of the state (Wolfe, 1974:152/3). (Dispossessed workers have no option but to continually sell their labour power in order to survive, and in doing so they are continually exploited.) The role of the economic in reproduction is not only with regard to the CMP alone, but also with regard to its domination over other external modes and elements of production. Once established, exchange at the economic level perpetuates domination, and in this situation, neo-colonial capitalism can function without coercive control being primary (Dupré and Rey, 1973:159).

All this said, however, the state is still essential in such situations — even if only in a supplementary way — to reproduction (Wolfe, 1974:153). At the very least, it guarantees exchange and exploitation through upholding private property ownership (Holloway and Picciotto, 1977:87). Under monopoly capitalism especially, there is a tendency for

the state to go further and assume not merely a "steering" role (with the driving power located outside it), but to extensively intervene in capitalist expansion (Burton and Carlen, 1979:41, Heilbroner, 1981:39).⁽⁵⁾

In the next section, I look in more depth at the capitalist state and its economic and political roles, in particular, at "valorization" and "domination" (cf. Burton and Carlen, 1979:36). Valorization is linked to the economic role of the state (especially as regards maintaining capitalist accumulation). Domination refers to political and ideological control (ibid:37/8). These two state roles do not operate exclusively of each other, but their effects on society can be distinguished. Thus, the primary impact of valorization is upon the forces of production (even if sometimes only indirectly so). Domination has its primary effect on the relations of production. The two functions may be retrogressive as well as progressive in terms of developing productive capacity.

4. POLITICAL FUNCTIONS OF THE CAPITALIST STATE.

How is the state's political role to be understood? The state is a structured relationship of forces. As an unstable equilibrium of compromises, it institutionalizes (to lesser or greater extents) conflict and contradictions, and it facilitates the unity of a dominant class under the leadership of a class fraction (Poulantzas, 1978:127/8; Mamdani, 1977:13). These functions are specifically materialized in the ideological and repressive (and even the economic) state apparatuses (which apparatuses are not in every case entirely distinct or exclusive) (ibid:32-4). However, the state should not be conceived as the simple tool of a class or coalition of classes and fractions. There are two main reasons why:

Firstly, the class struggle, capitalist competition, and the **general** requirements of capitalist reproduction set limits on the capacity of any grouping to use the state entirely for its own purposes.⁽⁶⁾ Each class's strength and interests in one way or another have effects on and in the

state, and relations of power among all classes are reflected in the ultimate policy, functioning and structure (see Jessop, 1982:61). All this makes the state relatively independent of any single class grouping.

Secondly, the state has a relative autonomy from class forces because of its own structures and processes which condition and limit political practices (Burton and Carlen, 1979:40,43; Wolpe, 1980b:401/2). For example, the means of political representation in the state structure have their own effectivity in determining the outcomes of political practices (Hindess and Hirst, 1977:36). The relative autonomy of the state can also be seen with regard to the means of political execution. The bureaucracy is not a neutral mechanism with regard to executing directives from either legislature or lobby groups: it has its own internal dynamics. In addition it is also linked to society through the varied class linkages of its members, i.e. bypassing the legislature (Herring, 1981:143, 146). Because of all this, the state's functions do not express class interests in an unmediated way.

The state has therefore – to an extent – an independent dynamic which means it may become a social force in its own right. The effectiveness of the state “is to be found in its institutional structure as much as in the social categories, fractions or classes that control it” (Jessop, 1982:27). This critique of the instrumentalist view of the state is not to ignore cases where, due to the weakness of both state institutions and social classes, a single class/fraction (or even individual personality) has enjoyed special access to and utilization of state power (see Marx's **Eighteenth Brumaire**, 1977b).

5. ECONOMIC FUNCTIONS OF THE CAPITALIST STATE.

The state has some functions that are primarily economic in nature, and its form may involve an economic apparatus to execute these functions.

This does not mean that the economic functions are unmarked by politics or unaffected by apparatuses that are primarily political and ideological. Economic functions have a political character. This is central to state development policies and projects, as discussed in chapters twenty-eight and twenty-nine. Because capitalist production is simultaneously exploitation, state economic actions tend to reinforce the domination of the exploiting class (Mamdani, 1977:12, Miliband, 1972). At the same time, domination is not without its economic effects — particularly on the absolute surplus value exploitation, and the extent and use of surplus.

Baran (1962:92/3) describes these economic functions, noting that the state has played a major role throughout the history of capitalism:

Whether directly or indirectly, whether by subsidizing the construction of railroads as in Germany and the United States, or by promoting with suitable measures the native capitalist's economic interest abroad as in Britain and Holland, or by elaborating financial transactions and imposition of tariffs in France and Russia, the state everywhere had an important hand in determining the course and speed of economic development in the capitalist age.

It needs to be borne in mind that the capitalist state has also in some cases, notably for those on the receiving side in colonialism and neo-colonialism, operated in a way that is negative for economic development (see chapter twenty-eight). However, spelt out in more detail, the "positive" economic functions of the capitalist state relate to:

property rights; liberalization (as regards commodity circulation); orchestration of development policy; input provision (land, capital, means of production such as infrastructure, steelworks); social consensus; management of the external relations of the capitalist social formation; serving as a market; taxation and re-allocation of surplus; protection of monopolies (Murray, 1971:111-4; see also Jessop, 1982:48,55,91).⁽⁶⁾

State economic activities vary in form, degree, agency and timing — largely depending on the degree of international competition, the outcome

of class struggles, and the stage of capitalist development (Murray, 1971:118).

With regard to the role of agency, the detailed functions listed above are only latently **state** or public functions (ibid). There are no economic functions related to production in general which every capitalist state is bound to fulfill (Poulantzas, 1978:173). In fact, the state is not inherently necessary for most economic functions. It takes them over for the following reasons:

Firstly, there are the concrete class struggles and strategies where classes and fractions seek the aid of the state to further their economic interests. Secondly, there is the reproduction role of the state whereby it may take over activities that are unprofitable to capital at a given juncture, or which are unreliably secured by private enterprise despite being essential to the whole system (see Mamdani, 1977:12).

An important way in which the form and economic functions of the state are bound up with each other, is the national character of the state. The capitalist state may act not only to establish and help extend the CMP within a social formation, but do this specifically against foreign capitalist and non-capitalist classes (eg. through protectionism, colonialism and imperialism) (see Kaplan, 1977:112; Jessop, 1982:113).

Amongst a capitalist state's possible or existing economic activities, some are ultimately of more importance than others. Thus, although the state stabilizes and ensures continuity in production by the functions described above, its key role is in terms of production, rather than exchange (the market) (Poulantzas, 1978). One case of this is in redistributing surplus value. The mechanism for this is that some capital is devalorized by being statized and then subsequently redistributed to other capitals (see Jessop, 1982:68). Nationalized or statized capital is not exempt from competitive pressures to maintain or increase profit rates.

But, being relatively devalorized in most cases and therefore able to continue unprofitably by means of state subsidies, such capital permits a transfer of surplus value to other sectors of capital (Poulantzas, 1978:--176). This may be through exchange between state and private capital (state enterprises buying above or selling below value), or through the injection of state funds into a state enterprise and such an enterprise subsequently sold off cheaply to private capital. In this way, state development programmes may end up subsidizing capital, and to lesser extents (and even contradictory extents - see chapter thirty-six) "kulaks" or settler tenants rather than expanding productive capacity.

Another case in which the state acts on the relations of production, is in terms of raising the rate of exploitation. This is partially through repressing or institutionalizing struggle against this exploitation. The state also helps to increase relative surplus value exploitation by training labour, technical innovation, facilitating concentration and centralization, and promoting growth in areas (eg. agriculture) that cheapen the value of labour-power (Holloway and Picciotto, 1977:92/3). (It is important to bear in mind, however, the structural limits of the intervention of the **capitalist** state in a **capitalist** economy.) As discussed in Parts I and J, the capitalist state has also had a significant involvement in agricultural production in the Third World, either creating detailed conditions for capitalist investment there, or taking a direct part in various development strategies itself.

6. CONCLUSION.

This chapter has reviewed the role of the capitalist state in relation to development in national social formations, analysing its political and economic significance in this light. It needs to be remembered, however, that "it is still necessary to examine each state in its own terms rather than treat all capitalist states as identical because of their common

foundation" (Jessop, 1982:24). This chapter also concludes the general theorization about capitalism and development. The argument can now move to a different level of analysis – namely to examining these issues in the context of the international capitalist system.

ENDNOTES

1. It is at the level of the social formation that the state must be analysed – contra Poulantzas (1973) who (in places) tries to theorize it entirely by abstract logic at the level of the mode of production.
2. Where the state appropriates surplus labour in the form of taxes, for example, this is not a **capitalist** form of exploitation.
3. My account may appear somewhat stipulative and unsubstantiated, given that it is not possible within the confines of this thesis to provide a full treatment of the issues. However, it is drawn from more concrete studies (if often indirectly), and is of significant heuristic value in informing the more empirical analysis in Part I of this thesis.
4. The power of the state was used to "hasten, hot-house fashion, the process of transformation of the feudal mode of production into the capitalist mode and to shorten the transition" (Marx, 1972:203).
5. Monetarism and cutbacks in the state's expenditure on welfare are not so much an absence of state involvement in the economy, as a specific form of involvement that undermines or resists working class gains. State involvement in monopoly capitalism does not negate competition nor the fundamental "anarchy" of capitalist production (Holloway and Picciotto, 1977:96).
6. This is not to imply that the state has privileged knowledge of the general interest of capital (see Jessop, 1982:98). It is only when the range of specific interests are articulated and aggregated, that the state can serve capital as a whole.

PART E

THE INTERNATIONAL CAPITALIST SYSTEM

CHAPTER FIFTEEN: THE CMP AND THE INTERNATIONAL CAPITALIST SYSTEM.

CHAPTER SIXTEEN: ARTICULATION WITHIN THE INTERNATIONAL CAPITALIST SYSTEM.

CHAPTER SEVENTEEN: ARTICULATION IN PERIPHERAL CAPITALISM.

CHAPTER FIFTEEN
THE CMP AND THE INTERNATIONAL CAPITALIST SYSTEM

1. Introduction.
2. Units of analysis
 - 2.i. "The international capitalist system as coterminous with the CMP".
 - 2.ii "Each social formation as a unique mode of production".
3. The CMP at the centre and the periphery.
4. Critique of dependency theory's units of analysis.
5. Conclusion.

1. INTRODUCTION.

Having theorized the CMP and development, it is now possible to move to a less abstract level of analysis and see how these concepts relate to social formations and national economic systems. In particular, the international capitalist economic system and its component parts can now be investigated as a step towards analysing the relation between social structure and development (and underdevelopment) in the Third World. The major issue in this chapter concerns the appropriate units of analysis.

2. UNITS OF ANALYSIS.

Two approaches have been adopted in conceptualizing the relation between the CMP and units of analysis. The first sees the international economy as coterminous with the CMP; the second effectively limits the CMP to First World social formations, and sees Third World social formations (or at least a group thereof) as constituting a unique mode of production.

2.1 "The international capitalist system as coterminous with the CMP".

The Frankian approach to the place of the CMP in the international economy is to conflate the two into a single unit of analysis. For Wallerstein (1974:77) and Frank (1969a, 1969b), the dependence of producers on the market links them together internationally and they thereby become direct and equivalent participants in the international capitalist system.⁽¹⁾ However, this view detracts from the particularities of the **articulation** of the CMP with external **non-capitalist** relations at the

various Moments of production (see Mouzelis, 1979b:43; Foster-Carter, 1978:239). Differences between the "trees", so to speak, are hidden by their intertwined foliage.⁽²⁾

The Frankians cannot properly explain why – if it is the CMP that characterizes First and Third World alike – the two are so different economically? Why do the underdeveloped social formations not follow the developmental tendencies of the CMP as these operate in the developed countries? (Roxborough, 1976:119/20). As Dos Santos (1969:75) asks about the Third World:

How can one characterize such a system of production? Is it a particular case of capitalism, a completely different mode of production, or a system in transition towards capitalism ... ?

Indeed, such have been the differences between developed and underdeveloped social formations, that some writers have seen the latter as exhibiting a mode of production *sui generis*, complete with its own system dynamics.

2.ii. "Each social formation as a unique mode of production".

From the Frankian position of identifying the international capitalist economy with the capitalist mode of production, I now turn to the other extreme where modes of production are located at the same unit of analysis as social formations, and a unique mode of production is attributed to each social formation (or group of similar formations). For example, a concept of a "colonial mode of production" has been advocated to cover certain Third World social formations (see Alavi, 1975; Cardoso, 1976; Banaji, 1972). There has also been an attempt to utilize the concept of a "settler mode of production" (see Biermann and Kössler, 1980).

In this approach, the international economy is seen as an aggregate of its (highly) different units. However, as Roxborough (1976) warns, this type of approach can lead to an uncontrolled proliferation of modes of

production.⁽³⁾ It becomes difficult to see similarities between relations of production in different social formations - i.e. which "trees" are of the same "species". The concept of a colonial mode certainly emphasizes the difference and specificity of the Third World, but at the cost of obscuring its similarity to the First (viz. the CMP dominant in both).⁽⁴⁾

In addition, the stress on the parts (social formations with unique modes of production), independently of the whole (the international capitalist system), gives us nothing about the relations between the parts. This is to "see the trees without the wood". It implies that any articulation between the parts is an articulation of independent units. Yet many writers have argued that Third World economies are better seen as parts of the First (see Ehrensaft, 1971). Foster-Carter (1978:230) calls them "part-economies", while Mouzelis (1979b:34) describes them as dependent appendages of the metropolitan economies. Amin (1974:289) goes so far as to question whether they are national economies. He argues that a national economy only really exists when it constitutes a relatively autocentric and integrated economic space where growth is diffused throughout. In contrast, underdeveloped economies do not have internally integrated sectors because they are integrated with entities whose centre of gravity is in the economies of the "centre".

From these arguments, I take it that social formations are not isolated autochthonous entities; rather there are very important linkages with each other.⁽⁵⁾ The problem is therefore to capture the way in which social formations are meaningful units in a wider international economic system - i.e. to discover what their effectivity is within the integrated whole. This will help give part of the answer as to why, if Third World economies are "appendages" of the capitalist First, they remain different - i.e. underdeveloped instead of developed.

3. THE CMP AT THE CENTRE AND PERIPHERY.

I would argue that the units of analysis in the international whole can best be analysed by identifying one single mode of production (viz. the CMP) as dominant throughout the international capitalist economic system, though still having a different form and different articulations in each social formation. Taking a single social formation, this means that its major mode of production in a is not unique or separate, but the same as – and linked to – that prevailing in a number of other social formations, despite secondary differences that may exist in each case.

It would seem useful here to follow Foster-Carter (1978:23) who says that it is necessary to distinguish abstract capitalism (i.e. the general concept of the CMP) from its concrete form in different national capitalisms. In my view, the different national forms are explainable in terms of several factors including:

- (i) the specific class forces and state in each social formation;
- (ii) the different articulation with the CMP at Moments A, B and C within and between each social formation; and
- (iii) the specific non-capitalist elements in each situation.

These will now be discussed in more depth.

(i). One of the reasons for the concrete differences in the CMP around the world is the role of the state and classes in a given social formation. Thus, for example, Kaplan (1977:97/8) describes how state and class factors may enable one part of the international capitalist mode of production to dominate other parts – resulting in metropolitan and colonial characteristics. Mamdani (1977:108) speaks of the specificity of capitalism under colonial conditions – a capitalism which is distinct precisely because it is not a properly **national** capitalism.

(ii). Within the CMP itself, differing articulations between Moments (within and across social formations) also explain the differences between the CMP in different cases. Thus for Dos Santos (1969:72) underdevelopment is neither a state of backwardness prior to capitalism, nor is it pure capitalism. Rather it is a consequence of capitalism constituting a particular form of capitalism: "dependent capitalism".

Most writers seem to share this general perspective, but prefer to use the concepts of "capitalism at the periphery" and "capitalism at the centre". For example, Furtado (1964) says that the Third World is not in a transition stage from pre-capitalism to capitalism, but a particular modern form of capitalism and an integral part of the world capitalist market, i.e. it is "peripheral capitalism". Amin (1974:35) holds that the transformation of pre-capitalist social formations integrated into the world system is not to the CMP in general, but to "capitalism at the periphery".

This form has its own specific tendencies regarding development because it is the CMP based on an external market (ibid:39). It is distinct from the CMP at the centre which is based primarily on an internal market.⁽⁶⁾ Amin therefore argues (correctly) that the international capitalist economy cannot be analysed simply in terms of the CMP in general. Rather, its two concrete forms must be taken into account: the CMP at the centre and the CMP at the periphery.

(iii). A further point affecting different national forms of the CMP is its articulation with non-capitalist relations. Here it is argued that the CMP at the centre tends to become exclusive, whereas in the periphery it is predominant, but not exclusive (Amin, ibid:5,38).⁽⁷⁾ This point about central CMP exclusivity needs, however, to be qualified. The CMP certainly is the primary and most extensive form of production in the centre. But it is not **exclusive** to the extent that capitalist relations and forces of production are the sole production relations there. For example, the CMP in the centre still articulates – via heterogeneous relations of production – with merchants and bankers, with housewives engaged in domestic labour and as described in chapter twenty-six with simple commodity producers.

This does not negate the general point, however: the CMP at the centre is far more widespread in comparison to the CMP at the periphery (hence the different market structures), and it is the peripheral formations which are really the hybrid economic systems (Furtado, 1964:36). The significance of these arguments is that a peripheral social formation in particular cannot be seen as constituting a single mode of production: it is an economic system that involves the CMP articulating with a diversity of external production relations. The notion of a mode of production *sui generis* for each social formation (as discussed above) obscures not only the nature of the real dominant mode, but also the existence of other production relations within a social formation. Differences between social formations in the international economy are thus not only within the national forms of the CMP, but also in the economic relations that it articulates with in each case.

In the light of all the above, I would distinguish between the CMP and capitalism. Capitalism – at both the centre and the periphery – refers to an **economic system** (see chapter seven) dominated by the CMP, notwithstanding important structural differences between central and peripheral capitalist economic systems (see below).

4. CRITIQUE OF DEPENDENCY THEORY'S UNITS OF ANALYSIS.

It is worthwhile pointing out here that it is precisely the three points made above (class forces, internal CMP articulation and CMP-external articulation) that dependency theory tends to overlook; hence its inability to properly explain the different character of First and Third Worlds (not to mention variations within each).

As Mouzelis (1979b:45) says, "dependence" is a vague concept. Indeed,

this is so much the case that it is hard to distinguish between dependency within the CMP only (be this the CMP within or across peripheral or central social formations), and dependency across a spectrum of diverse economic forms in a given social formation. This lack of precision is an obstacle to analysing how dependence relates to development and underdevelopment.⁽⁸⁾

Similarly, the way that dependency theory conceptualizes exploitation and surplus is so general as to obliterate differences within the economic relations of a structure of underdevelopment (Taylor, 1979, cited by Mouzelis, 1980:382/3). There is a uniform hierarchy of metropole-satellite exploitation upwards and outwards with no distinction between the diverse relations involved (see Foster-Carter, 1978:211; Booth, 1975:79). Thus, amongst dependency theory's blindspots, there is the admixture of economic relations within international (and national) capitalist economic systems.

The dependency concepts of centre-periphery and metropole-satellite are used to refer both to classes and systems (eg. urban centres) – and this collapsing of spatial and social relations under the same concepts points to a lack of concreteness (Mouzelis, 1979b:43; Barnett, 1977:23).⁽⁹⁾ The concrete differences between CMP relations and non-CMP relations, and their articulation at various Moments of production are lost sight of. The conflation of class and spatial relations further detracts from the specific role of classes and the state in determining differences between national capitalisms. The important distinction between exploitation in Moment B and Moment C (see chapter five) is ignored by Frank.

Luton (1976:573) says that the question is not whether Frank's position is too general, but whether it is logically possible to move from it to more specific situations. Given all the criticisms above, it would seem that without the addition of more analytical theory, the answer is negative. It is significant that dependency studies have generally failed to look at the impact of global processes at the local level (Bodelman and Allahar, 1980:460; Oxaal, Barnett and Booth, 1975:2/3). Foster-Carter

(1978:211/2) says that dependency is a macro-framework and it is difficult to operationalize metropole-satellite linkages: for this, the concepts of articulation of different economic relations are required. I agree broadly with this point, and in chapter nineteen I attempt to synthesize these concepts with the dependency approach. On its own, dependency theory is inadequate for pinpointing the distinctions between units of analysis within the international capitalist system.

5. CONCLUSION.

In looking at the CMP in contemporary social formations, two errors need to be avoided. The first is to brand every social formation, and every production relation in it, as uniformly and equivalently capitalist. The second error is to go to the other extreme and lose sight of the CMP existing in and across several social formations, seeing in its place a unique mode of production in each social formation.

Instead, it is possible to recognize the existence of an international capitalist economic system in which the CMP exists in (and across) many social formations. Differences between these social formations depend on the specific state and class forces; the specific character of the CMP; and the articulation of diverse production relations. These three factors are sufficiently different in First and Third Worlds to constitute two qualitatively different types of **economic system: capitalism at the centre and capitalism at the periphery**. These two units of analysis exist as economic sub-systems within a wider unit, viz. the international capitalist economic system.

There is an important distinction between these sub-systems. In the centre, the social formations **each** generally constitute an effective economic unit; and in addition, they collectively constitute a broader (united and integrated) economic system. The "central capitalist economic system" is the outcome. In contrast, peripheral formations neither singly

nor jointly constitute properly effective economic systems. This does not mean, however, that — considered individually — they do not constitute an economic unit at all: on the contrary, each makes up a definite **structure and economic system of underdevelopment**. Precisely because of this, one cannot — when considering them jointly — meaningfully speak of a “peripheral capitalist economic system” in the singular. Rather, it is necessary to refer to “peripheral capitalist economic systems”.

To understand these different units of analysis requires discussion of the articulation in the international capitalist economy, and this is the topic of the next two chapters.

ENDNOTES

1. For Frank, this is based on the transformation of diverse relations of production into production for exchange (Banaji, 1980:514).
2. The pitfalls of this approach can be clearly seen with regard to the Frankian argument that the American South was capitalist because it was integrated into the world market and produced for profit (see Banaji, 1980:516). The problem is that if the South is called capitalist, it is difficult to explain why its social relations impeded the development of capitalist features at all Moments of production. While the CMP tends to lead to industrialization, in the South, reinvestment led to only quantitative extension of existing means of production, and not through qualitative development involving new means of production (Hindess and Hirst, 1977:150-2). The situation is better explained as the South having a slave mode of production subordinately articulated to the CMP through the international division of labour and world market (ibid:161).
3. Indeed, why stop at each type of social formation having its own mode of production — why not each local or regional economy within a given social formation? This kind of approach makes the same error as Wallerstein (i.e. confusing modes of production with economic systems) — but at a smaller unit of analysis.
4. Colonialism is primarily (though not exclusively) a political relationship. To be sure, it has crucial economic implications, but contrary to the notion of a colonial mode of production, colonial relations — even when reduced to the economic level — do not in themselves constitute a mode of production because there is no articulated combination of definite and corresponding relations and forces of production (Hindess and Hirst, 1977:199/200).
5. At the very least, there are connections like international communications, influence of international organisations, terms of exchange, transfer of technology, trade relations and international debt —

which affect even the most local units of production (Heyer et al, 1980:- 2/3). The Marxist principle of keeping sight of interconnections when studying individual things (see chapter one) sensitizes one to this reality.

6. To qualify this somewhat, (without pre-empting the later discussion), the "internal market" of the central social formations is not necessarily internal to each **individually**. Rather it is internal to the broader central economic system as an effective economic unit. Thus, trade among the advanced capitalist social formations is far greater than trade between them and the peripheral formations. In contrast, the CMP in the periphery articulates with a market that is external not only to the specific peripheral social formation concerned, but external to all peripheral formations.

7. Obregon (1974:394-8) makes similar distinctions. For him, under-developed formations are very particular "peripheral formations" which are fundamentally, but not homogeneously capitalist. The whole structure is characterized by dependency and subordinate articulation within the international capitalist system.

8. I leave aside here the question of dependency in a non-capitalist context and whether for example, dependence in a socialist economic system is different in nature to that within or linked to capitalism (Berger, 1976:75; Dos Santos, 1969:78, footnote 15).

9. Frank has an image rather than an analysis of exploitation (O'Brien, 1975:27, footnote 40).

CHAPTER SIXTEEN
ARTICULATION WITHIN THE INTERNATIONAL CAPITALIST SYSTEM

1. Introduction.
2. The CMP side of the articulation.
 - 2.i. Genesis of the CMP.
 - 2.ii. Expansion of the fully-fledged CMP.
3. The non-capitalist side of articulation.
4. Articulation transforming non-capitalist elements into capitalist ones.
 - 4.i. Commoditization.
 - 4.ii. Monetarization.
 - 4.iii. Commercialization.
 - 4.iv. Proletarianization.
 - 4.v. Capitalist class formation.
5. Conclusion.

1. INTRODUCTION.

This chapter looks at the articulation of the CMP with non-capitalist economic elements in the international capitalist system. As a phenomenon creating a patterned linkage of economic structures, articulation constitutes new relations. There are two different dimensions to this: firstly, as it relates to the different Moments of production, and secondly the relative contributions that different structures make in an articulation relationship (see Taylor, 1979 in Mouzelis, 1980:362). This chapter analyses these issues, and highlights several key factors which are taken up again in more depth later in this thesis. Historically, the nature of capitalist articulation and the consequences for the pre-capitalist side has been a function primarily of the CMP and only secondarily of the pre-capitalist structures (Bradby, 1975:127), and I thus begin by analysing the CMP side of the articulation.

2. THE CMP SIDE OF THE ARTICULATION.

CMP articulation has often involved the transformation of the pre-capitalist side through undermining its reproduction, system dynamics and class relations, and recombining aspects of these into new capitalist relations (Friedmann, 1979:162). It may be noted here that the tendency of

CMP articulation to develop through transformation is by no means automatically given. Firstly, underdeveloped economic systems are characterized by restricted development of the CMP (especially in agriculture - see chapter twenty-five). And, secondly, where the CMP does articulate, the phenomenon of "conservation-dissolution" rather than transformation may occur. (See next chapter).

In order to analyse CMP articulation, it is important to examine what is involved for the CMP to come into articulation with other economic forms. The CMP involves a general tendency to expansion. The question is, what causes the CMP to expand extensively into economic systems **outside** the CMP, and not only intensively within the CMP?

I follow Bradby (1975:127) here in rejecting any attempt at a general theory of this historical phenomenon. Bradby reviews and rejects the possibility of general laws such as that the CMP needs to export capital (to counter the falling rate of profit) to non-capitalist economic structures, that the CMP requires labour-power from other modes, and that the CMP needs non-capitalist markets. She argues instead that capitalism has different demands at different development periods and local conditions. While concurring with this, I would also argue that one can still pinpoint the **general features** of extensive capitalist expansion and the associated articulation.

In this light, the spread of capitalism can be defined, following Halliday (1979:104), in terms of: (a) the development of commodity relations in production inputs and outputs, (b) the growth of a home market, with commodity exchange between agriculture and industry, and (c) the growth of a capitalist class structure. In the terminology of this thesis, Halliday's points encompass Moment C (distribution and utilization), and Moment A (possession and separation). To this analysis, we can add the need for capitalist relations in the labour process (Moment B), as well as the system dynamic of competition and the associated dynamic of

commercialization, and the reproduction of these relations. It will be clear below that these apply to both the genesis of the CMP and subsequent articulation as a fully-fledged mode of production with non-capitalist economic elements.

2.i. Genesis of the CMP.

Applying this theorization, it is evident that the elements which were to constitute the CMP inevitably involved articulation with non-capitalist structures. For example, proto-capitalist labour processes, depended on outside supplies — means of production and wage-goods. They also depended on external structures for markets, and thereby on the level of surplus labour and exploitation in these structures. In these respects, they constituted a heterogeneous relation of production with Moment B dependent on non-capitalist relations of distribution and utilization, and therefore on non-capitalist relations of exploitation, possession and separation. Regarding the genesis of other relations of the CMP (eg. accumulation of wealth at Moment C through control of pre-capitalist production, distribution and/or utilization), again heterogeneous relations of production were involved. Capitalist relations at Moment A (i.e. separation of the producer from the means of production and their concentration in another class) may also prefigure the CMP as such, articulating in a heterogeneous relation with a range of non-capitalist relations at Moments B and C.

Transition towards the dominance of the CMP at the centre historically has involved the expansion of commodity production and exchange between capitalist units, and the development of the internal capitalist market to dominance in the economic system as a whole (Hindess and Hirst, 1977:305). This comes about in part as the CMP expands intensively, developing its own market through commodity specialization and producing its supplies within itself (Bradby, 1975:129; Ennew et al, 1977:298). It is also achieved by transformative articulation with non-capitalist relations. Thus, as noted

in chapter twelve, the CMP's internal market historically has been an aspect of the growth in the supply of wage-labourers dependent on commodity exchange for their reproduction (Dobb, 1962:26). The development of the internal market was, further, not only in wage-goods, but also in means of production (Amin, 1974:156). For these reasons, the development of the CMP at Moment C is bound up with the transformation of non-capitalist relations of possession-separation at Moment A into capitalist ones.

2.ii. Expansion of the fully-fledged CMP.

While the CMP once fully constituted is able increasingly to expand internally, it still tends to articulate with non-capitalist labour processes, thereby creating heterogeneous relations of production with them. Primarily, this is through Moment C, where one of the factors behind this articulation is the CMP's quest for markets to realize the surplus value embodied in its commodities. Although Luxemburg (1951) (writing in 1915) incorrectly deduced an absolute structural necessity for the CMP to trade with non-capitalist structures, there is an undeniable historical CMP tendency to reach out to these through exchange.

Extensive expansion of the CMP may also be through articulation whereby the CMP introduces its own labour processes or transforms existing non-capitalist ones. This is largely through industrial capital investment in, and joint ventures with, other economic structures — though finance capital also plays a part (see Palloix, 1973). The system process behind this phenomenon is imperialism understood as the export of capital in the era of monopoly capitalism. Writing in 1916, Lenin (1964) argued that in order to combat the falling rate of profit, the CMP invests in the non-capitalist underdeveloped areas. In these areas, the higher rate of absolute surplus value exploitation, and the lower organic composition of capital helps to offset the falling rate of profit. While both theory and data in this view are controversial (see Gallagher and Robinson, 1953;

Fieldhouse, 1967; Emmanuel, 1972b), it is not necessary to enter the debate here. Suffice it to say that the CMP historically does seem to have had a tendency to expand and articulate with non-capitalist structures through extensive investment.

In all this articulation, it is important to distinguish the unevenness in the parts of the CMP that articulate with other economic structures. There may be, for example, unevenness with regard to cash, commodities and labour-power and particular types of the latter two (see Radice, 1975:17, footnote 14). Articulation may also involve different fractions of classes in the CMP: for example, with the competitive, monopoly or international bourgeoisies and this is important for development and underdevelopment (Maré, 1977:5). For example, in underdeveloped social formations, the CMP had a very particular character: it was monopolistic right from the start, and of a commercial rather than industrial bias.⁽¹⁾

As discussed in more detail at the end of this chapter, there is also the point that the articulation may be indirect and occur primarily through non-economic structures such as the state. This is particularly evident in the way that capitalist relations of possession and separation are established, and in the various strategies used to develop pre-capitalist and even wholly new non-capitalist production in the periphery in the interests of the CMP. Indirect articulation is also evident in peripheral capitalism where the dominant capitalist class is absent, and dominates these social formations through intermediaries (Amin, 1974:360; Cabral, 1969:81).

These are points that can be made about internal dynamics of the CMP within the international capitalist economic system which are relevant to articulation. I now turn to the non-capitalist side of articulation.

3. THE NON-CAPITALIST SIDE OF ARTICULATION.

Rey (1973, cited by Bradby, 1975:145) holds that the difference between the developed and the underdeveloped countries lies not in the CMP

side of the articulation, but in the pre-capitalist side. Although Rey is too one-sided,⁽²⁾ his emphasis draws attention to the internal dynamics of the non-capitalist side (see also Friedmann, 1979:180). This means looking at: the principal relations of production (with relevance at Moment A); how surplus labour is appropriated (Moment B); and (at Moment C) how the product circulates, for what purpose wealth is accumulated, and how the division of labour is organized (see Bradby, 1975:130). It is significant, for example, that some non-capitalist modes of production tend to be a passive, non-initiating partner in articulation with the CMP especially when they have only **simple**, and not **expanded**, reproduction (see chapter five), and therefore lack a tendency to expansion and generalization (Terray, 1974:334).

Luxemburg (1951) used the term "natural economy" to designate the characteristics of pre-capitalist modes of production that were essentially opposed to the CMP and which had to be destroyed in order for it to develop. These characteristics are specifically those inconsistent with commodity exchange and expanded reproduction (Bradby, 1975:127/8). For example, much so-called peasant production and reproduction is premised on conditions inimical to the CMP. As Friedmann (1979:175) puts it,

The whole complex of institutions of "peasant" reproduction which resist commoditization must decompose in order for capitalist (or simple commodity) production to emerge. Communal and "pre-capitalist" class relations must give way to mobility of labour and national markets in credit and land.

On the other hand, and **contra** Friedmann, much "peasant" production is commoditized in varying degrees (see chapter twenty-six), and this facilitates articulation with the CMP.⁽³⁾ What also affects the articulation from the non-capitalist side is the nature of its classes, and to what extent they find the articulation complementary or contradictory to their interests.⁽⁴⁾ Resistance from the non-capitalist side to the capitalist is important in shaping articulation.

4. ARTICULATION TRANSFORMING NON-CAPITALIST ELEMENTS INTO CAPITALIST ONES.

Some general points can be made about articulation where the CMP generalizes itself by incorporating and transforming economic forms, i.e. where assimilation implies transformation (Barratt-Brown, 1976:279).

The criteria for identifying when a labour process becomes part of a mode of production have been discussed in chapter eight.⁽⁵⁾ How do these relate to capitalist transformation of non-capitalist labour processes into capitalist ones? There are five basic elements in a process of capitalist transformation: **commoditization, monetarization, commercialization, proletarianization** and **capitalist class formation**. Most of these have been touched on in chapter twelve, but it is important to spell out their significance for articulation here.

Monetarization refers to the spread of money as the universal medium of exchange and measure of value. Commoditization is the production for exchange, and the corresponding circulation of commodities. Monetarization and commoditization serve to integrate the reproduction of a labour process within the CMP at **Moment C**. Commercialization in this thesis refers to the operational principle of increasing profit as an end in itself and this covers the absorption of non-capitalist labour processes into the CMP's **system dynamics**. Regarding **Moment A**, proletarianization is the creation of a class dependent on selling labour power to survive, usually through dispossessing producers of their means of production. The other side of this is the concentration of these means in the possession of a separate class able to hire labour and set production in motion, i.e. the formation of a capitalist class. When the relations in production (**Moment B**) correspond to these class relations, and to this system dynamic and reproductive context, (i.e. with all five elements of transformation noted above), the transformation is total. I will now examine these in more detail.

4.1 Commoditization.

Linkage by exchange is the characteristic form through which different

production relations articulate with the CMP (Foster-Carter, 1978:239). Non-capitalist structures must possess or develop some commodity production in order to articulate economically with the CMP (Amin, 1974:151).

In 1899, Kautsky (1976:4/5) pointed out how commoditization (combined with commercialization) enabled the CMP in the towns to transform agriculture before capital even entered directly into this branch of production. The effect of commodity circulation and commerce was to destroy peasant industry and make rural producers specialize as pure agriculturalists, dependent on the market. In this way, exchange can lead to a division of labour around the CMP.

Articulation by commoditization is not inconsistent with non-capitalist relations. In fact, serfdom often accompanied this kind of articulation (see Dobb, 1962:6, Brenner, 1977:47, 68-73). However, commoditization may mean that the structure of Moment C in the non-capitalist production relations gets progressively undermined. Non-capitalist units of production are reproduced with deepening commodity relations in their reproduction cycle, and a dissolution of previous forms of acquiring inputs and distributing outputs (Friedmann, 1979:162). For a "peasant" household, for example, simple reproduction may come to depend on more and more commodities from outside - products that could not be easily produced on the basis of local socially necessary labour time (Bryceson, 1980:289). This can lead to the unit's gradual separation from most economic ties except from those of the market.⁽⁶⁾ (Commoditization may also affect land, women and labour-power in terms of giving them an exchange value (Cliffe, 1978:342).) In effect, commoditization means an articulation that disrupts and divides internal distribution links between production and consumption in the non-capitalist structures (Mamdani, 1977:77).⁽⁷⁾ This alone does not necessarily lead to capitalist relations of production, however. While it increases dependence on the market, it may also simultaneously increase the independence of non-capitalist producers in relation to the CMP (see chapter twenty-six), thereby blocking further development of capitalist relations.

4.ii Monetization.

Monetization presupposes commoditization. The latter is not necessarily dependent on the former (as can be seen in the case of barter), but the two do tend to go hand in hand eventually.⁽⁸⁾ The cash economy is broader than the capitalist economy, and it mediates extensive articulation between the CMP and non-capitalist relations.

Monetization in the form of usury is seen by Banaji (1980:515) as being an important feature in the dissolution of pre-capitalist modes of production. Marx (1976b:1023) argues that usury does not constitute **formal subsumption** of labour under capital, as the capital involved does not intervene in production. However, as Banaji holds, it does constitute a form of **initial** subsumption of producers to capital. Usury usually relates to small producers possessing their own means of production and controlling their own conditions of labour. Production does not come under capital's direct control, and therefore this articulation does not inherently require the separation of the producer from the means of production for its functioning (Howard, 1980:73; Joffe, 1980:23). But usury may still play an important part in transforming non-capitalist elements into the CMP proper by leading to extensive commodity production on a commercial basis (to pay off debts). It can even culminate in separating producers from their means of production. (In this way, Moment C can act upon and determine Moments A and B.)

Monetization is also significant in that it extends the commodity circuit (and indeed, in the form of taxes, it forces economic structures into this circuit) (Bernstein, 1978:423/4). The cash nexus can set in train a whole process of class formation. For example, lobola, inheritance and property transfers can become monetarized; mutual labour reciprocity through kinship can give way to wage-labour hiring (Cliffe, 1978:327).

4.iii Commercialization.

Commercialization as an aspect of transformation presupposes commoditization and monetarization. It can lead to transformation in the following way. The CMP's system process of competition that leads to expanded reproduction, whereas the non-capitalist structures generally have simple reproduction. When the reproduction of the two structures intersect, and the CMP is dominant, then surplus generation on an increasing scale may become a feature of the non-capitalist structure (Bryceson, 1980:309). And a pre-capitalist mode of production cannot considerably intensify its production without becoming modified (Dupré and Rey, 1973:157).

Although non-capitalist producers may control the production initially, their integration into commodity relations tends to compel them to improve production. Credit relations and market pressures tend to become determinant (Bernstein, 1978:427). The non-capitalist units become increasingly price responsive and market-oriented, and tend to use their surpluses accordingly (Kay, 1981:495). For example, in pre-colonial Uganda, trade was in surpluses and had consumption as its aim. As such it did not dominate and dictate production (Mamdani, 1977:35). However, in the articulation with the CMP under colonialism, the trade-production relationship became reversed - with trade becoming the purpose of production and the demands of the metropolitan market determining what could be produced (ibid:143).⁽⁹⁾

Articulation to a capitalist market does not necessarily create a commercial dynamic in the non-capitalist production - especially not on its own. Commodity production by feudal estates was on the basis of a circuit moving from Commodity to Money to Commodity again; the aim being to obtain particular use-values. Despite cost-cutting by these feudal estates, they did not adopt a capitalist rationale - a spiralling circuit based on Money -> Commodities -> more Money. Consumption of use-values, rather than realization of profit, remained the aim and motive force of the economy (Banaji, 1976a:312; see also Marx, 1976b:1030).⁽¹⁰⁾

4.iv Proletarianization.

The market is wider than the labour market, and it is necessary to examine how transformative articulation extends the latter within the former. The CMP requires at Moment A a separation of the direct producers from the means of production - in other words, their historical dispossession.⁽¹¹⁾ In modes of production with non-industrial means of production, this process is primarily the dissolution of ties to the land (Lewis, 1976:7). (It also, however, applies to artisans and their handtools).⁽¹²⁾

However, it is important to note that although the articulation may involve proletarianization in the sense of separating the producer from the means of production - and thereby the commoditization of labour-power - the CMP may not necessarily incorporate all such dispossessed producers as proletarians. Articulation may destroy the non-capitalist labour processes by transforming Moment A, but fail to develop alternative (capitalist) labour processes at Moment B. Those people in this situation tend to join the marginal pole of the economy (see chapter twenty).

Another important aspect of articulation and transformation at the level of labour is that certain non-capitalist structures - for example, a commodity producing household - may articulate with the CMP by hiring labour-power from it in peak seasons, periods in the demographic cycle and so on (see Friedmann, 1980:79). This type of articulation with capitalist possession/separation relations can be the beginning of a transformation of the non-capitalist structure into a capitalist one. However, the trends may be in the opposite direction altogether, where the non-capitalist structure is transformed to increasingly supply labour-power to the CMP as part of the articulation. Articulation here involves the destruction of the capacity of the non-capitalist relations and modes to be reproduced autonomously.⁽¹³⁾

Even where producers are fully proletarianized and incorporated into capitalist labour processes, it may be noted that the fully developed capitalist mode of production requires that labour power be **mobile**. Labour power, like all other commodities, must circulate within the CMP.

4.v. Capitalist class formation.

Frequently, producers in non-capitalist modes of production end up — under transformation — relating to already-constituted capitalists in the dominant mode. To a lesser extent, there is a transformation of some non-capitalist producers into capitalists themselves. Where this takes place, it is usually in relation to the previous exploiting class either being co-opted into the capitalist class, or defensively transforming itself to capitalist status in the face of the threat of the pre-existing capitalist class in the CMP. Such transformation to capitalist status may occur for example, through kulaks and simple commodity producers expanding via Moment C articulation with the CMP to the point where they accumulate wealth and means of production and start to hire wage-labour. This type of transformation is much prized in developmental literature — but deliberate attempts to engineer it have generally been less successful (see Part J).

5. CONCLUSION.

To the extent that non-capitalist labour processes are transformed in respect of the five elements analysed above, and therefore in respect of their system dynamics, reproduction, and class relations in their Moments of production, they become integrated components of the CMP. This integration may be deepened thereafter by a transition from the status of a formally subsumed variant labour process within the CMP to a really subsumed one (see chapter eight). Such transformation is a process over time, on many "fronts" and development may well be uneven. It is also a process that is far from being universal. While the overall tendency of the CMP's external articulation is to total transformation at the centres, it is restricted and ambiguous in character at the periphery (see next chapter).

This chapter has analysed some of the dynamics of articulation on both the side of the CMP and the side of the relations it articulates with. I have focussed on articulation that transforms non-capitalist elements into capitalist ones. In the next chapter, I concretize this further by examining in detail how the CMP articulates in the periphery.

ENDNOTES

1. In looking at the rise and spread of the CMP via external articulation, it is necessary to distinguish between the different tendencies and counter-tendencies of capital as a whole, individual capitals and branches of capital if we are to avoid bland propositions about the nature of capitalism (Bradby, 1975:127). It is also necessary to take account of the historical period (with determinate political conditions, development of productive capacity, etc.) and the duration of the articulation. In the discussion here, however, I have abstracted from specific empirical and historical processes in order to more clearly highlight the mechanics of articulation.
2. Against his view, and as has been mentioned in the previous chapter, there are substantial differences in the CMP in its character of existence at the periphery and at the centre, and these will be discussed further in the next chapter.
3. It may be noted that the transition in the articulation is not always from a non-market economy to the market of the CMP. The pre-capitalist economy is not necessarily a non-commodity economy (Amin, 1974:138).
4. In Rey's view (1973), the capitalist-feudal articulation saw a temporary alliance between nascent capitalists and the old feudal ruling class, unlike the articulation of the CMP with other forms (Foster-Carter, 1978:223; Bradby, 1975:142).
5. These criteria are when the labour process functions according to the system dynamics of the mode, when it is reproduced within the mode, and when it is integrated with the mode's class relations at Moments A, B and C of production.
6. Alternatively, economic relations may resist commoditization. In this case, they may still specialize in commodity production, but the inputs for reproduction would still be based on mechanisms like reciprocal kinship ties (Friedmann, 1979:163). (Thus two different households may be producing for the market, but their total articulation with the CMP through this is not identical). The significance of resistance to commoditization is discussed in terms of restricted development of the CMP in the next chapter.
7. Mamdani (ibid:66) describes how, for Uganda, internal trade in pre-colonial times linked domestic production and consumption, but the articulation with the export-import trade divorced the two.
8. The existence of such a combination is not, however, enough to constitute capitalization of the economy unless there is also commercialization, capitalist class relations and the setting up of capitalist labour processes (see Amin, 1974:138,142).
9. In terms of the development of commercialization, it is important to look at trends such as the individualization of land and its concentration, modification of labour use to a cash-exchange basis with alienation of the product, expansion and utilization of surplus (Cliffe, 1977:205).
10. This shows up the error in Wallerstein's position (1974) that a commodity-producing feudal enterprise in the world market is actually capitalist.
11. Following Marx (1972, chapter XXV), this is sometimes referred to as

the **real** process of primitive accumulation (Duggett, 1975:167; Bryceson, 1980:280; Brenner, 1977:66-7).

12. The CMP is dominant in the world economic system not merely because it links units within a single capitalist market. It must also be remembered that "the unifying process of the world system of capitalism is the extension of the wage-labour system from the developed centres to the 'underdeveloped' peripheries, for the purpose of gathering surplus on a world scale" (Heilbroner, 1981:38).

13. Rey (cited by Cliffe, 1977:204) points out here that the destruction of rural handicrafts has a different significance from that of destroying subsistence food production. The latter case can still mean that partially proletarianized labour-power can be reproduced by the non-capitalist structure.

CHAPTER SEVENTEEN
ARTICULATION IN PERIPHERAL CAPITALISM

1. Introduction.
2. Limited development of the CMP at the periphery.
3. Dependent articulation within peripheral capitalist economic systems.
4. Conservation or dissolution?
5. Conservation-dissolution.
6. The political and ideological dimensions of articulation.
7. Articulation and new dependent production forms.
8. Conclusion.

1. INTRODUCTION.

Capitalist articulation often leads to the destruction and/or transformation of non-capitalist structures, but this does not always occur thoroughly, unambiguously or universally. As a result, non-capitalist production elements are present as an organic component of the international capitalist system. Third World countries especially have combinations of non-capitalist, semi-capitalist and capitalist relations of production (Mandel, 1975:365; see also Williams, 1977:290; Kollantai, 1970:4).

The explanation for the existence of these non-capitalist elements rests on a number of intertwined factors that are only analytically separated in this chapter. Firstly, non-capitalist features may persist due to the sheer fact of the **limited development of the CMP** in the periphery — especially in agriculture. A second factor is where transformation has been prevented by the CMP itself, and where non-capitalist features have been **conserved (with some changes)** by the economic or political effect of the CMP. A third factor (cutting across those already listed) is that remnants of pre-capitalist production survive through successful economic and political **resistance** to the corrosive and transformative effects of CMP articulation, or are deliberately maintained for political reasons by the CMP. A fourth factor is where some non-capitalist characteristics and elements have grown and flourished in the interstices of a capitalist economic system or even been **deliberately created** by it.

This chapter analyses these factors in greater depth. Their significance for development is discussed in the next three chapters.

2. LIMITED DEVELOPMENT OF THE CMP AT THE PERIPHERY.

The question why articulation with the CMP does not always lead to total destruction or transformation of the non-capitalist relations of production cannot be analysed in general terms. Instead, the differences between the CMP at the centre and periphery mean that CMP articulation needs to be analysed according to its particular character in each.

Historically, the CMP has ultimately been able to destroy and transform most non-capitalist structures at the centre.⁽¹⁾ At the periphery, however, the CMP predominates in the economic system, without becoming exclusive. This centre-periphery difference is in part because the CMP arose in the centre and has had a longer history there than in the periphery. It is also because the pre-capitalist structures of the periphery sometimes proved more resistant to the CMP than did the feudal mode of production in the centres.⁽²⁾ Another reason is the different character of the markets in each. The centre is characterized by the CMP being based on the internal market. This tends to increasing transformation because capitalist relations there are dominant at all three Moments of production. In contrast, peripheral capitalist growth is based on the external market. It is a characteristic of peripheral economic systems that capitalist relations are not completely dominant at all three Moments of production, and the CMP there is often not integrated into a properly cohesive mode of production.

In this light, it is easy to see why Mamdani describes the CMP in colonial contexts as dominant but not prevailing. For Baran (1952:143), the intrusion of capitalism into the now underdeveloped countries accelerated the maturing of some of the pre-requisites for the generalization of the CMP, but blocked with equal force the ripening of others.

Because of the external market in the periphery, pre-capitalist structures are not fully commoditized, but rather partially transformed and subjected to the CMP of the centre as external structures. Transition to total transformation is blocked (Amin, 1974:38; Mouzelis, 1979b:38). (The concrete mechanisms of these processes – such as monopoly, dependence, etc. – are discussed in the next chapter.)

Consequently, the CMP in the Third World differs from the CMP in the First World, because it is "restricted and uneven" (Taylor, 1979, cited in Mouzelis, 1980:361). Its growth is geared to the reproduction needs of the CMP in the First World, and it does not therefore have a tendency to become generalized locally. Substantial non-capitalist elements still articulate to the CMP in the periphery, and the CMP's integration and subsumption of its own capitalist labour processes is uneven (ibid:363/4).

Thus the dissolution of the pre-capitalist modes of production as full **modes** does not mean an automatic and immediate generalization of the CMP (Mamdani, 1977:141).⁽³⁾ In Latin America, the transition in the articulation led to the dominance of the CMP, but it was not completed (Kay, 1981:487). Amin (1974:380) remarks that, particularly in agriculture, the transformation of pre-capitalist relations into capitalist relations in Egypt and Latin American countries often remained unfinished. Indeed, capital often seems to shun direct involvement in agriculture for reasons relating to the character of this branch of production (see chapter twenty-five). Given the predominantly non-industrial character of much of the periphery, it is not surprising that much non-capitalist production remains untransformed by the CMP. I turn now to the relationship between the (restricted) CMP and non-capitalist elements in the periphery.

3. ARTICULATION WITHIN PERIPHERAL CAPITALIST ECONOMIC SYSTEMS.

For Furtado (1964:36), the Third World is made up of hybrid economies where a capitalist nucleus co-exists with, and rarely modifies, archaic

structures. But this idea of simple co-existence is not shared by the majority of writers on the question. The fact that the CMP is externally oriented in the underdeveloped countries does not imply that there is **no** articulation with local non-capitalist forms.

Dependency theorists argue that underdevelopment cannot be explained as a case of isolated and backward pre-capitalist structures (Dos Santos, 1969:75). The retardation of capitalist relations does not mean that **non-**capitalist economic structures retain their pristine **pre-**capitalist form or function (Cliffe, 1976). The Frank school's rejection of the view of enclaves of capitalist development amidst undisturbed pre-capitalist forms is correct in this regard. The situation is not a simple juxtaposition of capitalist and pre-capitalist elements, and the latter is, strictly speaking, no longer **pre-**capitalist. But, contrary to dependency theory, neither is it **capitalist**.⁽⁴⁾ This is where articulation theory enriches dependency theory by drawing attention to the way that peripheral capitalism is characterized by a **variety** of relations of production, including **non-**capitalist elements externally articulated through heterogeneous relations to the CMP. It is thus important to distinguish between dependency **within** the CMP (the peripheral capitalist relations on the central capitalist relations), and dependency "across the board" of the underdeveloped social formation — i.e. including the dependency of non-capitalist relations on capitalist ones.⁽⁵⁾

Although not capitalist, these non-capitalist elements still have an important relationship with a dependent CMP (Amin 1974:159). While articulation theory enriches dependency theory as discussed above, the latter can now be shown to enrich the former through its arguments against "dual-economy" perception of articulation. It does this by highlighting the linkages and the dominant-dependent character in the articulation between the CMP and non-capitalist structures. Fine threads link the different economic "sectors" and systems (Barratt-Brown, 1976:264). As

Mouzelis (1979a:351) is at pains to stress, this involves strong negative linkages such that resources are transferred from the non-capitalist to the capitalist structure, and from there often abroad. In my view, these linkages are what constitute a peripheral capitalist economic system.⁽⁶⁾ I turn now to examining the tendencies and processes in this peripheral articulation. In this, I consider the way in which the CMP may conserve (with some changes) aspects of non-capitalist production; be unable to transform other aspects due to resistance by non-capitalist producers — and unwilling to change some aspects also for political reasons; and create new forms of non-capitalist production altogether.

4. CONSERVATION OR DISSOLUTION?

Numerous writers have analysed the role of the dominant capitalist mode of production in influencing and undermining the reproduction of non-capitalist relations (see, for example, Long and Richardson, 1978:11). But there is controversy over the character of this articulation.

Writers like Frank (1969:), Arrighi (1971) and Kay (1975) contend that the CMP in the periphery tends to develop through rather than against non-capitalist relations (see also Greussing and Kippenburg, 1975/6:127; Halliday, 1979:117). For Mandani (1977:138), articulation is best seen in terms of the "substance" of pre-capitalist structures being determined by the accumulation needs of the CMP. This tends to imply that it is the CMP itself which is responsible for the persistence of these structures. This general idea has been rejected by Banaji (1980:515) who holds that the CMP does not co-exist with, maintain, intensify or develop through non-capitalist structures. For him, the CMP's inherent tendency is to dissolve and transform these structures completely into capitalist ones (ibid:514).

Underlying Banaji's view is a particular type of analysis that is also evident in the work of Rey (1973). Both see the CMP as homoficent — i.e. as universally doing the same thing and having the same effect — in this

case, the CMP as inevitably **destroying** antecedent modes of production. (For Rey, one can only call an economic structure by the same name if one accepts its homoficence) (Foster-Carter, 1978:230/1). I do not entirely agree with this homoficence argument, but the main question is: are Rey and Banaji correct about the particular homoficence that they attribute to the CMP, namely destructiveness?⁽⁷⁾ Peripheral articulation does seem to be different to the ultimately destructive-transformative articulation that Rey and Banaji hold as essential to the CMP. But for them, there should be no **fundamental** difference between the CMP at the centre and the periphery. I argue that there is a difference, and I motivate this below.

Bradby's position (1975:129) is to assume "neither universal destructiveness on the part of capitalism, nor a general tendency towards the preservation of pre-capitalist modes of production". She says that one needs to discover what historical conditions lead to either of these tendencies predominating in particular cases. It is true that it is at this level that the question must be ultimately resolved. But a number of valuable observations and theoretical generalizations have been made from empirical analyses of this sort, and I turn now to considering them. What they show is that the CMP does not develop simply through or against non-capitalist relations, and nor does it simply preserve or destroy them. As a general point, CMP articulation contradictorily comprises **all** aspects, and whether any one tendency prevails is an issue linked to whether the articulation occurs in the centre or periphery. In addition, the generalizations also show — contrary to what the debate about "what the CMP does" would imply — that although the CMP may be the most powerful force, the non-capitalist relations are certainly not passive in the articulation. (These points are also analysed more concretely in Part H).

5. CONSERVATION-DISSOLUTION.

In its external articulation at the periphery, the CMP has had an

ambivalent effect. With its primary articulation being the CMP at the centre, it is (as discussed above) limited in its articulation within the periphery. It thus tends to involve **simultaneous** dissolution and conservation. Thus in the Third World, pre-capitalist forms have been undermined and perpetuated at the same time (Meillessoux, 1972:103).⁽⁹⁾ "Conservation-dissolution" (Bettelheim, 1972:297) is thus not a case of conservation juxtaposed with dissolution, but a combined process (with possible emphases in either direction).⁽¹⁰⁾

Capitalist transformation involves imposing its system dynamics on non-capitalist elements, making their reproduction dependent on it, and transforming their class relations (at all Moments) into capitalist ones. But especially in peripheral social formations, it sometimes happens that after transforming some features of the non-capitalist elements, capital has not gone on to transform the others. On the contrary, total transformation in some cases – and depending on the time period involved – would even have been counter-productive for the CMP. (This is especially the case with non-capitalist production which may subsidize the CMP – as was the case with the early role of the African reserves in South Africa (see Wolpe, 1972; 1975).⁽¹¹⁾

Mamdani (1977:138) points out that instead of destroying pre-capitalist modes outright, colonial capitalism restructured their class relations (without wholly transforming them), and conserved them in a **dependent** relation. Their new function within the whole – in the interests of capitalist accumulation – went hand in hand with them incorporating a capitalist system dynamic. According to Obregon (1974:399):

the combination of imposed metropolitan capitalism and pre-capitalist relations happens under the hegemony of the former. Consequently, the relations of production do not just "persist" or "survive", but are continuously assuming new functions and characteristics within the whole.

In Mamdani's study of Uganda, for example, feudal forms of exploitat-

ion remained at Moment B, but the serfs became tenants producing in a heterogeneous relation of production for a merchant class involved in export activity (a restructuring of Moment C). Although the process of production was the same physically (hoe cultivation) and socially (the family unit of production with possession of the means of production — except land), the purpose was no longer for use, but for trade (a change in the system dynamic) (1977:138/9,143; see also Amin, 1974:360).

These observations are important because, as Cliffe (1977:203) points out, there is a tendency to imagine that because much African farming still uses simple techniques and is on a family scale, that the relations of production have not effectively changed from pre-colonial days. But in East Africa, even those who seem remote and backward are not free of articulation with the CMP. Producers are often not free of paying cash for tax, schooling, means of production, food and clothing. For this they have to sell something — if not products, then labour-power. They enter into new (heterogeneous) relations of production by taking part in exchange.⁽¹²⁾

The process has been described as the establishment of the dominance of the CMP "directly within the dominated social formation" and as involving "systems of co-optation" in which traditional classes are conserved—dissolved to execute the domination (Lewis, 1976:28).

6. THE POLITICAL AND IDEOLOGICAL IN CONSERVATION-DISSOLUTION.

So far, I have concentrated on the economic level of articulation, but economic relations exist in the context of political and ideological conditions of existence in concrete social formations. Economic articulation certainly has ramifications on other aspects of society. For example, regarding labour mobility, "since immobility of labour is often politically enforced ... and ideologically justified, the transformation of peasant production involves a comprehensive reorganisation of basic social institutions" (Friedmann, 1979:175).

Transformation of a "natural economy" into a capitalist one is never adequately secured by economic mechanisms alone, and the state (particularly the colonial state) often plays an important part (Amin, 1974:143). This has been discussed in more detail in chapter fourteen. Thus the transition from feudalism to capitalism has involved a transformation in the representation at the political level (Hindess and Hirst, 1977:307). However, the pre-capitalist classes have also sometimes resisted articulation (or its terms) and attempted to use the state to defend and advance their interests. Thus small French peasants maintained their status between 1870 and 1958 by political means. They would otherwise have been transformed (through capitalist competition) at a much faster rate (Dupré and Rey, 1973:158). African producers have a long history of resisting articulation that threatens their control over production (see chapter thirty-six).

The role of the state in articulation can be very significant because it can represent the CMP and establish capitalist dominance even when the mode is not physically present (Mamdani, 1977:147). The success or otherwise of destruction and/or transformation of non-capitalist elements by the CMP is highly dependent on the social and class structures involved, the degrees of class organization and strength, class economic strategies, and class relations to the state.

"Conservation-dissolution" should not be seen simply as a function of the economic power of the CMP. Political (and economic) resistance of pre-capitalist classes has often played an important part in the persistence of non-capitalist production features. Bettelheim (1972:297-8) holds that where the CMP is involved in external articulation with non-capitalist elements at the centre, it has tended to lead to their dissolution and complete transformation. In part this is a question of time-scale and historical period, but largely it is a function of the historical constitution of extensive capitalist class relations there. It is the case that transformation has not been complete and that domestic labour and simple

commodity production still persist in the centres (although certainly not separately from, and untouched by, the CMP). For a number of reasons (see chapter twenty-six), these production relations have been relatively resistant to the CMP's dissolution-transformation tendencies — although increasingly they are being eroded by them. While this is not the place to enter into the issue, I would argue that it is not so much the case that the CMP has been responsible for conserving them, as they have been able to preserve themselves.

Resistance has often led to articulation taking very violent forms — as in colonial domination (Rey, 1973, cited by Bradby, 1975:147). CMP response to this resistance has often led to another dimension of conservation-dissolution whereby the dominant class in the CMP develops and supports allies within the pre-capitalist classes (Mamdani, 1977:41, Ranger, 1968:443). Thus the persistence of some "pre"-capitalist elements may be partly explainable in terms of the specific aims of the capitalist class in the articulation (Kahn, 1978:123). The colonial state has played an important role here (see chapter eighteen). Indirect rule has been the main form of this, and it has accompanied merchant capital's role in conservation-dissolution, a role that is worth examining more closely.

On the one hand, a merchant class affects production by giving it more and more the character of production for exchange. Through this, the effects of competition are brought to bear on production — enforcing a socially average labour-time for the production of the various commodities, and therefore influencing the rate of exploitation. All this tends to restructure the relations in production (Kay, 1975:94; Bryceson, 1980:285). On the other hand, however, merchant capital also has a conservative effect because it depends on the existing class structures for the execution of production (Marx, 1973:586/7, quoted in Banaji, 1976a:301; Kay, 1975:95). (The role of merchant capital is further analysed in chapter twenty-one).

In this situation, the direct and indirect exploitation by the CMP is

disguised beneath the earlier institutional relations such as kinship, patronage and community spirit. Some survivals may thus be the consequence of the way these traditional cultural devices are deliberately preserved to increase the rate of exploitation (Smith, 1979:287). Other "superstructural" survivals are retained by the pre-capitalist classes because they perform new functions for them - for example, tribalism in a modern urban context (Kitching, 1972:336). For Muratorio (1980:40,56), the concept of ideological articulation enables one to see that the ideological and cultural "survivals" are not pure persistence of tradition. Rather than complete incorporation or elimination of pre-capitalist ideological traditions, there is selective maintenance.

7. ARTICULATION AND NEW DEPENDENT PRODUCTION FORMS.

In peripheral capitalist economic systems, the generalization of the CMP has not only tended to be incomplete, but has also been accompanied by an expansion of dependent and even sometimes new production forms which result from the restructuring and subordination of former pre-capitalist relations (Kay, 1981:487). Obregon (1974:403) describes such a situation in his concept of the marginal pole of the economy (see chapter twenty) where antecedent production forms exist and expand in new modes of articulation with the overall economic structure (see also Tsoucalas, 1979:-126).⁽¹³⁾ Kautsky (1976:204) went so far as to hold that the same economic elements may not only take on a different function from their articulation with the CMP, but assume a new lease of life (see also Cliffe, 1977:204).

The CMP can sometimes create economic forms *ex nihilo* (Laclau, 1971, cited by Foster-Carter, 1978:213; 231/2). An example here would be slave plantations - created by the needs of capitalist industry and the growth of the world market (Hindess and Hirst, 1977:151). Indentured labour would be another instance. In this vein, feudalism in Latin America and slavery in North America - have been called "pseudo" modes of production created by

merchant capital in the service of nascent European capitalism (Amin 1974:--361). Because they produced for the world market they were not homogeneous relations of production and therefore they were distinct from true feudal and slave modes.⁽¹⁴⁾ The dependence of these non-capitalist forms on the CMP is evident in their articulation with it. This articulation constitutes them as heterogeneous production relations integrally bound up with and dependent on the CMP, despite retaining their distinct character.

In CMP articulation that creates new, non-capitalist structures, the state is often deeply involved. This has been touched on in chapter fourteen, and it is the context for understanding the role of state development strategies as discussed in Part H. In the case of these strategies, like other new economic forms deliberately fostered by capitalist states, the idea is often that **transitional** forms are being created.

Thus articulation may be planned as generating transitional forms which are expected to develop (through their own internal tendencies) into something different -- usually capitalist relations. In fact, the reality seldom works out like this, and many purportedly transitional forms actually develop unforeseen tendencies or have their development blocked in some way or another (see chapters thirty-three and -four).

8. CONCLUSION.

In this chapter, it has been noted how the CMP has failed to become generalized at the periphery. This has been due to the difference in duration and historical period (compared to the experience in the centre); to the existence of an internal or external market and also to resistance from pre-capitalist economic structures and classes. It is also, however, due to the CMP's ambiguous conservation-dissolution articulation with non-capitalist structures, where the conservation tendency (linked to pre-capitalist resistance and to the role of merchant capital) has often been strong in peripheral articulation. Finally, the restricted extent of the

CMP is also a consequence of the way that the CMP has also led to the subordinate growth of existing non-capitalist production, and the creation of new forms altogether, both of which articulate to it through heterogeneous relations of production.

All this is substantially different to the CMP's articulation at the centre. The main reason for this difference has probably been the articulation between the CMP at the centre and the CMP at the periphery i.e. internal articulation within the CMP on an international scale. The next chapters examine this in the context of articulation between peripheral economic systems with the central capitalist economic system.

ENDNOTES

1. This needs to be qualified: see previous chapter and below.
2. Amin (1974:14) points out that the tributary mode of production is less easy to break up than the feudal mode of production. This is because, unlike the feudal mode, the tributary one has producers in possession of the land. (The same applies to primitive communism). "The continuing right of all villagers to use the land ... renders ineffective (better: less effective - GB) the simple mechanisms of competition which played a determining role in the transition from feudalism to the central capitalist economies" (ibid:143).
3. Under colonial articulation, the prior modes of production did not disappear entirely: the CMP was not therefore built on the ruins of the old, but inserted into their remains with the consequence of preserving some of their effects (Szentes, 1978:9). In fact, in Uganda, the partial dissolution of the feudal mode of production was followed by an actual decline in capitalist units of production as petty commodity production gained ground rapidly (Mamdani, 1977:141).
4. Thus while these societies did not become fully capitalist, they did become "parodies of their former selves" (Kay, 1975:99).
5. Both elements of dependence need to be borne in mind. The character of the CMP in the periphery as dependent on the CMP in the centre is taken as given here (although it is analysed in depth in the next chapter). The issue considered now is dependency in the articulation of non-capitalist elements with peripheral capitalist relations (which in turn are dependent on the central CMP).
6. This discussion shows the value of integrating the **dependency and articulation of modes** framework. According to Foster-Carter (1978:230), it is the contribution of dependency theory to have shown that the progeny of the peripheral articulation is deformed. Foster-Carter seems to advocate

merging the "articulation" framework with dependency theory, and, as shown above, this does add clarity to the analysis, and it allows for specifying types of dependency (Mouzelis, 1979b:145).

7. To be fair to Rey, he sees destructiveness as the outcome of a three stage process. The first stage, involving articulation through exchange, sees the CMP reinforce the pre-capitalist structures. The second is where the CMP "takes root" and uses the pre-capitalist structures. The third is the total disappearance of these structures (Foster-Carter, 1978:218; Dupré and Rey, 1973:160). But even with these qualifications, Rey's position is not reconcilable with the opposing argument that the CMP develops through non-capitalist structures, thereby conserving them.

8. According to Bradby (1975) both Lenin's and Luxemburg's views of the capitalist expansion behind articulation imply a unilinear destructive tendency in relation to pre-capitalist relations. She says that Wolpe's analysis (1972, 1975) implies a conserving tendency (maintaining pre-capitalist relations for supplies - especially "subsidized" labour-power). As we shall see, it is not a question of either destruction or conservation, but a combination of the two which is generally relevant.

9. Often this is difficult to assess empirically at a given instance especially because the real situation involves highly complex, incomplete and transitional features. However, it remains no less important to establish it as a general theoretical point.

10. Moore (1969:55) says that the emphasis in capitalist articulation in France was conservation - infusing old arrangements with new life, while in Britain, rural feudalism was undermined and destroyed by articulation.

11. Today the CMP in South Africa has encroached a great deal more on non-capitalist production in the reserves. In fact, in many respects, it appears that the CMP may be subsidizing this production now.

12. Amin (1974:380) says of the incomplete transformation of agriculture (mentioned earlier) that the production relations are integrated into the world market by their "essential function" (i.e. their system dynamic), although they are clothed in pre-capitalist forms. Banaji (1980:515) likewise stresses that non-capitalist structures are not pure survivals or relics if they are linked to the capitalist market.

13. Muratorio (1980:39) draws attention to the subordinate place of such activities in the articulation. For example, while petty commerce, artisanry and peasant agriculture may expand - these may also sometimes have to contract due to the loss of productive resources and markets. This has important implications for the role this production plays *vis-à-vis* development and underdevelopment (see chapter twenty-four).

14. One feature of this difference is that while European medieval feudalism was reciprocal and had customary limits to exploitation, in Latin America, it was a one-sided relation: the peasant had duties, and the lord had the rights; the former gave, and the latter took (Harrison, 1981:105).

PART F

UNDERDEVELOPMENT

CHAPTER NINETEEN: DEPENDENT GROWTH AND GROWTH WITHOUT DEVELOPMENT.

CHAPTER TWENTY: LEVELS OF THE ECONOMY AND SURPLUS TRANSFER.

CHAPTER TWENTY-ONE: CLASS AND DEVELOPMENT-UNDERDEVELOPMENT.

CHAPTER EIGHTEEN
UNDERDEVELOPMENT: MONOPOLY, EXTROVERSION AND DEPENDENCE

1. Introduction.
2. Development and underdevelopment as part of the same real process.
3. "Underdeveloped" as distinct from "undeveloped".
4. Monopoly competition by capitals of the centre.
 - 4.i Monopoly and indigenous peripheral capitalist development.
 - 4.ii Monopoly and metropolitan capitalist development in the periphery.
5. The structure of underdevelopment I: dependence / extroversion.
6. Conclusion.

1. INTRODUCTION.

The previous chapters have provided a framework of economic relations in terms of which I now return to the question of economic development. This chapter distinguishes between a social formation being "undeveloped" and "underdeveloped". Both attributes refer to productive capacity in peripheral capitalist economic systems. But "undeveloped" designates merely the absence of expansion, while "underdeveloped" points to the factors actively contributing to a blockage or regression. One such factor is the repressive and destructive effect of the central CMP's monopolistic character in its articulation with peripheral economic systems. Another factor is the structure of underdevelopment as regards extroversion and dependence. This chapter examines both factors.⁽¹⁾

2. DEVELOPMENT AND UNDERDEVELOPMENT AS PART OF THE SAME REAL PROCESS.

A large number of writers hold that development and underdevelopment (in the international capitalist economic system) are not sequential stages of growth, but opposite faces of the same coin. By this they mean that the two concepts are not merely **logically** and **semantically** related (as discussed in chapter three), but that there is also an interdependence in reality. They argue that there is a **single** process producing "development" at one pole and "underdevelopment" at the other.⁽²⁾

It may be noted that this conception originates from a series of

detailed studies conducted at the empirical level. Despite certain reservations which are not immediately crucial, I take the liberty here of assuming a **degree of** validity in this.⁽³⁾ Many writers within this perspective have noted that economic units (eg. First World unit X and Third World unit Y) in the international capitalist system are not separate independent entities heading in the same direction. They have also disputed the assumption that the characteristics of unit X and unit Y are a result of indigenous factors in each unit, and particularly challenged the view that Y is a natural and original condition of static productive capacity. Instead, they have pointed to the historical origins of different economic units and the interconnections between them, rather than taking them as separately given objects (past or present) (Dattoo and Gray, 1979:249; Bernstein, 1978:25). The theoretical conclusion of their work is that "underdevelopment" is not synonymous with the attributes of poverty, poor technology (or productive capacity for that matter), etc. — but these features as caused by the historical subordination of one economic unit (eg. a national economy) by another (Mamdani, 1977:6).

3. "UNDERDEVELOPED" AS DISTINCT FROM "UNDEVELOPED".

The conception outlined above has produced a useful theoretical distinction between "undeveloped" and "underdeveloped". Thus, "undeveloped" has come to refer to a pristine, indigenous and original condition of a given unit (Brett, 1973:18; Leys, 1975:xiv). On this understanding, there is clearly no real interdependence between the **undeveloped** character of one unit, and the developing character of another. "**Underdeveloped**", however, is based on the transitive verb, "to underdevelop" (Berger, 1975:21; Bernstein, 1978:25; Harris 1975b:6). An economic unit may thus be actively underdeveloped by exogenous agencies and forces, and hence be in the process of underdeveloping. (The complex question of the interaction of **external underdeveloping** factors with **internal undeveloped** ones is discuss-

ed in chapter twenty-one). This position is very different to that of modernization theory which regards underdevelopment as "development *manqué*" (Fitzgerald, 1983:14).

The significance of this interpretation within the context of an international capitalist system is that economic units in the periphery should not be seen as late-developers that are simply behind the others and need to catch up. Nor should it be assumed that their problem is simply the changed world situation and overwhelming political, economic and military competition from established powers. Rather, as economic units being underdeveloped, they are on a qualitatively different trajectory to the developed units – and precisely because of their links to them (Mouzelis, 1979:34). Underdevelopment thus cannot be analysed in isolation from its creation by the developed economic units in the international capitalist system.

This is a viewpoint shared by this thesis, but with two important qualifications. Firstly, the contribution of non-capitalist elements to underdevelopment also needs to be appreciated (see chapter twenty-one). Secondly, I do not accept that because **underdevelopment** is created (in part) by (capitalist) **development**, that **development** can only occur at the expense of **underdevelopment**. I reject the "zero-sum" argument that the expansion of productive capacity is only possible through its reduction elsewhere, and I motivate this in chapter twenty-one. For the present, however, I turn to consider how the CMP does contribute to underdevelopment, beginning with monopoly competition by the centre.

4. MONOPOLY COMPETITION BY CAPITALS OF THE CENTRE.

For Warren (1973) and Cardoso (1972), the expansion of capitalism tends to foment industrialization – whereas in Frank's (1969) and Baran's (1962) views, it stunts it (Evans, 1977:43). In my view, the general situation is neither one nor the other, but a complex and uneven process

that in a contradictory way combines aspects of both. As far as stunting industrialization goes, however, it is clear that monopoly competition has served primarily to inhibit peripheral industrialization. This factor is traceable to the fact that the CMP at the centre articulates with the peripheral social formations in the form of an external **metropolitan** economic system.

The effect of monopoly competition has been to hamper the development of both the CMP and non-CMP in the periphery, even causing underdevelopment in the form of regression of productive capacity. Theoretically, we are here talking about the effect of competition as a system dynamic deriving from the dominant mode of production in the international whole — i.e. the CMP in the international capitalist economic system. The focus is on the effect of this process on one of the parts of the whole structure — viz. the peripheral economic systems. In this regard, the effect on both **indigenous**, and on **metropolitan**, capitalist development within the peripheral economic system can be considered.

4.i. Monopoly and indigenous peripheral capitalist development.

Various writers have noted how metropolitan competition has restricted indigenous capitalist development in the Third World (and indeed most kinds of development there). Mouzelis (1980:363) says that the reason why the expansion of the CMP in the underdeveloped countries is restricted is because imperialism operates against any capitalist development that would compete with the West and reduce its control. Mamdani (1977:142) points out that although the colonial state disrupted the original production systems, it specifically blocked and discouraged industrialization. Mandel (1968, cited by Sutcliffe, 1972) also holds that imperialism is an obstacle to development and he points to **inter alia** the political subservience and weak competitive position of the Third World social formations (see also Wallerstein, 1971:380). For Baran (1962:340,295,312), it is of decisive

significance that development in the underdeveloped countries is inimical to the dominant interests in the advanced countries. Cardoso (1967:192) points out that the basic features of production and markets in the Third World are laid down by the developed countries. Third World entrepreneurs find opposition from the already-established foreign capitals and the options for them to develop privately are limited.

Historically in what is today the periphery, trade disrupted Moment C and its integration with A and B. By breaking the indigenous circuits of production, circulation and consumption, it destroyed pre-capitalist artisanal industries (Mouzelis, 1980:362). The trade articulation in the genesis of the CMP at the centre was gradual and enabled some artisans to adapt and transform themselves into capitalist producers. In contrast, Third World countries have faced a fully-fledged capitalism imposed from outside (Cliffe 1977:197).

From the point of view of local enterprise, both capitalist and non-capitalist, this monopoly situation is a damper on development (Baran, 1962:336). As Mamdani (1977:108) observes, colonial capitalism was never competitive. Instead of monopoly emerging out of a struggle between independent small producers, capitalist production was monopolistic from scratch and was maintained as such by the colonial state, with "enormous consequences for the development of the productive forces" (ibid:145). The absence of real struggle under competition means the absence of an internal tendency to revolutionizing the means of production. Lack of competition within capitalist relations also implies inefficient allocation of resources (Kay, 1981:494).⁽⁴⁾

While the West benefited from exporting manufactured goods, the Third World today cannot compete on international markets in terms of manufacturing. This is one reason why much of the Third World remains semi-industrial (see Ehrensaft, 1971). However, even more than this is that it is also – and importantly – difficult for Third World countries to compete

on their **own home markets** because of the competition from imports (Szentes, 1978:31).⁽⁵⁾ Amin (1974:156) also points out that imports (besides destroying traditional industry) further smother fledgling industries because they cancel the accelerator effect (ibid:235). In chapter thirty-six, I relate this to agriculture and specifically food production.

Part of the monopoly picture is that established foreign-owned capitals actively strive to restrict entry to the market (Mamdani, 1977:88). Thus, besides existing economic advantages such as scale, productivity, access to credit and expertise, the monopoly level tends to further secure its position by constituting itself as a "formal" sector. As such it wins tariff privileges and protections, state contracts, duty-free imports, investment credit, licensing and so on from the state. This makes it even more difficult for indigenous enterprises to compete (Weeks, 1975:89). Not surprisingly, therefore, the formal sector has little real interest in boosting the informal sector - such boosting would make for competition with it (Davies, 1977:66).

Because the expansion of indigenous capitalist development is significantly blocked, local capital tends mainly to move into export, tertiary and light industry sectors. In this way, local industry (including non-capitalist) does not compete with foreign industry, but complements it (Amin, 1974:147, 170).⁽⁶⁾ Indigenous development of productive capacity in the periphery via petty commodity production tends to take place within the limits of monopoly competition from the centre and is therefore subservient and prescribed development. Amin (1974:147) observes that it is precisely because this type of production is subordinate and occurs within the interstices left by dominant metropolitan capitalism, that - unlike its historical counterpart in Europe - it is held up in its attempts to develop into CMP enterprises. (For further discussion of subordinate petty commodity production, see the next chapter in terms of the theory of "growth without development".)

What seems to confirm these arguments about the stunting effect of metropolitan competition is that Third World industrialization underwent a boom when the World Wars created international difficulties in exchange. With Moment C on a world scale blocked, national industries in peripheral social formations emerged temporarily, free of metropolitan competition. But they tended to collapse again once international trade was re-established (Dos Santos, 1969:63; Frank, 1969c; Barratt-Brown, 1976:262).

4.ii. Monopoly and metropolitan capitalist development in the periphery.

It is not necessary for capitalist development in the periphery to proceed via indigenous capitalists: foreign capital **could** do just as well (Ferner, 1979:280). Foreign capital could have developed the peripheral economies after destroying their craft industries — if it had gone on to create generalized capitalist industry that was part of the local economy. But much of the foreign capitalist investment in the periphery has not **replaced** commercial competition of central capitalist commodities. The CMP's "tentacles" in the periphery have been unable to compete generally (except with regard to wages) with the "main body" based in the centre. Thus, historically, much of the CMP presence in the periphery has been to invest in production for the **external** market in limited products such as exotic goods, minerals and agriculture (Amin, 1974:161).

Thus central competition tends to disadvantage even foreign capital with regard to establishing new industry in the periphery. Competitiveness in wage-levels has not been sufficient to stimulate integrated capitalist development by foreign capital. While it has led to capital underdeveloping the centres in some cases (with operations transferred to the low-wage periphery), these have tended to be in light industry, final-assembly stages of production, and making use of unskilled labour. Heavier and more complex production is still generally located in, or at least geared towards, the metropolitan CMP. The development of advanced technological

means of production, and therefore of productive capacity over time, continues in the centre.

5. TOWARDS THE STRUCTURE OF UNDERDEVELOPMENT I: DEPENDENCE / EXTROVERSION.

The net result of the historical dominance of the central CMP is that the peripheral CMP has a particular character in its articulation with non-capitalist structures there. The totality of these relations in the periphery constitute an economic structure and system of underdevelopment characterized by **dependence** on the metropolitan economic system. This factor underlies and perpetuates underdevelopment in a way that is distinct from the effect of monopoly competition *per se*.

At the heart of the dependent character of underdeveloped economic systems is **extroversion**: the external orientation of the forces of production of underdeveloped economic systems. Historically, this derives from the peripheral economic systems being originally constituted by merchant capital integrating them into the world market. This form of capital articulated with peripheral producers through heterogeneous relations of production, reorganized them and tied them to external economic interests (see Kay, 1975:103).

The dependence associated with extroversion is something experienced not only by the CMP in the periphery, but also by non-capitalist production there. To the extent that this latter loses its own reproduction and becomes dependent on exchange with the CMP, it loses its status as a mode of production, or as even a homogeneous relation of production. It becomes a heterogeneous relation through its articulation with capitalist classes.⁽⁷⁾

In central capitalism, production units expanded gradually and may eventually become exporters. However, in the periphery, production was (and often still is) either restructured or introduced from the start to produce for export from an early stage (Amin, 1974:175). Thus "while capitalism

generates commodity production, underdeveloped capitalism generalizes commodity production for the **metropolitan market**" (Mamdani, 1977:144; see also O'Brien, 1975:18; Baran, 1962:335; Le Brun, 1973:279). Extroversion persists through the continued participation of the peripheral economy in the international capitalist system and the associated division of labour (Harris, 1975b:6).

The result of this is that elements of the underdeveloped economy appear as extensions of the dominating advanced economy (Amin, 1974:17). The underdeveloped economy is thus an externally-oriented "part-economy" subordinated to metropolitan capitalism, and as part of this (as will be discussed later in this chapter) it is a distorted, disarticulated entity (Foster-Carter, 1978:230).⁽⁸⁾

Extroversion is a structure where the relationships are characterized by a dependence operational through Moment C. There is no integrated circuit of distribution, but rather a dependent integration into Moment C of the central capitalist economic system. This integration rests on and reinforces the international division of labour in the world market. Thus underdeveloped countries specialize in particular fields which make them dependent on foreign markets and foreign supplies.⁽⁹⁾ The balance of payments problem reproduces the subordinate extroversion (Amin, 1974:36).

Thus underdeveloped social formations have characteristically specialized in unprocessed primary product exports (Lall, 1975; Szentes, 1978:20-30). As Szentes (ibid:21) puts it, monoculture has been one of the "pillars of dependency on foreign trade". For Amin (1974:292), the economic domination from the outside is not simply because the underdeveloped economy exports primary products, but because it is **only** these that are exported.

Other forms of dependence, financial, technological and social (see below), are also with potentially negative significance for development of peripheral economic systems. To a large extent, they appear to rest on

this trade dependence, and the extroversion that underpins it.⁽¹⁰⁾

First, there is dependence on foreign finance. Local finance tends to be used up in infrastructure and tertiary development, leaving social formations dependent on limited foreign finance for directly productive investment (Amin, 1974:294/5). Dependence on the World Bank and International Monetary Fund (IMF) in this regard is often a negative feature for Third World countries' development (Williams, 1981a).

Second, there is the issue of technological dependence. Development of productive capacity should involve the ability of an economic system to develop, copy or choose its technology: however, an underdeveloped economy is dependent on foreign skills and means of production (see O'Brien, 1975:18; Lall, 1975; Frank, 1979a). In addition, imported technology tends to be very capital-intensive (see Maré, 1977, Mouzelis, 1980:363, Lall, 1975).⁽¹¹⁾ As Arrighi (1977:172) argues, this all tends to reinforce the lack of a local capital goods industry. Writing with Saul (1968b:290/1), he points out that this in turn helps perpetuate dependency on world demand for primary products, and therefore reproduces the situation where growth is no faster than exports (see also Amin, 1974:35, 170). One effect of this has been that those local capitalist enterprises that were set up by metropolitan capital have tended to employ fewer people than those enterprises ruined by capitalism. As Baran (1962:144) describes people living under such conditions: "they existed under capitalism, yet there was no accumulation of capital. They lost their time-honoured means of livelihood ... yet there was no modern industry to provide new ones in their place". Whereas once their labour was put to use, it now became idle. As such, this can be treated as a facet of potential surplus.

Third, another aspect of dependence is its social dimension. This covers political, cultural, scientific and ideological aspects (Le Brun, 1973:384). As Wallman (1976:103,106) observes, the political and ideological aspects of dependence go hand in hand with the economic and are only

really analytically distinct. She notes that dependence can have effects at the ideological level which inhibit development. She cites pessimism and discouraged initiative among the Basotho.

6. CONCLUSION.

In conclusion to this chapter, it can be seen that underdevelopment, as distinct from undevelopment, is linked to monopoly competition and dependence/extroversion. These in turn are linked to the differences in articulation between centre and periphery. In the former, articulation developed with the development of the CMP; in the latter, it was in terms of a fully-formed CMP introduced from the outside. The CMP that came to the Third World was (and is) monopolistic and it created a dependent structure of extroversion that persists as (part of) a structure of underdevelopment (Foster-Carter, 1978:230). Ironically being the creations of the CMP (of the centre), monopoly, dependence and extroversion are an obstacle to both local and metropolitan capitalist development within the periphery – and indeed probably to the development of productive capacity there *per se*. Dependent capitalist growth within this context does not usually count as development, as will be discussed in the next chapter.

ENDNOTES

1. The next chapter considers dependent growth and the factor of **disarticulation** and its associated unevenness, and the consequent phenomenon of growth without development. Chapter twenty examines the three-tier character of the underdeveloped economic system, and the (related) role of surplus transfer. Chapter twenty-one looks at the significance of the internal class structure and struggles for underdevelopment, as well as the differing contributions of both capitalist and non-capitalist elements to underdevelopment. The various factors are all mutually reinforcing, and are only artificially separated in these chapters.

2. For example, Mamdani (1977:5) sees the relation between modern productive economic units and backward/stagnating ones as one of exploitation whereby the impoverishment of the latter is the condition of the enrichment of the former. Frank (1969b) similarly sees development and underdevelopment as being linked through a process involving a structural transfer of

surplus. Development is thus at the expense of underdevelopment: they are different outcomes of an identical process (see also Booth, 1975:70; Kay, 1975:96; Arrighi, 1971:1/2; Bundy, 1972:388; Legassick, 1976:436).

3. I argue in chapter twenty-one that this is not the full story of either development or underdevelopment. See also section three below.

4. It should be noted that the absence of effective competition is in part a result not only of monopoly, but also of the existence of non-capitalist structures that are not integrated into commodity exchange and therefore not dependent on the market to the extent that competitive pressure significantly affects them (see Dobb, 1962:26; Szentes, 1978:20-30).

5. The same applies when metropolitan capitalism has direct production footholds in the peripheral countries and uses its production there to capture the local market.

6. Kahn (1978:124) points out that the effect of the suppression of local capitalist industry is to reproduce the conditions necessary for a complementary petty production sector.

7. For it to become an internal part of the CMP, however, reproduction dependence is not sufficient. CMP system dynamics must come to prevail, and its class relations at all three Moments of production must become capitalist (see chapters twelve and thirteen).

8. Because much of the economy is export-oriented, production units are often not articulated with each other, but instead vertically integrated with units in the metropolises (see Shivji, 1977:213; Beckford, 1969:119). See the discussion of **disarticulation** in the next chapter.

9. Because of extroversion, underdeveloped economies became import-export oriented without any direct relationship between production and consumption (Mamdani, 1977:144). This leads to situations such as plantations geared to metropolitan requirements rather than local food demands, with the foreign exchange so earned being used to import food (at the expense of importing capital goods) (see Beckford, 1969:144).

10. This assertion needs much more research and analysis to be established as a valid generalization. However, to investigate it takes us away from **social structure and development** into the realms of detailed economic study, and hence outside the scope of this thesis.

11. There are several reasons for this:

- (i) technology comes from high labour-cost regions (Kay, 1975:130).
- (ii) technology is often imported for use in import-substitution – and it reproduces the First World's methods of production (Weeks, 1975:92).
- (iii) high technology reduces turnover time with the effect of raising the rate of profit (see Kay, 1975:138/9,145,162; see chapter thirteen).
- (iv) the availability of relatively cheap imported capital goods discourages their local development (Weeks, 1975:95).

CHAPTER NINETEEN
DEPENDENT GROWTH AND GROWTH WITHOUT DEVELOPMENT

1. Introduction.
2. The limits of "dependence" in explaining underdevelopment.
3. Dependent growth.
4. Development as distinct from growth.
5. The structure of underdevelopment II: disarticulation / unevenness.
6. Growth without development.
7. Conclusion.

1. INTRODUCTION.

Extroversion and dependence are key structural factors for underdevelopment. However, reference to them alone does not wholly explain the phenomenon. They need to be linked to **disarticulation** and **unevenness**. These concepts make it possible to understand that much economic growth in the periphery is not only dependent, but that it also does not constitute development.

2. THE LIMITS OF "DEPENDENCE" IN EXPLAINING UNDERDEVELOPMENT.

For a number of writers, dependence has become the central distinction between development and underdevelopment. An unfortunate consequence of this has been that they have underplayed the other characteristics of a peripheral economic system (such as its disarticulation, unevenness and class character – see below and ensuing chapters). Dos Santos (1969:60) goes as far as arguing that the term "dependent societies" is a better characterization than "underdeveloped societies". When it comes to defining "development", these writers tend to see it primarily in opposition to dependence. "Development" is thus seen as the capacity for autonomous and self-sustained growth (see Amin, 1974:393; Rodney 1977:108; Arrighi and Saul, 1973:293; Sutcliffe, 1972:174-6; Girvan and Jefferson, 1968:342).

The logical outcome of this approach is the claim by Arrighi and Saul (1973:293) that development is a "genuine self-sustaining transformation",

and underdevelopment is a "perverse pattern of growth" (ibid:288). This implies that underdevelopment is a deviation from a norm of **independent** development. But many critics dispute that this norm exists — or has ever existed. They argue that First World capitalist units did not develop autonomously, but precisely through their exploitative interconnection with units in the Third World. If this is (in part) the case (and the history of capitalist development bears this out), then "development" as a process implying an autonomous, "own bootstraps" economy — as opposed to "underdevelopment" which is a dependent economy — is not particularly useful. This is brought home by Legassick (1976:437) who asks if **any** capitalist development is ever autonomous.⁽¹⁾

If development itself therefore turns out to be dependent, then it is not in fact qualitatively different from underdevelopment — given that this latter is also dependent. The question that arises out of this is whether "autonomy" and "dependence" are of any value in studying the course of productive capacity in real economic history. This has been much debated in the literature. Kay (1975:104) criticizes dependency theory, noting that:

if underdevelopment is the result of dependence, that is the subordination of one economy to another, then certainly Canada, with half its manufacturing owned by American firms and its agricultural sector dependent on the world market over which it has no control, must be considered underdeveloped.

For Barratt-Brown (1976:259), dependency theory cannot explain why, despite the dependence of Canada on America, and Australia on Britain, these former colonies did develop their national productive capacity.

In defence of "dependence" as an identifying feature of underdevelopment and thereby as demarcating it from development, it has been argued that "the platitude that all countries are interrelated and dependent on each other does not mean that there are not different types and degrees of dependence" (Mouzelis, 1980:360). O'Brien (1975:24) similarly says the need is to explain differences between dependent countries. The issue is held

to be **relative** economic independence (Berger, 1976:248/9). The problem with this defence is that while it is correct in one sense, it is limited to reducing the differences between development and underdevelopment to the quantitative criterion of the extent of dependence.

The lesson of all this is that "development" is not usefully understood as the mirror-opposite structure of "underdevelopment" — especially if the differentiating feature is simply that the one process is supposed to be autonomous and the other dependent. As discussed in chapter seventeen, the "dependence" approach is important in drawing attention to the links between economic units, and showing that they are located within a wider structure, and function as interdependent entities within this. It also shows that the interdependence is not symmetrical, and that this has negative consequences on the development of productive capacity in the subordinate unit. But in order to explain this, however, we need to go beyond dependence and examine how central and peripheral capitalist economic systems remain qualitatively distinct economic units with their own structural specificity, and with an autonomy which cannot be wholly explained by their relationship to each other.

This is where other features are vital for understanding the issues. In the case of capitalist **underdevelopment**, these include features such as disarticulation, surplus transfer and class structure. As regards capitalist **development**, relevant features include the mobility of factors of production, competition, an internal market, an integrated class structure with homogeneous capitalist relations of production, and resolution of (or capacity to bypass) the Agrarian Question.

In my view, then, although degrees of dependence are important differentiating features of capitalist development and underdevelopment, this is not the whole picture. With a comprehensive framework, where dependence is put in context, one can begin to see that capitalist development and underdevelopment are not a directly zero-sum process, although they are still

linked within an over-arching structure. While the development of one economic unit can involve the underdevelopment of another, underdevelopment is not indispensable for development. At the same time, underdevelopment at unit Y is not **entirely** explainable by the development at unit X. The causes of development and underdevelopment need to be considered and explained separately and in terms of their qualitatively different features — while at the same time keeping sight of their interconnection within the whole. The relation between development and underdevelopment is taken up again in chapter twenty-one.

With this background, I now turn to a discussion of how dependence may involve dependent growth and argue that by going beyond this to include disarticulation-unevenness in the focus, one can evaluate this growth in terms of its significance for development (and underdevelopment).

3. DEPENDENT GROWTH.

A peripheral economic system is not necessarily stagnant. Despite monopoly competition, various Third World countries have seen some economic growth. This has tended to be subordinated and complementary to the metropolitan CMP, and may be described as **dependent** growth linked to extrovers-ion. Cardoso (1972) was one of the earliest development critics to argue that dependence, monopoly capitalism and "development" (in the terminology of this thesis — "growth") were not contradictory. He pointed to capitalist expansion in the monopoly levels of Latin American economies, describing it as (in preference to the term "underdevelopment") "dependent development", characterized by dependence on multi-national firms, technological imports, investment for a local elite market, unemployment and the destruction of non-monopoly local enterprises (O'Brien, 1975:19).

However, it is also possible (and indeed more common) to have dependent growth (of both capitalist and non-capitalist production) based on the

external market – rather than on a local elite market. In this situation, the rate of dependent growth is no higher than that of export receipts (Harris, 1975b). Dos Santos (1969:73) sees this in terms of a relationship of dependence where one side can expand through self-impulsion, while the other side – being dependent – can only expand as a reflection of the first. Dependence is thus not an external effect of the CMP at the centre, but an integral part of the entire international capitalist system. It is a limiting situation where productive capacity in some economic systems is conditioned by its development in others (ibid).

There are a number of problems associated with dependent growth (see Harrison, 1981:339, 452). Fluctuations in demand play havoc with national planning and budgeting, while foreign protectionism limits the market. In developed economic systems, exports are at least diversified, and this serves as a form of insurance against problems in any single branch, but this is less possible in peripheral economic systems. The role of multi-national companies (mnc's) in dependent growth is also problematic. True, mnc's do supply a package of capital, technology, expertise and market access that is difficult for peripheral countries to assemble (Harrison, 1981:348). For some writers (eg. Warren, 1973), growth through investment by mnc's represents the end of the subordination of the underdeveloped economies – and indeed of underdevelopment itself. But such views have been widely criticised on the basis that mnc growth is not independent growth – on the contrary, it is fickle, exploitative and fluctuating (see Frobel, Heinrichs and Kreye, 1980, *passim*; Barratt-Brown, 1976:272, footnote 6; Taylor, 1979, cited by Mouzelis, 1981:364). O'Brien (1975:24) says that this criticism involves a circular argument: dependent countries do not have independent growth because their structures are dependent. He is correct, but the reason why this is a circular argument is because it describes a vicious circle.

Action by the peripheral state may "alleviate" the problems of depen-

dent growth somewhat (see chapter twenty-eight). The weak character of local capitalist groups in peripheral social formations tends to lead them to attempting to develop through state capitalist ventures (Amin, 1974:390). For the dependent petty bourgeoisie facing the obstacles in immediate private accumulation, public accumulation is a means towards this goal (Mamdani, 1977:288). State capitalism becomes a necessary stop-gap (Mafeje, 1977:417). In the post-independence context of **multi-lateralization** of dependence (Warren, 1973), Third World states have a degree of leverage previously denied them.

Evans (1977:44, 63) says that these factors — which he accuses Baran and Frank of underestimating — allow for some measure of genuine expansion of national productive capacity in peripheral economic systems. He describes how the Brazilian state arranged joint ventures with foreign capital to develop petro-chemicals — a rather fundamental form of industry. This industry is not an enclave type with solely export links. Nor is it of a light industry or final-stage assembly type. He concludes that capitalism of the periphery, in part precisely because of the role of the state, must be different from capitalism in the metropole. It is true that certain social formations, classically Japan, have with vital state involvement, historically been able to absorb foreign capital and improve on foreign technology to their own national advantage. But in the case of Brazil, such development is often still not autonomous, but dependent on international exchange, financial dependence, and balance of payments factors (Amin, 1974:384).

I would therefore tend to argue that despite the efforts of peripheral states, dependence has not generally been transformed by growth (see Kay, 1975:125/6). Indeed, industrialization "is now such an integrated part of underdevelopment that it can no longer be regarded as its solution" (ibid). In the Frankian outlook, dependent growth is not development, but the **development of underdevelopment**. In my view, these observations are broadly

correct, although I prefer to use the term **growth without development** (see below). However, such an evaluation of dependent growth cannot be made simply on the basis of identifying continuing dependence. Instead, it needs to be based on showing exactly why such growth may not constitute development. As demonstrated in the next two sections, the concepts of extraversion and disarticulation are highly relevant to this.

4. "DEVELOPMENT" AS DISTINCT FROM "GROWTH".

Is economic growth *per se* necessarily the same thing as development? Certainly, underdevelopment is usually associated with the attributes of stagnation, and growth is taken as an indication of development (Amin, 1974:603). Especially when linked together in an overall exploitative process, the attributes of underdevelopment are seen as those traditionally regarded as characterizing "backwardness", while development is seen to equate those associated with "advanced" economic units.⁽³⁾

But such assumptions have been radically questioned by Amin (1974:603,35) who emphasizes the importance of structures to make the point. He argues that an **underdeveloped structure** is not **necessarily** associated with low/decreasing production per capita (ibid:8). In his view, to make this association obscures the specificity of underdevelopment as a **structure** qualitatively different from that of economic units characterized by development. Thus underdevelopment is "manifested in certain **structural characteristics** which oblige us not to confuse the underdeveloped countries with the countries now advanced as they were at an original stage of development" (ibid:392, my emphasis).⁽⁴⁾

I would go still further than Amin and note that development and underdevelopment refer in the first instance not to specific historical attributes, nor even to structures, but to the course of productive capacity. Structures and attributes are relevant, but only in relation to this key issue. In this light, I would argue that while certain structures

may **point towards** (though not **equate**) development and underdevelopment, the attributes of growth or stagnation do not necessarily do so.

Against this background, I would argue that a process of expanding means of production, output per capita and so on does not signify development as such, unless it serves to raise the overall productive capacity within a particular economic unit. My point is that in an peripheral unit, expansion of the means of production does not constitute enhancement of **its** productive capacity, but rather that of **another** economic unit within the overall structure that links the two together. This understanding allows for an economic distinction to be drawn between "development" and "growth". Expansion of the means of production in both developed **and** underdeveloped units is development for the former. However, for the underdeveloped units, it is **growth without development.** (5)

Modernization theory fails to understand the possibility of growth without development because it operates with the wrong units of analysis. It takes the distinction between units such as national economies as primary, and their interconnections as secondary, and thereby leaves out the over-arching structure of the all-important whole. While there is no doubt an economic effectivity on the part of many contemporary national economic systems, and while such entities do therefore constitute legitimate economic units, it has to be remembered that they also fall within a far wider economic unit as well. It is this unit of analysis, i.e. the totality, which must take priority (though not exclusivity) of account. (See chapters one and fifteen).

As Bernstein (1978:16) sees the distinction, "growth" in an underdeveloped economy is a quantitative extension of established structures of production, while "development" (i.e. of productive capacity) involves a qualitative change in economic (and non-economic) structures. It is true that quantity **may** develop into quality - i.e. growth into development. But until such transition occurs - especially at the level of structures - the

distinction is valid. For Baran (1962:292), "growth" is an increase over time of per capita output of material goods, and "development" requires a departure from a "lopsided" economic structure. It follows from this that an economic structure can grow industrially without developing as an economy.⁽⁶⁾ This can be analysed more concretely by looking at the factor of **disarticulation-unevenness** in underdevelopment.

5. TOWARDS THE STRUCTURE OF UNDERDEVELOPMENT II: DISARTICULATION / UNEVENNESS.

The **dependent** character of growth in underdeveloped economies is bound up with the **extroversion** of the peripheral economic systems. In this section, I argue that it is because of the **disarticulation** and **unevenness** of these economic systems that such growth does not add to their **development**. Thus, not only do peripheral economies have **dependent growth**, but this growth is **growth without development**. These two distinct issues are thus linked respectively to extroversion and disarticulation.

Disarticulation is in a sense the other side of extroversion. The phenomena that these concepts represent are closely linked, but – contra Amin (1974:288) – they remain distinct. Disarticulation refers to the way that an extroverted economy does not gear its resources to its domestic market and indigenous economic needs, and is therefore characterized by unevenness: extreme imbalances and inequalities in productivity between sectors (Mouzelis, 1980:361; Amin, 1974:393). Extroversion on its own may not preclude growth from counting as development of productive capacity, but in conjunction with disarticulation, this seems to be the result.

As part of disarticulation, different branches of the economy do not develop in conformity with each other, but become adjusted to external factors. This makes for a distorted, disjointed and biased structure, with little or no sectoral or industrial integration (Szentes, 1978:9; Shivji, 1977:213). The "upstream" and "downstream" links of economic units and

sectors are not with each other, but with entities abroad, and there is only marginal exchange between them locally (Amin, 1974:292, 16).⁽⁷⁾ (Non-capitalist production that retains some of its own reproduction relations may have fewer up-or down-stream links with the CMP).

Disarticulation as a concept can also apply to a situation within regional economic systems. For example, while there is much trade among the islands of the Caribbean, this occurs indirectly by being routed via the United States (Girvan and Jefferson, 1968:351; Oxaal, 1975:37/8). By contrast, 80 percent of the trade of the advanced countries is directly with each other. There is a grossly unequal trade dependence between the First World and the Third (Amin, 1974:17,67).

The concept of disarticulation should not be taken to mean a total lack of linkages between all the various production structures and processes (both capitalist and non-capitalist) in the peripheral economic system. (Both chapter seventeen and the next chapter stress what Mouzelis (1979b:35) terms the strong negative linkages that still exist.)

6. GROWTH WITHOUT DEVELOPMENT.

The phrase "growth without development" is used by various writers to characterize growth in the context of extroversion and disarticulation.⁽⁸⁾ For Seidman (1978:64), the phrase refers to continuing or increasing dependency, as well as a lack of internal specialization and exchange. In a similar formulation (but which in my view goes too far), Berger (1976:66) and Furtado (1972) see "growth without development" as a dualism involving enclave capitalist growth alongside sectors of permanent stagnation.

In a developed capitalist economic system, high productivity in one sector tends to diffuse through the economy due to competition and the tendency to equalize wage and profit rates. This system is an integrated coherent whole with complementary sectors (Amin, 1974:16). However, the CMP in the periphery has marginal exchange between its sectors because

these are integrated with external economies. Consequently, there is minimal diffusion and the development of one sector has little mobilizing effect on the rest (ibid:17). As a result, for the CMP as it exists at the centre, growth **is** development (it has an integrating effect), while at the periphery it is not necessarily so (ibid:18/9). The same **unevenness** in productivity between sectors applies to the whole economy -- including the non-capitalist structures (ibid:263;267). In this regard, Amin (1977:155) also argues that average growth rates often conceal the existence of rapid growth areas alongside stagnation and recession.

Looked at more closely, it is clear that growth in an externally-oriented economy can reinforce rather than change internal sectoral disarticulation (Leys, 1975:14,17,18). The structural context means that growth tends not to have any integrating economic effect (Amin, 1974:18/9; Seidman 1978:14). And the multiplier effect is transferred abroad, rather than increasing articulation locally (ibid: 35, 170; Geertz, 1963). (This same result also comes from actual surplus transfer abroad, as will be discussed in the next section -- see Beckford, 1969:46, Amin, 1974:231).

Growth without development is also linked to import-substitution and the lack of an internal market (Szentes, 1978:20-30; Baran, 1962:335/6). The consequence of this is that growth occurs in import substitution, which has a limited potential (Sutcliffe, 1972:186). For these reasons, I believe the phrase "development of underdevelopment" to be misleading. Dependent growth does not mean a furtherance of underdevelopment in the sense of **reduction** of productive capacity (although it also, as I have shown, does not mean **expansion** of capacity in the context of disarticulation and unevenness).

7. CONCLUSION.

This chapter has argued that extroversion and dependence alone are insufficient to explain development and underdevelopment, although they do

highlight the dependent character of peripheral growth. It has then looked at another factor associated with underdevelopment – disarticulation-unevenness, and argued that growth in the context of extroversion, dependence and (especially) disarticulation and unevenness is not development. It is a quantitative phenomenon that does not qualitatively alter the structures of a peripheral economic system, nor underdevelopment as such. While there may be expansion in the productive capacity of the parts of the peripheral economies, this conclusion would be false for the whole. This conclusion is evident generally, and, as the next chapter shows, also specifically as regards the growth of the marginal level of a peripheral economic system.

ENDNOTES

1. Warren (1973:4 footnote 1) provocatively asks if the USA is not highly dependent on Saudi Arabian oil. One could also ask about Japan and her export markets.
2. The debate with Warren (1973) by McMichael et al (1974) centres around whether Third World industrialization conforms empirically to Sutcliffe's criteria (1972:174-6) for **independent** industrialization. But the debate takes these criteria as given, and proceeds on an empirical not conceptual basis.
3. This is often the assumption in the zero-sum view of "development" and "underdevelopment".
4. To add to Amin's point, it can be noted that the **structures** of "development" and "underdevelopment" are actually substructures that are part of a wider structure constituting an over-arching effective international capitalist economic unit. This structure and its substructures underpin development and underdevelopment at different points within it, and there is no direct relationship between these phenomena and wealth or poverty.
5. Amongst many others, Arrighi and Saul (1973:293) and Girvan and Jefferson (1968:342) speak in this sense of "growth without development" – a sense distinct from the moral one described in chapter two.
6. It is useful to examine how the distinctions drawn so far are highlighted by reference to Marxist philosophical principles. Marxism holds that change and movement can be distinguished according to whether it continues within the terms of its structural contradictions; or whether it changes the contradiction itself (Cornforth, 1968:107). In this light, "underdevelopment" can be said to undergo quantitative movement insofar as it occurs within the terms of its substructures. It becomes "development" when it **qualitatively** changes these terms. It may be noted that a qualit-

ative change is sometimes, but not always, the cumulative effect of a myriad of quantitative changes. Quantitative change can break up old qualities and bring new ones into being (Cornforth, 1968:107). A change in quantity – within certain limits – does not necessarily transform quality (Afanasyev, 1980:97).

7. Amin (1974:606) notes that Latin American analysts tend to stress dependency rather than disarticulation as the main feature of the structure of underdevelopment in their region. According to Amin, Latin American countries tends to have disarticulation at a national level between industry and agriculture – rather than throughout the economy, and dependency is primarily on imports such as technology.

CHAPTER TWENTY
LEVELS OF THE ECONOMY AND SURPLUS TRANSFER

1. Introduction.
2. Levels and sectors of the structure of underdevelopment.
3. The informal sector and growth.
4. The marginal level as a reserve army of labour.
5. Marginal structures and growth without development.
6. Profit drain: the geography of exploitation.
7. Surplus transfer through trade.
8. Surplus transfer and urban bias.
9. Conclusion.

1. INTRODUCTION.

This chapter takes further the analysis of factors contributing to underdevelopment. I look at the structure of underdevelopment in terms of three levels of the relations of production, and compare them to the formal/informal sector structure. I also show how they relate to the theory of **growth without development**. I then discuss surplus transfer as another contributing factor to underdevelopment, and analyse the outflow of surplus through the three levels of the peripheral economic system.

2. LEVELS AND SECTORS OF THE STRUCTURE OF UNDERDEVELOPMENT.

Drawing from Obregon (1974), an underdeveloped economy can be seen in terms of three different levels: the monopoly capitalist, the competitive capitalist, and the non-capitalist marginal levels. For Obregon, the three form a hierarchy of structural dependence. The dominant monopoly level is characteristically an extension of the CMP at the centre. The competitive level occurs in the areas of production, circulation and realization (i.e. Moments B and C) not yet encroached on by the monopoly level. It consists of small capitalist traders, farmers and artisans and their wage-labourers. The marginal level in turn operates within areas not yet taken over by the competitive level. It comprises the lumpenproletariat, petty commodity producers, and the reserve army of labour (Legassick and Wolpe, 1976:92). The marginal level thus involves the articulation of non-capitalist

structures with the overall structure.⁽¹⁾ The three levels that Obregon identifies are defined in terms of their relations of production (and are not - as Legassick and Wolpe, 1976:92, allege - simply sectors).

The informal/formal sector model is not identical to the levels that Obregon identifies. It is institutionally defined - the division between its parts being constituted mainly by political and legal factors. Thus the informal sector is separated from the formal through the action of pressure groups in the latter who create a protective superstructure of political, moral and legal relations around them (see Davies, 1977:56). The informal sector exists under these relations within parameters that escape government recognition, enumeration, regulation and - support (International Labour Organisation, 1972:68; see also Davies, 1977:59). Unlike the marginal level, the informal sector includes not only non-capitalist relations, but also wage labour and incipient capitalists (Davies, 1977:66) - something ignored by the International Labour Organization study of Kenya's informal sector (Leys, 1973:427). The "informal sector" therefore spans **both** the marginal and, at least partially, the competitive levels. This may be diagrammatically represented as follows:

LEVELS	SECTORS
Monopoly	Formal
Competitive	
Marginal	Informal

It can therefore be seen that the formal/informal division cannot be simply mapped onto Obregon's levels. While there is overlap between the two, they also highlight different aspects of the underdeveloped economic system. Obregon's hierarchy of levels highlights that non-capitalist activities of the marginal sector have a certain resilience because of the way that they subordinately complement the competitive level (Long and Richardson, 1978:187). The formal/informal classification draws attention to features such as the articulation of the political-legal with the

economic which Obregon's levels do not do. But on its own, this classification has the disadvantage of implying a contextless condition rather than a determinate process, and a corresponding dualism rather than a unity (with the informal as externally and separately constituted from the formal). Some writers have stressed the unity of the sectors pointing out how the informal is dependent on the formal for tolerance, and also for markets and supplies (Davies, 1977:56, 68; Leys, 1973:427). They have also seen that the informal sector is not the "cinderella of future growth" (Leys, 1973:425). But the sectoral classification still tends to blur the existence of dominant and subordinate economic levels in both sectors: the monopoly and the competitive in the formal; the competitive and the marginal in the informal. Development theory has concerned largely the informal/formal sector division, and I turn now to analysing this, complementing it with insights from Obregon's model.

3. THE INFORMAL SECTOR AND GROWTH.

Within the modernization school, the expansion of the informal sector is frequently advocated as the way forward for underdeveloped social formations (see for example, Black, 1977; International Labour Organisation, 1972). It is true that the "informal sector" can be a source of training and capital accumulation for budding entrepreneurs. But the criticism is made that once such people succeed and are formalized in their new position, they begin to lose the informal sector's much-praised features of growth, employment and local ownership (Leys, 1973:428). Nonetheless, insofar as the "informal" sector remains informal, it is still often presented as (monolithically) aiding the growth of the formal sector. It is argued that the informal sector keeps wages low, provides social security outside the CMP, and supplies goods and services cheaply (in some cases) or in irregular or neglected markets (Davies, 1977:69).

In my view, this argument needs to be refined by distinguishing the

role of the capitalist and non-capitalist (i.e. marginal) levels within the informal sector. For example, while it has been argued that the informal sector involves high wage-labour exploitation (Leys, 1973:426), this is only in that part of it that exists in the CMP (at the competitive level). A refined perspective is better able to grasp how, within the informal sector, the marginal and competitive levels have differing roles in relation to growth in the competitive and monopoly levels of the formal sector. In the sections below, I analyse this in terms of the role of the marginal level as a reserve army of labour facilitating increased capitalist exploitation, and in terms of the provision of a subsidy to capital through heterogeneous relations of production.

4. THE MARGINAL LEVEL AS A RESERVE ARMY OF LABOUR.

Marx held that under competitive conditions a relative surplus population can be conducive to capitalist expansion. It serves as a reserve army of labour which is on tap when needed, and which otherwise competes with workers who have jobs - thereby lowering the wages that they are prepared to accept from the capitalists (see Marx, 1972, chapter XXV section 4). Where the reserve army secures its reproduction through non-capitalist relations, the CMP often benefits from the consequent subsidized labour-power.

This **may** be true of the history of developed capitalist countries, but in the context of underdevelopment, things have worked out somewhat differently. The relative surplus population (located in the marginal level - outside the CMP) may serve as a reserve army for the competitive level, but not generally for the dominant monopoly level. This is because the capital intensity of the latter means that productivity and expansion is predicated on advanced means of production rather than on low wages.⁽²⁾ Furthermore, expansion of the monopoly level involves not only relatively few labourers, but also a particular quality of labour. Obregon argues that the skill

level required excludes much of the relative surplus population from fulfilling either of the "growth" functions of a reserve army.⁽³⁾ The marginal level is thus unlikely to aid growth at the monopoly level.

The role of the marginal level regarding the competitive level is not as simple as a reserve army of labour. The subservience of the competitive level to the monopoly level gives it an unstable character with a changing range of activities, a fluctuating labour force and an unsteady growth rate (Nicol, 1977:8). Most importantly, it has limited scope for expansion because of the dominance of the monopoly level. Consequently, marginal people do serve to lower wages in the competitive level, but they do not entirely constitute a reserve army of labour. They are better seen as a floating and intermittently employed reserve for a sector **whose expansion is strictly limited**. Many of them are compelled to spend the greater part of their existence in subordinate non-capitalist activities. In this way, the marginal level may aid growth in the competitive level, but this growth depends on the opportunities left over by the monopoly level.

5. MARGINAL STRUCTURES AND GROWTH WITHOUT DEVELOPMENT.

In some cases, marginal economic structures have grown spectacularly in the peripheral economic system (Tsoucalas, 1979:126; Muratoria, 1980:39). Whether this in itself constitutes development, however, is another question. In my view, it does not, and this can be seen using Obregon's model.

Obregon's concepts highlight that these non-capitalist activities are in part the outcome of the monopoly level which both excludes labour from itself and limits the expansion of the competitive level. Because it owes its existence, and its incentive and capacity to expand, to these factors, the growth of the marginal pole cannot be seen as economic development that integrates the economy and energizes it. It is an instance of **growth without development** - economic movement within the terms of the structures of

underdevelopment, and which is unlikely to transform these terms.

6. SURPLUS OUTFLOW AND UNDERDEVELOPMENT.

As mentioned above, the informal sector provides a subsidy to the formal through the exchange of commodities and labour power. Focussing on the existence and articulation of Obregon's levels, one can identify surplus flow (in various and fluctuating degrees) from the marginal to competitive level, and from the informal competitive to the formal competitive. Each of these levels may also involve a flow directly to the monopoly level. So significant is this surplus flow, that several writers have stressed it as a major factor of underdevelopment, and underplayed the roles of monopoly competition and the structures associated with underdevelopment (extroversion-dependence and disarticulation-unevenness). Thus Frank (1969a) says that the most underdeveloped areas are those that were once part of a flourishing mercantilism (Dos Santos, 1969:75). For him, surplus transfer is part of a metropole-satellite network extending from the far corners of the periphery to the skyscrapers of the centres. Amin (1974:136) goes so far as to say that it is this surplus outflow that blocks development at the periphery. For him, it is the underdeveloped countries that supply the centres with capital, not *vice versa* (see also *ibid*:178).⁽⁴⁾

In my view, surplus outflow is but one of the factors of underdevelopment, albeit a very important one, and while it is a distinct dynamic, it is related to the very structures of a peripheral economic system. It may be noted here that in terms of the discussion of "surplus" in chapter eleven, I am dealing here with "actual" surplus, i.e. the (changing) proportions of what is left over for investment after simple reproduction of the existing production system. This surplus derives from surplus labour, although surplus labour (as defined in chapter five) also includes labour necessary for simple reproduction. The "surplus" discussed in this

chapter is thus over and above the surplus labour that goes into simple reproduction. In other words, it is **exploited** surplus labour. To the extent that this exploited surplus is transferred out of an underdeveloped economic system, it becomes "potential" surplus in relation to that system. At the same time, it may be noted that such surplus extraction may often cut into labour necessary for the simple reproduction of the whole, thereby undermining the entire production in the longer term.

It is admittedly difficult to operationalize the concepts of surplus, and therefore of surplus transfer/outflow. In addition, there is an unresolved controversy about whether **non-capitalist** production can yield surplus **value** to capital.⁽⁵⁾ I leave these debates aside here in order to focus on the broader question of the significance of surplus outflow for development and underdevelopment. This means that I take as given a surplus transfer through the various levels of the peripheral economy to the CMP at the centres. My aim in the rest of this chapter is to examine its diverse forms and their significance for underdevelopment.

5. PROFIT DRAIN: THE GEOGRAPHY OF EXPLOITATION.

Surplus drainage is manifested at Moment C — i.e. in the relations of distribution, and this can be explained partly by the geographical location of classes involved in exploitative relations. Kahn (1978:136) says that exploitation is between classes and classes cannot be defined geographically. Bettelheim (1972:301) also argues that, strictly speaking, countries cannot exploit each other — only classes can. These points are taken — exploitation is a relation of production that is constituted by a structure of classes, rather than by countries. But it is nevertheless the case that class exploitation does empirically have an important geographical dimension (Arrighi, 1971:3). Roxborough (1976:122) is therefore correct in saying that spatial transfers of surplus need to be analysed in terms **inter alia** of the foreign location of capitalists.

Foreign investment is the clearest case of surplus transfer. The rationale for such investment is to make money and send it back home (Harrison, 1981:349). The drainage of surplus through the repatriation of profits is regarded as an important cause of underdevelopment by Goncharev (1977:182); Baran (1962:336); Sutcliffe (1972) and Mandel (1968). It has been calculated that multinationals take out each year three times what they put in (Harrison, 1981:350). Amin (1974:231) points out that this profit export cancels the multiplier effects of investment.⁽⁶⁾

Foreign investment need not always be at the level of actually setting up new enterprises in the periphery. It is often investment through finance. This is primarily at the level of lending to governments and capitals, although it may be directly linked with producers themselves. Finance capital can dictate certain of the conditions of production. This is particularly true of the International Monetary Fund. While this may lead to growth, and even partial development, much of the surplus from this is channelled out of the social formation in the form of loan and interest repayments. Brazil and Mexico are the classic cases here.

Surplus drainage is not solely from exploitation within the monopoly investment level of the CMP at the periphery. Through a number of mechanisms, the links of this level with the competitive and marginal levels add to the surplus that gets exported. Through savings and the reduced costs of labour-power in the competitive level, surplus flows from the lowest to the highest level (and from there, outside) — despite there being no direct production links between these levels. For example, through joint ventures with state capital (which comes from the competitive and marginal levels), multinational firms can raise 40 percent of their capital from local sources, invest another 40 percent from their own profits and only 20 percent is contributed from outside (Cardosa (1972, cited by Barratt-Brown, 1976:269). For Latin America, four-fifths of multi-national finance comes from local savings (Harrison, 1981:348). This arrangement may in some

cases limit the repatriation of profits out of the country, but this is not always automatically the case. In a word, while much surplus may flow out as a result of foreign investment, not that much need actually flow in.

Turning to reduced costs of labour power as another part of the chain of surplus flow, this may result from the use by the CMP of labour-power from non-capitalist structures for which it does not have to bear the costs of reproduction (see Wolpe, 1975:224; Joffe, 1980:18,18b). Surplus outflow here is dependent on the capacity of the non-capitalist structures to reproduce themselves to some extent. This use of "outside" labour-power is mainly in the competitive level of the economy, and only to a lesser extent the monopoly level - except where the latter is in "agribusiness" or mining. Of course, this extraction undermines the productive capacity of the non-capitalist structures (Bernstein, 1979a:423, 426/7).

7. SURPLUS TRANSFER THROUGH TRADE.

Transfer of surplus is not only through foreign investment, savings, cheap labour power and the consequent profit export. It also occurs through commodity exchange between all levels within the peripheral economy, and between these and the capitalist centres. It is evident through *inter alia* the declining terms of trade whereby the underdeveloped countries receive progressively fewer imports for the same amount of exports (Long and Richardson, 1978:177, Mouzelis, 1980:362; 1979a:351, Harrison, 1981:343).⁽⁷⁾ One of the mechanisms whereby surplus gets transferred through trade has been referred to as "unequal exchange". (See Emmanuel, 1972a; Amin, 1974:55-84; Bettelheim 1972; Friedmann, 1979:--174; Kitching, 1982:167-70). This complex and controversial theory is not dealt with here for reasons of space, and also because the concepts I have developed have no special contribution to make to the debate.

Another mechanism of surplus transfer via trade is the role of merchant capital which operates by monopoly control of exchange (Amin,

1974:90). A large number of theorists have focussed on this mechanism (for example, see Baran, 1962; Frank, 1969; Kay, 1975; Rodney, 1972). Merchant capital does not make its profits by revolutionizing production, but by controlling markets – and the greater the control, the greater the rate of profit (Kay, 1975:96). For this reason, merchant capital tends to centralize and concentrate itself into monopolies more so than productive capital (ibid:96,123). Dependence in an international division of labour is clearly an important aspect underlying and facilitating mercantile exploitation of underdeveloped social formations (Dos Santos, 1969:76/7). Dependence on exports and imports – i.e. on an extroverted economic system – can provide a base for a commercial class to exploit, even though dependency in itself does not automatically mean surplus extraction.

Merchant profits are inversely related to the profits of the units that it articulates with (Godelier, 1972:349; Kay, 1975:90). Surplus transfer is based on control of Moment C here, and this in turn depends on unequal bargaining power and the outcome is determined by the strongest party (Harrison, 1981:421). According to Kay (1975:97), mercantile capital dominated this relationship with both First and Third World sides of its operation in the period of mercantilism, and reaped profits from both. With the rise of industrial capital, however, the predominance of merchant capital was broken in its articulation with the CMP in the developed countries. This was not achieved in the underdeveloped countries because of their weak political status as colonies. It was also because the dominant industrial capital of the centres began to use this merchant capital in the latter's monopoly form in the periphery (ibid:100).

Squeezed by industrial capital in the First World, merchant capital put a greater squeeze on the Third (ibid:123). As an agent of productive capital now, it organized whole economies to the requirements of external interests – thereby forging the structures of dependence/extroversion – and drained them through its adverse terms of trade (ibid:100,103).

Kay (ibid:124-6) argues that a profitability crisis for merchant capital was reached in the early 1900s. By 1930, it had begun (alongside direct investment by the productive capitals of the centres) to enter production so as to improve declining profit rates. Although this was the introduction of the CMP proper (i.e. in all its Moments - GB) into the periphery, the industrialization was partial. It was limited to import and export production and was also partial with regard to employment. At the same time, a quasi-independent merchant capital persisted, as did non-capitalist production. Both serviced the import-export economy. Through this merchant capital, industrial capital today is able to acquire surplus from non-capitalist production (Roseberry, 1978:13).⁽⁸⁾

8. SURPLUS TRANSFER AND URBAN BIAS.

Up till now the question of spatial surplus flows has been discussed primarily in terms of centre and peripheral economic systems. However, it is also important to bear in mind that these relationships are reproduced within economic systems as well (Weeks, 1975:96). This applies to both developed and underdeveloped countries -- although the situation is exacerbated in the conditions of the latter.

Regarding unevennesses resulting from investment-derived surplus flows, it is evident that multi-nationals have -- at all levels -- an unequal geographical hierarchy involving dependence and surplus flow to a concentrated centre (Hymer, 1972:38). Regarding savings, rural savings are channelled through banks to urban investment (Carlsen, 1980:83). Regarding unequal exchange, a chain of metropole-satellite structures exists within a peripheral social formation between sectors with inequalities in productivity wage rates and/or market control (see Amin, 1974:15). The consequences tend to be a declining terms of trade ratio.

The urban bias of economic growth in a capitalist economic system tends to be reinforced by political means too: pricing policies, taxation,

credit availability, destination of state investment and so on (see Muntemba, 1978:74; Kay, 1981:496/7; Weeks, 1975:95; Harrison, 1981:135; Arrighi and Saul, 1968b:291). (The issues of capitalist urban and rural development and underdevelopment are analysed in greater depth in Part G of this thesis).

9. CONCLUSION.

The past few chapters have looked at various factors in underdevelopment: the system process of competition, the character of the forces of production (extroversion-dependence; disarticulation-unevenness), and now the three levels of the economy and surplus transfer. However, the respective roles of all of these are still not the whole explanation of underdevelopment (or development for that matter). As discussed in the next chapter, while these dynamics are significant, their role needs to be placed within the internal social structure of the social formations of the periphery. Within this structure, class is arguably the most crucial factor.

ENDNOTES

1. The marginal level is not simply the outcome of articulation between the CMP and the **pre**-capitalist structures. In addition, it comprises groups who are actually **excluded** – i.e. marginalized, as former workers or capitalists, from the peripheral CMP itself. Marginal structures are therefore partly created by the **internal** action and character of the peripheral CMP, as well as by its conservation-dissolution relationship with antecedant relations.
2. There are – to an extent – some exceptions to this, such as monopoly construction, textiles, clothing, mining and agribusiness.
3. Arrighi (1977:172) argues that capital-intensive technology tends to involve high level manpower **and** semi-skilled labour, while more labour-intensive technology involves unskilled and skilled. Braverman, 1974, also focusses on the "deskilling" component of capital-intensive technology (although see Elger, 1979, for a critique of Braverman). These arguments tend to weaken Obregon's view that skill levels preclude the "marginal masses" from acting as a reserve for this level. Even so, Obregon's model still has general validity – at the very least with regard to the low labour requirements of capital-intensive technology.

4. Amin claims (rather reductionistically) that this is the essence of articulation on a world scale (1974:3). While it is no doubt an important phenomenon, it is questionable whether it constitutes the "essence" of articulation — or whether there is a single "essence" anyway. For instance, Amin himself, in the rest of his book, gives much attention to the role of extroversion and disarticulation.

5. I touch on this debate in chapter twenty-six in discussing simple commodity production. This is just one of several areas that the debate is relevant — others include domestic labour and pre-capitalist production.

6. This is why the multiplier effect theory cannot be extended in a mechanical way to the periphery (Amin, *ibid*:392).

7. This creates problems for development because if a country wishes to import less, it may first have to import more, and the balance of payments is placed under great strain (Griffin and Enos, 1978:220; Lange, 1960:221).

8. When merchant capital articulates with non-capitalist enterprises, it can have a very high rate of exploitation and profit at the expense of the enterprise. This is especially if the enterprise only needs simple reproduction and is therefore not as vulnerable to going out of business as is a capitalist market-dependent venture (see Banaji, 1976a:306).

CHAPTER TWENTY-ONE
CLASS AND DEVELOPMENT-UNDERDEVELOPMENT

1. Introduction.
2. The role of internal factors.
3. Which is more important: class or the structure of underdevelopment?
4. Mutual determination with class as primary.
5. Class, surplus and underdevelopment.
6. Merchant capitalists and utilization of surplus.
7. Class struggles and the use of surplus.
8. Capitalist or non-capitalist relations to blame for underdevelopment?
9. Conclusion.

1. INTRODUCTION.

In the account of this thesis so far, underdevelopment has been analysed in terms of competition, extroversion-dependence and disarticulation-unevenness, Obregon's three levels of the economy and surplus outflow. Two issues are discussed in this chapter: firstly, the internal character of these factors, and secondly, the role of classes in relation to them.

2. THE ROLE OF INTERNAL FACTORS.⁽¹⁾

Poulantzas (1976b:22) argues that in the current international context,

there is really no such thing as external factors on the one hand, acting purely from the "outside", and opposed to internal factors "isolated" in their own "space" and outclassing the others.

Rather, the "external" forces only act on a country "by way of their internalization, i.e. by their articulation to its own specific contradictions" (ibid, see also Bettelheim (1972:290)).⁽²⁾

Because competition, the structures of a peripheral economic system, levels of the economy and surplus outflow are (in part) a function of the whole international system, it is important to highlight the extent to which they still have an internal dimension.

For example, the differing roles of the reserve army of labour regarding monopoly and competitive capital (see previous chapter) show that

the specifics of the internalization of competition in the periphery are important to look at. And the differences between dependency structures are closely tied to the **internal** structure of each peripheral social formation and the varying relationships between economic sectors, classes and the State in each case (Kay, 1981:485/6; Mouzelis, 1980:360; 1979b:46). Dependency implies that economic decisions are made **outside** the country in the interests of outsiders (Berger, 1976:68). But it is also necessary to look at these decision-making processes **internally** (see Poulantzas, 1976b:21; Dato and Gray, 1979:263). To ignore internal class formation, misses the way in which what begins as an external relation becomes internalized (Legassick, 1976:439; see also Lewis, 1976). According to Petras (1983:217), the problem for the periphery is not **external** dependency, but imperialist exploitation located **in** the class structure of the periphery.

These arguments clear the way for a discussion about the relationship between the various internalized factors of underdevelopment.

3. WHICH IS MORE IMPORTANT: CLASS OR THE STRUCTURE AND PROCESSES OF UNDERDEVELOPMENT?

Writers dealing with the issue of the relationship between the structures (and system dynamics) of the periphery on the one hand, and the class structure and struggles on the other may be divided according to which of the two they see as primary.⁽³⁾

Taking first those who see the peripheral structures and dynamics as primary, the dependency theorists loom large in this category. For Dos Santos (1969:78), dependency is a conditioning situation that determines the limits and possibilities of actions and behaviour. Frank (1969a) goes further and sees classes as derivative of surplus outflow processes. In turn, surplus outflow and the role of the peripheral State are seen as being determined **primarily** by the dependent economic structure and the international division of labour, and only **secondarily** by classes that are

formed in this context. Mamdani (1977:145) likewise says that the import-export monopoly structure of underdeveloped countries dictates the process of class formation there: classes such as cash crop agriculturalists and commercial capitalists develop within this structure – and have objective interests in maintaining it. Obregon's analysis (1974) of the classes in the competitive and marginal levels of the structure also fits into this perspective.⁽⁴⁾

The opposite emphasis stresses the other side of the relationship – broadly, arguing for classes as primary in relation to the structures and dynamics of the periphery. For example, Ferner (1979:270) says that while the phases of Latin American development are related to connections to the international capitalist system, the **precise** form of development in a particular country depends on its class dynamics. Dos Santos (1969:76) attributes the fact of post-colonial Latin American economies remaining export-based to the class character of the anti-colonial revolutions.

While the above two writers see class and underdevelopment structures as distinct, others come close to reducing the latter entirely to the former. For Cardoso (1972, cited by O'Brien, 1975:13), dependency is (simply) part of an internal system of social relations between classes. Mouzelis (1980:365/6) holds that sectoral imbalances and technological backwardness should be explained by the articulation of economic structures, which link these phenomena to class factors.

Kay (1981:498) reduces the question to class entirely. For him, although "different social classes exist within each economically or geographically defined sector, the main contradiction in society is not between sectors, but between social classes". And according to Luton (1976:577) "the satellite/metropole contradiction (i.e. the contradiction of unequal exchange) is a manifestation of the expropriation/appropriation contradiction (i.e. the class contradiction) in the sense that the former's existence is secondary to the operation of the latter". Similarly, Booth

(1975:79) holds that it is relations between classes which produce as an **effect** interregional transfers of capital and thereby contribute to uneven development. Thus, in this perspective, the spatial "conveyor belt" of surplus is composed of and dependent on class relations (Barnett, 1977:23).

Among other writers within this perspective, Weeks (1975:95) points to the role of class political power relations. He says that surplus outflow is inherent in an elite-consumption development strategy, and that surplus is channelled to where political power is greatest. Leys (1975:20-1; 1983:33) argues that dependency theory perceives classes as passive, and that consequently resistance to underdevelopment gets underplayed. In this light, surplus transfer (and its underlying structure of dependence-extroversion) needs to be seen in terms of who it is advantageous for — and not only in terms of the centre or periphery, but also within the periphery itself (see O'Brien, 1975:16; Berger, 1976:68; Dos Santos, 1969:78).⁽⁵⁾ Consequently, the question of surplus diversion through and utilization by the State becomes an important issue of conflict (see Kaplan 1977:104,111). Thus, Brenner (1977:27) for example, criticizes the dependency theorists for seeing class as determined by the market, the development of trade and international division of labour (i.e. ultimately by Moment C). Instead, "the way in which the class structures themselves emerge is the outcome of a class struggle where results are incomprehensible in terms merely of market forces" (ibid).

4. MUTUAL DETERMINATION WITH CLASS AS PRIMARY.

It seems to me that the thrust of this second approach above is correct, but that it is important to see the situation as dialectical, and not to **reduce** the peripheral economic system's structure and its dynamics to class relations, despite the links between them.

In this light, I would follow Raikes (1978:301) who argues that "regional inequality cannot be considered as separate from or alternative

to social differentiation and the formation of classes." I would add that nor can the two issues be seen as identical. As Raikes in fact says, it has been a "complementary process" (ibid). I would also follow Mouzelis (1979b:35) in arguing that underdevelopment and development need to be seen in terms of the policies and interests of classes operating within a framework of limiting structural constraints (and within limiting system dynamics too).

Arrighi (1971:10) has made a valuable contribution to the debate. He says that it is necessary to invert Frank, and see the class structure in the metropole-satellite structure as the **dominant** element in the relation of **mutual determination** of the two structures. For Arrighi, Frank's metropole-satellite model must be built into the (primary) analysis of the class structure. In his view, class is the more important because it determines the places of entry (and exit - see also Bettelheim, 1972:290) in the international metropole-satellite chain, and it also accounts for variations in the chain (Arrighi, ibid:3).

From this contribution, it can be argued that while there is a dialectic between class on the one hand and structures-dynamics on the other, it is not symmetrical. Taking this further, I would add that it is important to clearly distinguish system dynamics from the structures of social relations, and within the latter, to distinguish the different types of relations. **Competition** is a system dynamic deriving from, but not reducible to, a structure of capitalist class relations. Both **dependence-extroversion** and **disarticulation-unevenness** involve structures of social relations (within the forces of production). These are linked to the structure of class relations (eg. merchant capital, imperialist investment), but they are definitely not synonymous with it. **Surplus outflow** must also be broken down into its constituent elements. Outflow based on geographical class location rests on (and reinforces) a particular structure of class relations. Surplus outflow based on merchant exploitation is a form of class

exploitation based on a heterogeneous relations of production structure.⁽⁶⁾ In fact it is only Obregon's model of **three levels of the underdeveloped economy** which are identical to class relations, comprising as it does three qualitatively different kinds of class relations. But class is also a significant factor in underdevelopment (and development) in a direct way that is distinct from its links to the factors listed above. I now turn to investigating this.

5. CLASS, SURPLUS AND DEVELOPMENT.

It is in regard to mercantile surplus flow that the class structure is relevant for Frank (Luton, 1976:574). The relation of classes to the control of spatial surplus drainage is the way this school looks at classes. This is no doubt an important element of development and underdevelopment, but the issues are also far more complex. By seeing class as relating only to the dependency structure and spatial surplus control, Frankians tend to conceive it in market rather than production terms (Joffe, 1980:6). Indeed, in lacking distinctions between Moments A, B and C, they have an unrigorous conception of class (see Mouzelis, 1980:361). For them, exploitation occurs at Moment C – and it is here that they see classes as being based. This is true for merchant capitalists, but not other classes. The Frankians misunderstand this limited situation as the general essence of class relations, and indeed the general relationship between development and underdevelopment as being in zero-sum terms. Underdevelopment is represented by deprivation and poverty; development as the accumulation of wealth at the opposite pole.

Without wanting to reject everything in this view, it is important to note its limitations. For example, Barratt-Brown (1976:268) observes that a **combination** of increased dependency and "development" (i.e. "growth" in the terminology of this thesis) in parts of the periphery is not quite the expected result of 400 years of Frankian exploitation and

underdevelopment. At the same time, it is also important to see that development is not simply a function of being at the receiving end of surplus transfer. Class is significant not only for the structure of underdevelopment and surplus transfer — but also for another vital issue: the **use** of surplus.

This can be seen as regards the particular significance of surplus transfer for development. It has been argued that while exploitation was a factor, the major causal factors of western capitalist development were indigenous (Berger, 1976:71). Accumulation under capitalism involves the constant creation of new means of production (Dobb, 1962:23-30). But in earlier times, accumulation involved piling up bullion and building chateaux. Rather than aiding capitalist accumulation, this diverted wealth from productive investment. In this light, therefore, mercantilism was not the essence of capitalist development. While foreign commerce enriched some areas at the expense of others, the whole story of capitalist development cannot be written in these terms. Enrichment was only instrumental if it was realized as means of production. (See also chapter eleven).

Dobb (ibid:27) distinguishes mercantile surplus transfer from the transfer of ownership of land. This latter concentrated the means of production at one pole and dispossessed producers at the other — with the significance of restructuring class relations to form the basis of a capitalist class structure. To sum up, mercantilism laid the groundwork for the industrial revolution by concentrating capital in the metropolitan areas, but the driving force came from capitalist class relations, in particular from emerging small-scale capitalist enterprises (Hymer, 1972:—40).⁽⁷⁾

It has also been pointed out by Brenner (1977:85) that, as regards Frank, it is not simply that the peripheral economies were structured to be primary product exporters that caused them to be underdeveloped. Rather it was the class relations through which this exporting took place which

determined such an outcome and which precluded the emergence of an internal dynamic or development (Joffe, 1980:9/10).

Thus, surplus transfer may have been necessary, but it was not a sufficient condition for development (Legassick, 1976:479). Surplus transfer (by whichever manner) is also not a sufficient explanation of underdevelopment. As a quantitative issue, surplus transfer should not be isolated from qualitative questions. The important question therefore is: who controls what happens to surplus that is not transferred out of the Third World? As Mamdani (1977:7) says "it is the use a society makes of its economic surplus that determines the character of future development." As noted in chapter eleven, this requires looking at the political issue of who controls and in whose interest surplus is used (ibid). Baran (1962:164) has shown here that underdevelopment is not so much a lack of surplus as a consequence of the way in which it is used — namely, unproductively and wastefully (see also Amin, 1974:9).

Thus, distinct from their significance regarding other factors of underdevelopment, it can be argued that classes may directly be a factor in underdevelopment. This is particularly where their structure, interests, practices and projects hinder effective use of resources (see Mouzelis, 1979b:35). Class structures, once established, can determine the course of economic development or underdevelopment over an entire epoch (Brenner, 1977:27). The role of classes is closely bound up with the role of the state (see chapter fourteen), and this is important for understanding rural development as discussed in Parts G and H in this thesis.

6. MERCHANT CAPITALISTS AND UTILIZATION OF SURPLUS.

A brier examination of merchant capital highlights the direct significance of class relations of underdevelopment. Through trade, merchant capitalists drain surplus out of underdeveloped economic systems. However, it is not only that there is an outflow of surplus: even that which is

retained within an economic unit gets channeled into the further development of trade rather than production (Mamdani, 1977:145; Kay, 1975:95).

And, as Mamdani (1977:144) comments:

This indeed is why industrial capital at the centre had to subordinate merchant capital to it in order to freely develop. But in the underdeveloped capitalist countries, this unproductive merchant capital tends to dominate production.

Even when merchant capitalists branch out into productive capitalist investment, this tends to be in export-oriented production (ibid:108).

Where merchant capitalists articulate with non-capitalist production, they affect productivity by bringing exchange value to bear, by disrupting the division of labour, causing a re-allocation of labour-time, and by stimulating specialization (Kay, 1975:94/5; Bryceson, 1980:285/8).⁽⁸⁾

While merchant capitalists tend in this way to dissolve social relations and stimulate commodity production, they also block development (Kahn, 1978:126). This is because they not only tie up surplus in exchange, but because they also remain dependent on the classes in control of production — classes which often have an interest in maintaining their non-capitalist status (Kay, 1975:93/4,98; see chapter seventeen). For Dos Santos (1969:74), in modernizing Latin American export structures, foreign capitalists allied themselves with the internal commercial and exporting oligarchy, thereby preserving backwardness in a new stage of dependency.

Thus despite their corrosive effects, merchant capitalists may bolster archaic political and economic forms through alliances with pre-capitalist elements (Kay, 1975:104). Trade may therefore initially conserve rather than weaken the traditional social structure (Dupré and Rey, 1973:162) (see chapter seventeen). If class **relations** in this example have this economic significance, one can also point to the character of class **struggles** as a factor in underdevelopment.

6. CLASS STRUGGLES AND THE USE OF SURPLUS.

Kay (1975) argues against the Frankians that capital underdeveloped the Third World – not because it exploited it – but because it did not exploit it enough. But, as pointed out (in a different context), the concept of “more exploitation” risks a return to a linear and gradualistic view of development: underdevelopment becomes a question of “how much” rather than “how is it used” (Tsoucalas, 1979:127). Closer analysis of Kay, however, shows that what he is really getting at, as Bernstein (1976) has seen, is in fact the qualitative form of exploitation.

Roseberry (1978:12) has pointed out that a combination of merchant capital with users’ capital enables a more efficient and higher rate of exploitation of producers, than either form of capital achieves when operating separately. But even this is not as much as properly productive capital can achieve. Thus when Kay says that the Third World was not exploited “enough”, what he means is that it was not exploited by productive capital, on the basis of relative surplus value exploitation (which in turn is based on raising productive capacity in wage-good related sectors). Relative surplus value exploitation enables “more” exploitation to be carried out than absolute surplus value exploitation.

Thus one of the keys to the poverty of the Third World is the high rate of absolute surplus value exploitation that has prevailed there (Bernstein, 1976). Capitalists in the periphery are able to take advantage of exploiting by absolute surplus value methods, because of the weakness of class struggle in limiting this avenue (see Fine, 1978:92, 94).⁽⁹⁾ As Kautsky has noted, “a holding where the workers can be driven to any limits does not require the latest technical equipment, as do holdings where the workers may impose limits on the intensity of their labour. The possibility of increasing the labour time of a given workforce is a serious obstacle to technical progress” (1976:26).⁽¹⁰⁾

The weakness of the proletariat and the peasant classes is closely

linked to the way in which they have formed in the context of underdevelopment. The class structures of the periphery involve a diversity of relations of production, and therefore of classes and class fractions. Add to this, semi-class formation, and the consequence is disorganisation amongst the peripheral exploited (Fine, 1978:94).⁽¹¹⁾

The problem of Third World development today is that in the context of an international capitalist system, organised class struggle limiting absolute surplus value tends to drive capital away, rather than compel it to industrialize (Mouzelis, 1979b:41). Simultaneously, monopoly competition and the structure of the peripheral economic system inhibits the indigenous development of the CMP from below. The result is the blocking of capitalist development in the periphery.

9. CAPITALIST OR NON-CAPITALIST RELATIONS TO BLAME FOR UNDERDEVELOPMENT?

Any answer to the question of whether the CMP will ultimately develop the underdeveloped economies depends very much on where the "blame" for underdevelopment is placed.

Many writers have blamed non-capitalist relations. The argument advanced by Fine (1978:94) (see previous section) ultimately lays the blame on weak class struggle in the periphery, in turn tracing this to the existence of non-capitalist relations and associated class heterogeneity there. Kahn (1978:110) — for different reasons — also feels that underdevelopment is the result of the incomplete penetration of capitalist relations and the persistence of pre-capitalist economic forms.

Other writers have also blamed non-capitalist relations, citing a wide range of reasons. According to Cliffe (1977:333), Palmer and Parsons (1977) see underdevelopment as a lack of capitalist relations — the pre-capitalist system was destroyed, but not transformed into capitalist production. Kaplan and Davies (1977:103) speak about feudal and peasant classes constituting an obstacle for capitalist economic development. And

for Friedmann (1979:174/5), what makes for development under capitalism is the mobility of factors of production, whereas the existence of pre-capitalist classes like the rent-exploiting landlords and the various peasant classes limits mobility and competition. Their existence is therefore an integral part of underdevelopment – or at least of the lack of development.

Another argument for blaming non-capitalist relations concerns the link between proletarianization and the internal market. Capitalism at the centre has benefited from its internal market – the latter being a function of extensive proletarianization there (see chapter sixteen). The comparatively limited expansion of the CMP at the periphery has meant less proletarianization, and hence less of an internal market.

This general outlook parallels 1950's development theory which held that the underdeveloped countries would progress towards development by eliminating the "obstacles" of "traditional societies", "feudal residues", etc. (see Dos Santos, 1969:58). However, as Dos Santos points out, the survival of pre-capitalist forms is not fundamentally due to their own persistence, but rather to the very process of underdevelopment in the dependent countries (ibid:60). This squares with Obregon's theory (1974) of the CMP contributing to the existence of the marginal sector.

In an entirely different view then, the issue is not so much the stubborn continuation of pre-capitalist classes and structures, as the restricted development of the peripheral CMP which not only fails to absorb and transform them into capitalist relations, but which sets up a process of conservation-dissolution. All this is bound up with the subordination of the peripheral CMP to the central CMP, the structure of the peripheral economic system, and surplus outflow. To sum up this view, the obstacle to development is the lack of generalized capitalist relations in the periphery, and the cause of this is nothing other than the CMP itself!

There certainly is much truth in this conclusion, but it would be

wrong to crudely blame everything on the CMP (central or peripheral), leaving no autonomous role for non-capitalist elements in explaining the underdevelopment of productive capacity. There is also no guarantee that an expansion of capitalist social relations in the context of monopoly competition, dependence-extroversion, etc. would actually engender economic development. It has been claimed that capitalist relations in the Iranian countryside did not lead to a mobilization of natural resources consonant with the needs of the economy (Halliday, 1979:105). As in India since the 1960s, an agricultural bourgeoisie may not invest elsewhere in the economy, and may even withhold output (ibid). Obviously, each social formation has its own specific explanation, and this is not the place to pursue particular examples. The general point emerging from this analysis is that the factors accounting for underdevelopment are several, complex and linked to specific combinations of capitalist and non-capitalist features. How to break the logjam in the underdeveloped periphery is a vexed issue defying easy prescription.

10. CONCLUSION.

This chapter has stressed the internal dimension of underdevelopment and focussed especially on how class issues are significant for the factors of underdevelopment as discussed in previous chapters, as well as having their own direct importance. It may well be that development for the social formations in the periphery of the international capitalist economy requires a complete restructuring of the class relations that breaks with **both** "pre"-capitalist and existing capitalist relations and the three tier character of the underdeveloped structure identified by Obregon. In addition, the transformation of the forces of production, especially as regards extroverted-dependent and disarticulated-uneven relations would seem to be crucial. Finally, the class relations and class struggle as such would need to be of a kind that would ensure productive use of

available surplus.

This implies a transition to qualitatively new relations of production. The issues this poses are transition through internal changes and through articulation with an external "superior" mode of production (see chapter ten). Class structure and struggles and the role of the state are crucial for both. I leave aside here the fascinating question of what alternatives there are to the capitalist and "pre-capitalist" relations. However, many development strategies have tried to come up with alternatives, often combining elements from both sets of relations. I will return to these in Part H. The next chapters examine the issues raised so far in terms specifically of **rural** development.

ENDNOTES

1. The internal-external distinction discussed here is not the same as that discussed in chapter eighteen. There, for ease of exposition, underdeveloping factors are equated with **external**, and undeveloping with **internal**. Here, however, we are looking at the internalization of underdeveloping factors.
2. According to Althusser (1976:80),

the explanation of any phenomenon is in the last instance internal: it is the **internal** "contradiction" which is the motor. The external circumstances are active: but "through" the internal contradiction which they overdetermine.
3. These differences are not explicit in most of the literature, and indeed, some writers make claims that would fit in with both approaches (for example, Dos Santos, 1969).
4. See also Amin (1974:383) — who regards the "lumpenbourgeoisie" as created by the structure of underdevelopment.
5. For example, metropolitan capital is usually interested in the repatriation of surplus or in using it locally for its own development. Its local agents — usually in finance, banking and commerce — are often comprador capitalists (Poulantzas, 1976b:42). Indigenous national capital is that wanting the surplus for its own local activities (or indirectly for its benefit through infrastructure expansion, for example). The class here is a "domestic bourgeoisie" — dependent on foreign capital for technology, subcontracting, etc. — but cheated out of surplus value by foreign capital. It has an interest in more nationally-oriented industrialization, tariff

protection and extension of the home market (Poulantzas, 1979b:42, 44).

6. To the extent that one accepts Emmanuel's theory of unequal exchange (1972) (but see previous chapter), this form of surplus outflow as linked to the "transformation mechanism" would be a system dynamic deriving from capitalist class relations - especially at Moments B and C.

7. It is in this light that one can understand Marx's remark that "the so-called primitive accumulation of capital therefore is nothing else than the historical process of divorcing the producer from the means of production" (Marx, 1972:668).

8. The developmental effect of this is linked to the issue of whether the extra and/or specialized commodity production could be accommodated by replacing leisure time, or whether it reduced the production of items necessary for immediate consumption. Some production for exchange may be beneficial, such as where an item can be got for less comparative time and effort than would otherwise have been spent on producing it. But this is not always the case (Bryceson, 1980:185/6).

9. As discussed in chapter thirteen, the limits on absolute surplus value exploitation also include the mobility of labour, and capital's own need to reproduce its labour force. Neither of these limits would seem to have much weight in the periphery (see Emmanuel, 1972a; Harrison 1981 *passim*; Elkan 1978:137; Tzentes 1973:192).

10 . According to Kautsky (1976:26), "a holding, which cannot compete on a technically superior basis, is forced to exact the maximum effort from its workers". One can add to this that where an increase in exploitation is not based on continual technical improvement of the means of production, every "traditional" cultural device is used to increase absolute surplus value exploitation (Smith, 1979:287).

11. The other side of the coin to this is the predominant role played by the petty bourgeoisie in the periphery (see chapter twenty-eight).

PART G

RURAL DEVELOPMENT

CHAPTER TWENTY-TWO: AGRICULTURE AND DEVELOPMENT.

CHAPTER TWENTY-THREE: AGRARIAN SOCIAL STRUCTURE.

CHAPTER TWENTY-FOUR: RURAL CLASSES IN THE INTERNATIONAL CAPITALIST SYSTEM.

CHAPTER TWENTY-FIVE: THE CMP AND TRANSITION.

CHAPTER TWENTY-SIX: PEASANTS AND COMMODITY PRODUCERS.

CHAPTER TWENTY TWO
AGRICULTURE AND DEVELOPMENT

1. Rural development.
2. Industry or agriculture?
3. The Agrarian Question.
4. Agricultural productivity.
5. Land scale and agricultural productivity.
6. Productivity and the scale of labour-input.
7. Advanced means of production and agricultural productivity.
8. Conclusion.

1. RURAL DEVELOPMENT.

"Development " has been defined and analysed in earlier chapters. What, however, is meant by **rural** development? Rural is not synonymous with agriculture. And chicken factory farming indicates that some kinds of agriculture are not necessarily non-industrial. A further complication is that "urban-rural" are not dichotomies but ideal-type ends of a continuum of intermediate forms (Galeski, 1972:78). In my view, the term "rural" is based largely on relative population density and comparative social structure characteristics, which have come to be associated with agriculture. I take rural development therefore to refer — in general terms — to **agricultural**, as opposed to **industrial** (i.e. manufacturing), production. This chapter investigates the role of agriculture in development as well as agricultural productivity, in terms of the theoretical framework of this thesis (Moments of production, economic system, productive capacity, etc.).

2. INDUSTRY OR AGRICULTURE?

All too often, rural development is seen as a self-contained phenomenon, instead of being analysed from the point of view of development as a total process that spans both the rural/agricultural and the urban/industrial sectors. From a holistic perspective, however, the pertinent question is not "rural development", but the role of the rural areas in the overall development of productive capacity, and in particular the development and

adoption of advanced means of production in a given economic unit. It is this broader perspective which underlies the issue confronting development planners as to whether development should proceed via industry or agriculture (Baran, 1962:271). In the view of one writer, Brietzke (1976:637), this depends on the country involved. Development in Ethiopia, he argues, is synonymous with agricultural development because of the predominance of agriculture in the economy. But this is a narrow understanding of how productive capacity develops.

The expansion of agriculture usually requires investment in means of production — and only industrial expansion can provide the technology for this (Baran, 1952:140; Langa, 1968:209). Even in the Maoist experience, there were limits to raising agricultural productivity by changing only the relations and forces of production without introducing new means of production (although changing these economic relations may be a prerequisite for the latter). As discussed in chapter eleven, what is crucial for development is the channelling of surplus into expansion of the means of production. What this means is that one cannot fully evaluate development in agriculture as an isolated branch of production. Rather it is necessary to examine how agricultural expansion relates to industrial expansion, and vice versa.⁽¹⁾

The expansion of agriculture is necessary for industry, in that the latter needs not only raw materials and foodstuffs, but also the labour supply released by such development. There thus needs to be some kind of general balance between industry and agriculture in development (as well, of course, a balance between these and other areas of economic significance — commerce, mining, energy, infrastructure, education, transport, and communications). This balance need not — especially in the present world system — be present in each social formation, although such a case can undoubtedly facilitate the development of a social formation's own productive capacity. Clearly, the relationship between industry and agriculture

may be successfully mediated through international trade. The respective contributions of the different sectors to economic development may thus have to be measured within a unit that is wider than a single social formation – although it is still necessary to evaluate how productive capacity within each social formation fares under such arrangements.

Thus as Griffin and Enos (1978:268) argue, it should not be a case of agriculture versus industry, or **vice versa**. Seen in terms of the development of the productive capacity of a given economic unit, the issue is rather about whether the problem of agriculture in development needs to be resolved or whether it can be successfully bypassed.

For the purposes of conceptual discussion and theorization, this thesis works with the assumption of agriculture as having to play a role within a definite economic system. It is in this context that rural development arises as an issue in relation to industries that produce means of production, as well as to other complementary areas of development. This is development seen in macro-terms, and in terms purely of the forces of production. However, the way that investment is allocated in a society is affected not so much by this kind of one-sided general theorizing about development, as by the relations of production and the role of classes, ideology and the State amongst other factors. Thus it is quite evident today that the State in every society has an important role in the selection, initiation, and direction of development in various sectors of the economy (Griffin and Enos, 1978:216).⁽²⁾ From the point of view of development, what is important is how this works out for productive capacity. Subsequent chapters will go into this in greater depth.

3. THE AGRARIAN QUESTION.

The specific role of agriculture in development has been conceptualized as the "Agrarian Question" (see Byres, 1977). The Agrarian Question refers to the way in which agriculture as a sector in the forces of

production relates to the expansion of productive capacity in an economic system — and how it relates to the needs of industry within this. From the point of view of agriculture, one could equally pose the issue of the "Industrial Question". While agriculture cannot service industry without a reciprocal relationship, historically the emphasis has been on what it offers the industry, rather than vice versa. While there is nothing natural about this, in terms of my focus on development in terms of advanced means of production, it makes sense to continue posing the industry-agriculture relationship as the "Agrarian Question". This is not to take an "industry-centric" viewpoint, but rather to investigate the contribution of agriculture to the development of the whole, and in particular to the production of new means of production.

Expanding upon Beckford (1978:142/3) and Halliday (1979:126-134), the role of agriculture in development can be broken down as follows:⁽³⁾

- (i) Providing food and raw materials. Obviously, this depends on physical limitations, methods of production, and the percentage of societal investment in agriculture.
- (ii) Subsidizing industrial development through surplus transfer. This depends *inter alia* on latent, hidden and actual surplus in agriculture, on the urban-rural terms of trade, the comparability of exchange-values and labour-time, and the structures and strengths of classes in each branch.
- (iii) Facilitating forward linkage. Agriculture is a precondition for the processing and (partly) for the transport sectors.
- (iv) Functioning as backward linkage — as a market for industry with regard to agrarian inputs and consumer manufactures. This depends on consumption patterns, the buying power of classes involved in agriculture, and the degree of articulation between agriculture and industry.
- (v) Serving as export goods earning foreign exchange to finance imports.
- (vi) Releasing labour-power for industrial development, or productively absorbing labour-power where industry is unable to do so.

It should be clear from all this, that the Agrarian Question is not simply a technical question concerning the place of agricultural products in an economy. Also significant, and crucially so, are the agrarian forces and relations of production as they relate to issues such as consumption patterns, employment, surplus generation and transfer, and the progressive

expansion of productive capacity in agriculture. The latter is clearly a key factor in the whole Agrarian Question, and I turn now to analysing it in the context of agrarian forces and relations of production.

4. AGRICULTURAL PRODUCTIVITY.

Productive capacity in agriculture is a complex phenomenon, located in the first instance in agrarian forces of production. Here it is bound up with issues around the intensity of labour, scale of production, and character of the means of production (encompassing both instruments and objects of labour). All of these clearly exist within particular surplus labour relations, and in the second instance, therefore, productive capacity in agriculture is also a function of agrarian relations of production. This can be seen in the discussion around the relationship between productivity and scale of production.

"For over a century, economists have concerned themselves with the question of which is best – the big or the small holding," wrote Kautsky in 1899 (1976:2). The problem with this question is that it is impossible to argue in any general way about the comparative efficiency of large and small-scale agriculture (Mouzelis, 1975/6:488). The question needs to be re-phrased in terms of the relations of production, encompassing the issues of when, under what social conditions, and for whom large or small farms are more advantageous (Galeski, 1972:182). For my purposes, "which is best" also needs to be clearly posed in terms of the criterion of productive capacity.

Seen in this light, it is almost impossible to analyse the question independently of the production relations because of the way in which these affect the available supply of labour and means of production, and the possibility of viable production.⁽⁴⁾ The scale of production – a feature of Moment B (the labour process) – thus needs to be seen in relation to Moments A and C (relations of possession and separation, distribution and

utilization), and all three Moments need to be placed within the context of both the forces and the relations of production.

In much Marxist theory, it has been assumed that resolution of the Agrarian Question requires that the limits of small-holding production based on family labour have to be transcended (Harrison, 1981:92). The way forward has been seen to lie in the creation of large-scale capitalist or socialist farms. However, it is important to look more closely at such claims, and analyse what is actually meant by small and large holdings. By breaking the issue down into the scale of use of land, labour and means of production, we can begin to see how these issues are significant only within determinate agrarian forces and relations of production. Leaving aside the question of labour and means of production till sections 6 and 7 below, I will now investigate the arguments over land-size and its implications for productive capacity.

5. LAND SCALE AND AGRICULTURAL PRODUCTIVITY.

Among the arguments for large-scale farming, there is the claim that they offer the benefit of economies of scale (Kautsky, 1976:21/2). It has also been argued that large-scale agriculture can profitably utilize — unlike its small-scale counterparts — modern implements and machinery (Baran, 1962:166,275; Kautsky, 1976:23). Other advantages in large-scale units are greater specialization in the division of labour, and scientific management being cheaper than on small plots (Baran, 1962:23).

In criticism of these arguments, it may be pointed out that increased scale may sometimes mean that production inputs can rise disproportionately to the output generated. Secondly, small land-size does not preclude economies of scale in the use of means of production. For example, small-scale farms can remain small yet still take advantage of co-operation within a larger unit. This is evident if one places the means of production within the wider context of relations and forces of production — in

particular in Moment C with regard to utilization. There is no reason why 50 small plots each require their own plough, etc. — because means of production can be shared on a co-operative basis, for example in a moishav model (see Halliday, 1979:113). It is even possible to have completely collective relations of possession of means of production combined with private small-scale use in a rotational manner (Muntemba, 1978:64). Separate small producers may use common means of production mediated by a capitalist servicing organisation such as processing units, tractor hire, etc. (Harris, 1980:90).⁽⁵⁾

From these points, it emerges that land-size is not a fundamental determinant of agricultural productivity (Patnaik, 1979:400; Kautsky, 1976:33). Small plots do not mean that the Agrarian Question is irresolvable. But it is important to note that even if land-size is small in scale, productivity can only rise with an expansion in the scale of means of production and/or labour-power input. Productivity rises thus require particular conditions in the overall forces and relations of production within which the small-scale unit exists.

6. PRODUCTIVITY AND THE SCALE OF LABOUR INPUT.

If land-size on its own makes little difference in terms of utilization of the means of production, let me now turn to the question of how this variable affects the use of labour-power. Certainly, it has been argued that "small" is better than "big" with regard to utilization of labour. This is motivated in a very special way. "One of the most passionate advocates of small cultivation, John Stuart Mill defines as its most important characteristic the untiring labour of its workers" (Kautsky, 1976:26). This characteristic is usually linked to family ownership and operation of (necessarily) small-scale farms.

Writers here point out that private plots in socialist countries have a higher output per unit area than large collectively-operated plots. For

example, in China each peasant's private plot — though totalling only five percent of the arable land area — produces up to half the family income (Sklair, 1979:333; Nolan and White, 1979:14).

Against such examples, however, it has been pointed out that productivity in this instance is not a function of labour-inputs in the abstract, but once again a consequence of the context of very specific forces and relations of production. In the Chinese case private plots are used for higher-income earning products (Nolan and White, 1979:14); work on collective production is sometimes neglected in favour of private plots; and the plots also benefit from a socialist environment of guaranteed prices, market stability, membership of co-operatives, provision of old-age security, etc. (Patnaik, 1981:245/6; Sklair, 1979:333).⁽⁶⁾

But leaving these counter-arguments aside, it is still necessary to consider the basic point of the argument that productivity on small farms is high because small producers own or have an attachment to their land, and have a direct stake in raising productivity since they are working for themselves (Stavenhagen, 1964:91). The assumption in this argument is that family ownership and family labour input is most conducive to agricultural productivity, and that these are associated with small farms.⁽⁷⁾

The crucial characteristic of such production, however, is — on closer inspection — not so much the size of the forces of production, nor the use of **family** labour (which even share-croppers use). Rather, it turns out to be the particular family-ownership (i.e. possession) relations of production at Moment A. Certainly, where peasant families have gained possession of the means of production following land reform, they have been motivated to invest added labour time since they and not a landlord reap the benefit (Buckley, 1981). In contrast, there is little incentive for a feudal tenant to work harder (Keddie, 1968:168; Brietzke, 1976:640).

However, such motivational explanations, significant as they are, are of limited value. In Africa, unlike Asia and Latin America, where there

has been no feudal exploiting class generally, it is questionable whether private tenure *per se* will inspire increased production effort — despite assumptions by many development planners (see Thomas, 1975:39). Furthermore, as Galeski (1972:159/60) points out, “to restrict the source of motivation solely to the explanation that farmers are usually owners of the land is surely an oversimplification; in general, motivation cannot be reduced to the operation of a single factor”. As was discussed in chapter four (as part of the discussion on base and superstructure), labour productivity cannot be subjectivized. Indeed, there are strong coercive pressures affecting motivation and strong material factors conditioning and tempering it. Thus, as Friedmann writes:

the more “commercial” behaviour of simple commodity producers relative to peasants stems not from motivational differences, but from the individualization of each household which accelerates commoditization, and the resulting transformation of communal and particularistic relations, both horizontal and vertical, into competitive and universalistic ones (1979:174).

The fact that a small-scale family labour farm can intensify effort and absorb a lower income and therefore persist in the face of adverse natural or market conditions is one reason why small is not always beautiful for the small farmer (Harrison, 1981:91). The “self-exploitation” of the family labour farm is therefore frequently not a voluntary or a natural feature, but the outcome of the need for money for tax or necessary goods for reproduction (Ennew et al, 1977:304).⁽⁸⁾ The question remains, however, as to how this factor affects the question of development.

Certainly, an increase in labour-intensity on a family labour farm would realize what would otherwise be *latent* surplus. But development of productive capacity is ultimately predicated on **decreasing** the labour time needed to produce an item by introducing advanced means of production (Cohen, 1978:56). Thus, while an increase in family labour time *in itself* may contribute to development, it does not count directly as development in

the longer term. This is not to rule out the possibility of the distinctly different situation of small holders increasing their labour time in relative terms through advanced means of production. (As argued by Friedmann (1980) and Vergopoulos (1978), simple commodity producers **in the capitalist centre** have been able to do this. See chapter twenty-six).

The point that emerges from this discussion is that producer possession of the means of production may (due to ideological and structural factors) increase labour intensity absolutely, but development of productive capacity via advanced means of production does not universally follow from this. Categorical claims about the developmental significance of small-scale farms are clearly problematic. The wider context of relations of production at Moments A and C, as well as the specific characteristics of Moment B, are crucial for explaining the intensity of labour and the utilization of advanced means of production.

7. ADVANCED MEANS OF PRODUCTION AND PRODUCTIVE CAPACITY.

Within the framework of agrarian forces and relations of production discussed above, advanced agricultural means of production may influence both land and labour productivity, singly or jointly. Prior to the Green Revolution, it was argued that raising agricultural productivity referred not so much to raising output per acre, as to reducing the cost of production per unit output through labour-saving techniques (Galeski, 1972:26; Kay, 1975:495; Byres, 1981:409; Baran, 1962:xxxii). Clearly, through mechanizing production, labour output can be increased — even if this does not necessarily raise yields per hectare. Since the Green Revolution, it is apparent that land productivity can also be raised, and to some extent independently of labour, through technical advances such as high yield variety crops. These advances allow for an increase in the number of crops grown each year — which is equivalent to an extensive expansion of land and labour output (Harrison, 1981:97).

8. CONCLUSION.

As chapter four argued, the **social** and not the physical dimension is primary in explaining development, and this is evident in this chapter. Agricultural productivity, and long-term resolution of the Agrarian Question through the use of advanced means of production, is not guaranteed by expanding the land-size scale of farming units, nor by family-labour farms increasing their labour input. What is required is a particular type of economic context that will foster social relations suited especially to the generation and transfer of agricultural surplus to industry, as well as the industrial development of new means of production and the adoption of these in agriculture. This is the background to the analysis of agrarian social structure and social classes in the next two chapters.

ENDNOTES

1. Although this thesis discusses primarily development and underdevelopment with reference to capitalism, it is instructive to look at the role that agriculture is supposed to have in socialist development. The socialist development path is aimed at transforming agriculture into a type of industrial production, and developing it as "an organic part of a single national agro-industrial complex" where agriculture is not an independent branch of the economy, but only one of several different production spheres under the management of the entire complex (Nikiforov, 1975:80; see also Galeski, 1972:152,191).
2. A very specific example of this is clear in the work done by Kaplan (1977) who shows that the question of agriculture-industry relations is not a technical or a self-determining one. Rather it is at the centre of conflict between classes and class fractions trying to win state policies to direct development in their own particular interests.
3. As will be evident on reading the list, factors like monopoly competition, extroversion-dependence, disarticulation-unevenness, and the role of the CMP in marginalizing people - block or retard the fulfillment of many of these facets in underdeveloped social formations. This is elaborated on in later chapters.
4. For example, in the United States, labour beyond that which a family could provide was needed historically for "economically viable" cultivation of tobacco, rice, cotton and sugar. Historically, slavery and capitalist

relations served to fill in the labour gap. Such crops were not economical when grown on family plots — unlike cereals (Hindess and Hirst, 1977:159/—60). Clearly, the context of specific relations of production, as well as world trade, market prices, and the particular means of production available, are crucial to the picture of viable productivity in agriculture.

5. Such points form (in part) the basis for claims directly in favour of small-farms (for example, see those of World Bank's Robert MacNamara (1973, quoted by Markovitz, 1976:185)).

6. Claims lauding the economic performance of small-size family-run farms often ignore the way that these farms are integrated into a scale unit much wider than their land-size in which relatively few of the functions at Moments A, B and C are actually performed by them (Galeski, 1972:160/1; Vogoler, 1981).

7. It can be pointed out here that small-scale production does not — despite oft-held assumptions — preclude capitalist relations (see Ennew et al, 1977:304; Patnaik, 1979:400). Small farms are not necessarily non-capitalist.

8. This is analysed in more depth in terms of the insights of articulation theory in chapter twenty-six on simple commodity production. The same chapter also discusses the arguments about the higher marginal costs of wage labour compared to family labour.

CHAPTER TWENTY-THREE
AGRARIAN SOCIAL STRUCTURE

1. Introduction.
2. Critique of characterizations of rural producers.
3. Conceptualizing rural classes.
4. Analysis of each Moment of production.
5. Reproduction and rural differentiation.
6. Conclusion.

1. INTRODUCTION.

To understand how social relations develop in agriculture and their significance for development, it is necessary to look at the various rural classes and at what distinguishes them from each other. A large number of studies have been made of rural producers, many without clear concepts to guide the analysis. This chapter examines some of these studies in order to illustrate both their inadequacies and insights in terms of the theorization developed in this thesis. This serves to clear the way for the next chapter's detailed theorization of agrarian classes.

2. CRITIQUE OF CHARACTERIZATIONS OF RURAL PRODUCERS.

Non-capitalist classes in agriculture are very often lumped together as "peasants". However, this generic term disguises a large number of differences between rural classes, and this problem is exacerbated by the cross-historical generalization associated with its use.⁽¹⁾ Another problem is the way that "peasants" are often defined primarily by the forces, rather than the relations, of production. For instance, "peasants" are seen as having low productivity, and as being somewhere between total integration into the market and no integration at all (Friedmann, 1979:—164). But low productivity is not universal to "peasants", and different and antagonistic class relations can also still exist at a low level of subsistence (Cliffe, 1978:335). The feature of semi-integration into the market defines producers only in terms of commodity exchange, and locates

them negatively from the poles of full and no integration (Friedmann, 1979:158,166). While differences at Moment C are important, they should not be the sole point of focus.⁽²⁾

Hobsbawm (1973:3/4) has suggested that "peasants" are on a continuum between two ideal types that derive from the mid-19th century French peasants on the one hand, and the 19th century Russian communal peasantry on the other. He cautions that at a certain point of socio-economic differentiation beyond this continuum, the term "peasantry" is no longer applicable because the differences outweigh the common features of the constituency (ibid:18). I would argue that Hobsbawm's stricture about the concept of the "peasantry" applies not only to such obvious cases, but to the use of the concept in general. "Peasants" should be studied within their historical contexts to see to what extent they constitute a unified social force (Hilton, 1973:208, 218), and whether significant class differentiation among them is not disguised by the concept of the "peasantry".

In general analytical terms, I would follow Ennew et al (1977:308, 296), and argue that there is no peasant family labour farm in general, and that it is necessary to distribute the components of the diffuse category of the "peasantry" into differing classes.⁽³⁾ It should also be borne in mind that there is no concept of a "peasant mode of production", but rather specific forms of agricultural production worked and managed to a greater or lesser extent by household units within a particular mode (or heterogeneous relation) of production (ibid:310).⁽⁴⁾

More than this, "peasant" agriculturalists also need to be seen in relation to urban groups. Indeed, rural relationships can only be understood in relation to the class structure of society as a whole (Cliffe, 1977:219/20). Rural differentiation should be studied in terms of its links with national class formation, the development of commodity production and the state (Raikes, 1978:285). (This is important for analysing rural development strategies - as will be evident in Part I).

3. CONCEPTUALIZING RURAL CLASSES.

How does one rigorously distinguish social relations in agriculture? In many studies, rural differentiation is not firmly located in the relations of production (Cliffe, 1978:335/6). Allan (1949) uses criteria such as amount sold, and on this basis identifies three groupings: subsistence producers, smallholders and farmers (Cliffe, *ibid*). Brandt et al (1973) use the method of cultivation as their criterion, and distinguish hoe cultivators, two-oxen plough users, and more-than-two-oxen plough users (Cliffe, *ibid*).

But classes making up the agrarian social structure should be identified holistically, and in relation to all Moments of production, as well as reproduction and the system dynamics of the three Moments combined as a whole (see chapters one, five and six). Some writers do try to have a wide focus, taking into account all these aspects. Thus Post (1977:249) advocates looking at who extracts labour power in the form of agricultural produce from whom, and how, as well as looking at land tenure, the extent and nature of absorption into world markets, and relations to the state. For Sklair (1979:330), it is necessary to look at who owns and controls land, labour-power, implements, livestock and workshops; who decides what will be produced and how, and what will be done with the products; and how distribution is organized. The problem is that while trying to be comprehensive, neither Post nor Sklair have a clear theoretical overview of the Moments of production to assist in linking the different elements together.

4. ANALYSIS OF EACH MOMENT OF PRODUCTION.

At the other extreme to Post and Skair are those writers who have a narrow focus, taking only one aspect in isolation of the entire three Moments that make up a relation of production. While this is clearly limited, certain insights may be gained from critical examination of their analyses of particular Moments.

As one of the writers who focusses on **Moment A**, Cabral (1969:48) says that small farmers are petty bourgeois on the basis of the fact that they own (i.e. possess) means of production. In his approach, land is seen as the key means of production, and therefore land-possession is viewed as the key differentiating factor. Similarly, the 1970 Tanzanian census also divides up agricultural classes in terms of size of holdings (Cliffe, 1978:336). Byres (1981:425) uses land as a stratifying variable for India – although he concedes that it is less applicable in cases of capitalist and/or intensive cultivation.⁽⁵⁾

But land-size is a complex criterion. Like income, it is a purely quantitative indicator, and it does not give the structured relationships between the groups (Howard, 1980:72). Land is obviously a very important means of production (especially in a non-industrial society). But it is not the only one, and it is also capable of having a varying stratifying significance. For example, soils (not to mention climates and topographic-features) may – and do – vary in fertility, and therefore equal-sized plots do not mean equivalent worth (Leo, 1979:267).⁽⁶⁾

Other writers (eg. Howard 1980:72) study stratification among the "peasantry" primarily in terms of **Moment C** regarding the buying and selling of labour-power. Sometimes, however, such study is done in isolation of the relations of possession/separation (Moment A), and looked at only in terms of exchange (Moment C). The problem is, however, that without considering relations of possession, distribution and utilization, evidence of exchange of labour between classes is not in itself a sufficient index for class differentiation (see Bernstein, 1979a:431).⁽⁷⁾

5. REPRODUCTION AND RURAL DIFFERENTIATION.

Several writers have focussed on the different systems of class **reproduction**. Although reproduction is through material goods and services, it is also linked to social relations through which the product-

ion and distribution of such items occurs. Thus reproduction is articulated through Moment C, which in the literature is often seen as depending on Moment A. While this underplays Moment B (relations in production), as well as system dynamics, it still has produced some insights. There are two emphases here: one on Moment C, the other on Moment A:

(i). The first emphasis focusses on how reproduction relates to the market. Friedmann (1979:163) suggests that the best way of conceptualizing the differences between rural groupings is through the concepts of commoditization and resistance to it in the reproduction of households. Her approach looks at differences in the way that the social relations characteristic of Moment C may penetrate and structure the relations in Moment B and Moment A. According to Friedmann (ibid):

The development of the productive forces (i.e. increasing the productivity of labour and/or land, and increasing the scale of production), the relation between agricultural households and markets for their products (market "response") and class relations all differ according to commoditization or resistance to it (ibid).⁽⁸⁾

The degree of commoditization is a useful concept for it enables us to distinguish *inter alia* agrarian capitalism and simple commodity production (the latter being completely commoditized with regard to inputs and outputs - except for regular labour-power).⁽⁹⁾ Commoditization is also useful in that it directs analysis to the articulation between different production relations. With regard to the commoditization of labour power, in particular, it focusses attention on the rise of the CMP. Taken alone, however, commoditization does not give us the differences between rural classes where relations are not commoditized, nor does it direct us to system dynamics and the way that classes may exhibit these differently.

(ii). In the second emphasis of the "reproduction" approach, Moment A is focussed on as a way of distinguishing classes. For example, a capitalist

farmer and a feudal peasant are seen to differ in regard to the dependence of the peasant for security and subsistence on rights to the land, compared to a capitalist farmer who is not so dependent — being able to hire land for example (Saul and Woods, 1971:105).

Another example is the method of Awiti (1973) who distinguishes two basic classes in Ismani, Tanzania: one possessing means of production, and one separated from them. The former comprises capitalists and petty-capitalists (ibid:219). He identifies as capitalists those who get their income solely from hiring labour to work their means of production (ibid:231). Petty capitalists are those who only get one-third of their income from hired-labour (ibid:223).

In other words, their reproduction does not involve the same extent of articulation with another class, as does the reproduction of the capitalist class. (However, their role within Moment B — the relations in production — also needs to be analysed in order to understand them fully, and this the "reproduction" approach does not give us). In the other class, Awiti locates "poor farmers" who have to sell their labour-power in order to survive. Their reproduction is primarily dependent on relations with the possessing capitalist class.

Steeves (1978:124) distinguishes a similar structure for Kenya between 1960 and 1972, as does Bernstein (1979b:31/2) in Tropical Africa in general.⁽¹⁰⁾ Galeski (1972:15-8) identifies similar classes in Poland. In fact, all these are similar to Lenin's classic schema (1960a) of farmer capitalists, middle peasants, and poor peasants (the latter increasingly securing subsistence through wage-labour).

Clearly, this criterion of differing reproduction systems is useful in distinguishing certain rural classes. However, it misses not only the relations in production, but also the extent to which the entire structure gives rise to system dynamics which significantly affect class characters and class practices. These features are necessary to comprehensively

understand, for example, the differences between capitalists, simple commodity producers and landowners, as well as the similarities between capitalists and rich peasants.

6. CONCLUSION.

To conclude this chapter, it is worth noting that it is false to assume that the Moments of production – even when seen in relation to each other, and to the issues of reproduction and system dynamics – alone determine effective class formation and existence. The entire socio-political structure is relevant (Dias, 1978:182). At the conceptual level, however, it is legitimate – and essential – to develop clear general economic criteria for analysing the rural social structure. Having now looked at some of the pitfalls – and some of the insights – in studying agrarian classes, I now turn to my own analysis.

ENDNOTES

1. For example, there are differences between "peasants" in a feudal mode of production, and "peasants" in a heterogeneous relation of production that articulates with the CMP through commodity production.
2. This point also applies to the stratification of the peasantry according to income. The danger of the terms "rich", "middle" and "poor" peasants is that they can be interpreted as distinctions based only (or primarily) in Moment C, and only one dimension of this Moment at that.
3. For example, in Iran the following components have been identified by Keddie (1968:156/7): small-holders, heads of work-teams with means of production, heads without means, sharecroppers without means, labourers in work-teams (with cash and land-use payment), and casual seasonal labourers.
4. The idea of a "peasant mode", "peasant economy" or "peasant society" should be rejected not only for obscuring differences within the "peasantry", but also for ignoring other groups besides direct agriculturalists (Hilton, 1973:208). "Peasants" have rights and obligations in a wider economic system which includes non-"peasants". In rural Iran, for example, such "non-peasants" include usurers, peddlers, artisans, teachers, mullahs, absentee landlords, rentiers, village officials and lessors of means of production (Keddie, 1968:156/7).
5. However, Byres incorrectly says that value of output is a better variable in this latter instance, but this seems inadequate for understanding

the actual direct relationships among the various groups.

6. It is admittedly possible – albeit difficult – to have data that grades soils, and on this basis to establish a scale for the worth and size of land parcels (ibid:627/8). However, there are still problems if this is the only criterion for rural differentiation.

7. This narrow focus aside, a different problem that this focus reveals is that of identifying wage-labour empirically when payment is obscured. Exchange of labour-power can be concealed by non-money wage payments and traditional forms of co-operation and reciprocity (see Spiegel, 1979). Attention to other Moments of production is needed to identify disguised wage-labour.

8. On this basis, she distinguishes four categories of "peasant" production (ibid:176): a. household production; b. sharecropping and related rents; c. poor, middle and rich peasantry; d. hacienda. What is common to all these is the possession of land and absence of a labour market.

9. Simple commodity production only uses labour-power from outside on an ancillary basis. Capitalist relations require continuous use of "outside" labour power. (See the next chapter for a fuller discussion of this).

10. Bernstein notes that although poor peasants have access to a plot, they should rather be seen as rural proletarians. This claim needs to be evaluated in terms of rigorous criteria for each class (see next chapter).

CHAPTER TWENTY-FOUR
RURAL CLASSES IN THE INTERNATIONAL CAPITALIST SYSTEM

1. Introduction.
2. Exploited classes.
3. Middle and rich peasants.
4. Rich peasants and farmer capitalists.
5. Capitalists and feudal-landowners.
6. Simple commodity producers.
7. Conclusion.

1. INTRODUCTION.

This chapter takes for granted that the agrarian social structure in the international capitalist system is characterized by a multitude of production relations and classes. Rural classes as real historical forces in formation are far more complex, indistinct and transitional than the concepts developed in this chapter. However, the way to try to begin sifting this reality is to develop clear (though not inflexible) concepts as a starting point. Accordingly, this chapter takes on the task of highlighting some of the more important differences between agricultural wage-labourers: share-croppers, feudal tenants, and métayers; between poor-middle- and rich peasants; and between capitalist farmers, feudal-landowners and simple commodity producers. The criteria used for highlighting the distinctions are (i) character at different Moments of Production; (ii) reproduction, and (iii) system dynamics (see chapter six).

2. EXPLOITED CLASSES.

Starting with the producers, it is useful to distinguish **share-croppers** from their exploited counterparts in the CMP, i.e. proletarian wage-labourers. Like the latter (see chapter twelve), share-croppers are also separated from the means of production, and only gain access through another class which exploits them. Relations of possession/separation are not therefore enough to distinguish the two classes. It may also be difficult to distinguish these classes in Moment C, especially where

payment of proletarians is in kind, and does not therefore have a visibly distinct form from the remuneration of share-croppers. It is thus necessary to look elsewhere than Moments A and C for the difference between these two classes. Here, we can turn to Moment B, focussing on the control of the means of production (see Byres, 1981:435; Morris, 1977:301). The share-cropper — unlike the proletarian — controls the means of production within the labour process. Thus if the land-owner controls Moment B, then the producer is a wage-labourer in at least semi-capitalist relations. If the producer controls the means of production, then he is a share-cropping tenant paying rent in a semi-feudal relationship (Byres, 1981:431).

However, it is not enough to look at exploited rural classes only in terms of separation from the means of production and control of the labour process. Reproduction — seen in terms of the articulation of Moments A, B and C — has to be taken into account as well. This enables one to note that while share-croppers are responsible for producing their own subsistence, proletarians depend on capitalists to pay them the value of their labour power. A similar difference in reproduction distinguishes **feudal tenants** from proletarians (Morris, 1976:100). There are shades of grey between feudal tenants and share-croppers, but I would characterize the major distinction as being in system dynamics. While feudal tenant production is typically limited by its use-value to feudal lords, share-croppers surplus crops are often destined for sale by their landowners.

The three classes described so far are also distinct from **métayers**. The major point of difference is in Moment A. In métayage, a tenant supplies labour (including family labour) and part of the means of production. The landlord supplies the land and the rest of the working capital (see Marx, 1972:694). In other words, the producer is partially separated from the means of production. The product is divided between the two. What the landlord gets is not pure rent (Hindess and Hirst, 1977:337, footnote 183) — but partial capitalist surplus value. (Where the tenant hires

outside labour, not to supplement but to replace family labour, he becomes a capitalist producer paying rent to the landlord (ibid:245)).

Metayage is a structure of relations similar in certain respects to those found on development settlement schemes (see chapter thirty-one). It is distinct from another system on many such schemes – that of piece-work wage-labour (see chapter thirty-two). Piece wages appear as if the producer is paid for the products produced rather than the labour-power sold. However, as Marx argued, such payment is actually for labour-time spent on the products, and the value of a day's labour-time is the daily value of labour-power (1972:518). This analysis flows from consideration of Moment A, namely that the piece-worker – unlike the métayer – is dependent on the capitalist advancing **all** the means of production. Compared to time-waged wage-labour, piece-work enables the capitalist to increase the intensity and quality of labour without direct supervision because piece wages mean that "it is in the personal interest of the producer to strain his labour-power as intensely as possible" (ibid:519). Such a labour process involves **formal subsumption** in the sense that conditions at Moment A subsume producers to capitalist production, though the capitalist still controls Moment B indirectly through the piece-rate remuneration.

The difference between sharecroppers, feudal tenants, métayers, and proletarians on the one hand, and the **poor peasantry** on the other, is complex. It lies in the latter having partial access to some means of production, and being in partial control of the related labour process, but being unable to secure reproduction on this basis. As a result, the poor peasant is compelled to articulate with a possessing class for survival. Often this means that he becomes a semi-proletarian.

Poor peasants are thus involved in a dual set of relations of production (one of which is exploitative) and, as such, they are subjected to the particular articulation of these relations. For example, should the articulation with the capitalist relation prove dominant, the poor peasant

becomes a full proletarian. (Alternatively, the poor peasant may become a full share-cropper, feudal tenant or métayer). Clearly, this is an unstable class, pulled in various directions, and susceptible to transition into a single class relation.

3. MIDDLE AND RICH PEASANTS.

The **middle peasantry** is another distinct rural class. The primary difference between it and the poor peasantry lies in reproduction — middle peasants are capable of securing reproduction on the basis of their own means of production. Neither inherently exploiting, nor exploited, middle peasants may articulate with each other in a non-exploitative relation of production. Self-sufficiency of each middle peasant household is often unrealistic, given the objective limits imposed by the capacity of the existing forces of production to overcome natural obstacles to this goal. Self-sufficiency is also unrealistic because of the advantages of a societal division of labour whereby there is some specialization in production. Finally, and demographic variables are significant here, each family-labour farm — at least at some stages — tends to need outside labour. Thus whether it be for labour, food, or means of production, each middle peasant household tends to articulate with production relations external to it. This of course does not mean that the articulation be in commodity, rather than, for example, kinship distributive, terms.

Middle peasant external articulation may involve both performance of labour and the circulation of use-values in external relations. It may become a structured articulation with different classes — thereby constituting a heterogeneous, and possibly exploitative, relation of production. The peculiar position of the middle peasantry in this situation, and its possible development into other classes is analysed in more detail in chapter twenty-six.

The differences between middle and **rich peasants** (also known as

kulaks) need to be analysed. Regarding Moments A and B of production, these two classes – like agricultural capitalists – both possess and control means of production. What distinguishes rich from middle (and poor) peasants is not a quantitative issue such as income or size of means of production, but the qualitative issue of exploitation. For example, rich peasants often exploit poor (and middle) peasants by leasing them land, renting out equipment, lending cash, or hiring their labour (Standing, 1981:204, footnote 33). Middle peasants' production units are large enough to ensure their reproduction, but not large enough for steady hiring of labour (Galeski, 1972:110). In contrast, rich peasants exploit labour, and at the same time, they also take part productively in the labour process. Thus as simultaneous producers and exploitative owners of the means of production, this class combines features of both capital and labour and is sometimes called petty bourgeois in consequence (see Duggett, 1975:160). As discussed in chapter six, they exhibit dual and contradictory class practices.⁽¹⁾

4. RICH PEASANTS AND CAPITALISTS.

What is the difference between the rich peasantry and **agricultural capitalists**? It has been argued that the distinction lies in Moment B: that unlike capitalist farmers, kulaks participate in the labour process (see Mamdani, 1977:10). Using the criterion of taking part in the labour process as significant for class differentiation, Awiti identifies as capitalists those who do not take part in production, and who get their income solely from hired labour (1973:231). However, it may be noted, that the criterion of participation in the labour process is not **in itself** an indication of non-capitalist relations. As discussed in chapter twelve, at the stage of formal subsumption of labour to capital, the capitalist still often participates in production – without this altering the capitalist-proletarian class relationships. It is therefore important to look at

other factors if we are to distinguish kulaks from capitalists.

Some writers have drawn attention to the differences in the extent of hiring labour as a way of distinguishing kulak and capitalist classes. But in isolation of other factors, this is very problematic. For example, middle peasants may hire labour at certain periods, but this does not necessarily make them either capitalists or rich peasants.⁽²⁾ This criterion can also lead to highly formal and artificial analysis. Thus, some writers have tried to draw the line between capitalists and kulaks by identifying exact quantitative differences in hiring or selling labour-power. For example, Galeski (1972:18) identifies as capitalist those farmers who hire labour for more than 200 days a year. Official Polish statistics use the criterion of 150 days (ibid). Lenin held that capitalist relations existed when hired hands worked for more days than the members of the household (ibid:122; see also Patnaik, 1979:376). The problem with such quantitative assessments is that qualitative distinctions in relationships are difficult to perceive.

So far, we have looked at Moment B – at owner-participation and at hired labour in the labour process – as criteria for distinguishing kulaks and capitalists. For some writers, this is almost irrelevant. For Polly Hill (1963:107), "labour employment is **not** the crux of the matter: many capitalist (sic) farmers who over the generations have been accustomed to invest their surpluses in the expansion of their businesses have never employed labourers".⁽³⁾ The similarity between this and Banaji's theorizing (see chapter five) is evident – there is a blurring of the distinctions in different Moments into the primacy of the overall dynamic and rationale of the production cycle.

At the same time, it is true that to identify a capitalist labour process and therefore a capitalist class, it is important to examine the system dynamics of the whole – in this case, if production is geared to making profits and increasing capital accumulation, rather than towards

consumption. Hill (1963:110) describes some farmers who hired workers as "employers proper" because they were thus able to release themselves for management. At the same time, they did not reinvest in expanded reproduction (Howard, 1980:160). In my view, even with continuous hiring of labour (i.e. with capitalist relations at Moment B), an "employer proper" does not become a capitalist, unless he exhibits a dynamic of capital accumulation.⁽⁴⁾ What we have here is the distinction between the circuits of Commodity → Money → Commodity, and Money → Commodity → More Money → More Commodities → Still More Money → etc., as a distinction between non-capitalist and capitalist commodity production (Marx, 1972, chapter IV; Banaji, 1976a:315).

A possible objection to this distinction is evident in the argument by Raikes (1978:319-20) that there is little difference between rich peasants and capitalist farmers in Africa since even the largest of the latter class have only a very short-term investment pattern (1978:319/20, footnote 7). The implication of this is that rich peasants and capitalists may be different in certain ways, but that they are not distinct with regard to accumulation. Against this, however, while rich peasants may have a tendency to develop into capitalists, they remain distinct until they can accumulate enough to initiate and maintain a capitalist cycle of extended reproduction based on hired labour and with the purpose of accumulation — i.e. until they become proper capitalist farmers (Bernstein, 1977:67,75; Howard, 1980:75/6). Kulaks are therefore an unstable class, tending towards full participation in one, rather than two, relations of production, and in particular, the capitalist one. In the periphery, however, this tendency has frequently been distorted or frustrated — with significant consequences for development (see chapter thirty-three).

5. CAPITALISTS AND FEUDAL LANDOWNERS.

The difference between capitalists and feudal land-owners is partially

in terms of the differences between these classes in terms of relations of distribution. However, feudal land-ownership does not preclude commodity exchange at the level of distribution and reproduction. The key differentiating factor between these two classes lies in the relations of possession, methods of exploitation and relations of utilization.

Land as a non-reproducible commodity means that land-owners are not subject to the system dynamic of competition in the same way that capitalists are. As a result, accumulation is not a structural imperative for feudal land-owners relations of utilization. Exploitation being based on land-ownership, and its motive being consumption, does not on its own lead to revolutionizing production. This has been touched on in chapter six, and is further investigated in chapter twenty-five.

6. SIMPLE COMMODITY PRODUCERS.

Simple commodity production is production where the direct producers possess the means of production and work without the intervention or claims of a class of non-producers who have ultimate possession of the means of production. The typical unit of production is the household with family management (Long and Richardson, 1978:179).⁽⁵⁾

Middle peasants are also characterized by household possession of the means of production and family labour. Where simple commodity production differs is that it has a circulation of commodities in both directions — inputs and outputs of production, unlike middle peasants who are not fully integrated into the commodity circuit (Friedmann, 1978:161).

A middle peasant, or a share-cropper, may have complete specialization in cash crop production, but this is not simple commodity production if the inputs are not all commoditized — i.e. if they remain based on non-market ties (eg. kinship) for land, non-family labour, means of production and credit.⁽⁶⁾

Simple commodity production is commodity production by a family labour

farm without capitalist wage-labour or profit. Its logic is Commodity -> Money -> Commodity (C-M-C), and not Money -> Commodity -> More Money, with market integration aimed only at meeting the needs of **simple** (rather than expanded) reproduction (Bernstein, 1979a:423-5). (Hence the term **simple commodity producers**). Like kulaks and middle peasant households, simple commodity producers produce for the market in order to realize use-values through exchange, whereas a capitalist enterprise does so to realize a monetary profit (Hunt, 1979:281, footnote 3; Friedmann, 1978:80). Nonetheless, many features of commercialization (see chapter sixteen) do develop in simple commodity production.

For example, simple commodity producers become governed by competition which sets the average means of production and labour required for reproduction. As long as the C-M-C market-dictated technological conditions set labour requirements which are still predominantly within the demographic range of households, non-capitalist labour relations can continue to characterize production (Friedmann, 1978:95). But very often, the demographic cycle of the family means that the supply of labour is **periodically** below that required for reproduction of the simple commodity producers (Friedmann, 1978:76). (This produces a synthesis of contradictory elements: competition forces a constancy in labour requirements; the household has a demographic variation in labour supply (ibid:96)). The tension here is between the relations and forces of production. If the forces do not change, some modification of the relations is necessary.⁽⁷⁾

This means that for simple commodity production to be viable, additional labour has to be obtained from articulation with a labour supply from different relations of production. For middle peasants, such ancillary labour is often obtained through non-market mechanisms. However, where it is obtained through the market, i.e. through hiring and paying with wages, the enterprise is approaching simple commodity production status. (Where hired labour comes to predominate over family labour, the enterprise is

clearly moving towards capitalist status).

Pure simple commodity production, then, requires a labour market – and to this extent it cannot exist independently of suitable relations of possession-separation which provide this, and the CMP is pre-eminently suited to this. But such hiring of labour is not equivalent to capitalist hiring (Friedmann, 1978:96). Firstly, it tends to be **periodic** hiring. In this, simple commodity producers are distinct from kulaks who hire external labour permanently. Secondly, it is different to capitalists who hire labour not to supplement their own labour, but to make money. Thus, despite labour-hiring, the objective of simple commodity producers remains simple reproduction. The relations of utilization are not capitalist relations despite the fact that hired labour may generate surplus value.

7. CONCLUSION

This section has contrasted a range of agricultural classes, and shown how they can be distinguished by taking into account differences in Moments A, B and C of production, as well differences in reproduction and system dynamics. I now turn to look in more depth at the dynamics of some of these classes with regard to the development of productive capacity. This is the overarching theme of the next two chapters.

ENDNOTES

1. Bernstein (1979b:31/2) identifies kulaks as tending towards reinvesting such that extended reproduction occurs, thereby developing into a category of capitalist farmers. However, in peripheral capitalism, such a transition often fails. (See chapter thirty-three).
2. Brass (1980:451, footnote 15) found in Peru that all producers hired labour at certain junctures. For this reason, he decided to use different criteria for distinguishing class differentiation – fertility of land-holdings and ownership of means of production.
3. Hill describes how farmers were reluctant to waste savings on hiring labour – although once they had developed (using family labour) to the point where they could pay wages from sales income (rather than working

capital), they did tend to hire (ibid:110).

4. Entrepreneurship similarly does not mean that the producer involved is a capitalist (Howard, 1980:75/6). For example, a poor peasant remains a poor peasant even when in cash crop production, and exhibiting an "entrepreneurial dynamic", if - *inter alia* - the objective is only to meet family needs (Charlesworth, 1980:262).

5. Clearly, simple commodity production is not restricted to agriculture. However, its greater persistence in this sector in comparison to industry, is partially the consequence of the obstacles that the CMP faces regarding development in agriculture (see chapter twenty-five).

6. It is easy to see, however, that a middle peasant household engaged in commodity production can eventually transform itself into simple commodity producer status. This has been analysed in terms of commoditization in chapter sixteen and is further discussed in chapter twenty-six.

7. Friedmann calculates the labour-time necessary at a particular historical juncture for cultivating an acre of wheat in the United States, and concludes that a single household could not supply this labour at a particular historical period (ibid:76). However, with increasing mechanization, the requisite labour-time dropped, and a single household with a man and one son could operate an expanded unit of production (ibid:78).

CHAPTER TWENTY-FIVE
AGRARIAN TRANSITION

1. Introduction.
2. The Agrarian Transition.
3. Capitalist agriculture.
4. Absolute ground-rent: an obstacle to capitalist development.
5. Differential ground-rent: an obstacle to capitalist development.
6. The development of capitalism in agriculture.
7. Conclusion.

1. INTRODUCTION

This chapter analyses the conditions for the development of capitalist relations in agriculture, and how these relate to the Agrarian Question. I argue that agrarian capitalism is inhibited by the nature of agriculture itself, as well as by the factors of absolute and differential ground-rent. Finally, I argue for studying the development of capitalism in agriculture within the framework of the international capitalist economic system.

2. THE AGRARIAN TRANSITION.

Historically, resolution of the Agrarian Question has been bound up with "agrarian transition". In terms of my theorization of transition (see chapter ten, this would refer to a change in agrarian relations through either internal or external dynamics (or both), which would enable agriculture to meet the needs of industrial development.

In the literature, however, the open-ended character of agrarian transition has been replaced by a purely **capitalist** transition, and referred to in capital letters as "Agrarian Transition". This is seen to refer specifically to the development of capitalism in agriculture in a context where an urban bourgeoisie is hegemonic in the society (Kay, 1981: 486). As I argue later, agrarian transition need not in fact be capitalist in order to meet the needs of capitalist industry — non-capitalist relations have sufficed in certain circumstances. For the present, however, I proceed to analysing these two elements of capitalist transition.

In the Agrarian Transition schema, the hegemony of an urban bourgeoisie is seen as being necessary on the grounds that a dominant rural class (whether capitalist or not) can block the movement of surplus to the industrial sector. In Chile, landlord political power limited the extraction of an agricultural surplus for industry (Kay, 1981:499), and likewise in Egypt (Taylor, 1984:171).⁽¹⁾ Monopoly rent can be extorted by landlords from agricultural production with the effect of reducing profits there and/or retarding urban capitalism and draining resources away from the non-agricultural sectors. Therefore, any strong agrarian class, such as big landowners, or a big agrarian bourgeoisie, can form an obstacle to the growth of capitalism.⁽²⁾ In much development theory, kulaks and middle peasants are also seen as an obstacle to industrial capitalist development because they too are landed classes, and therefore a problem for outside classes making demands on them (Williams, 1976a:170). Either way, whichever class is blamed, it is clear that far from being a technical issue, the Agrarian Question contains class political dynamics right at its centre.

Moving on to the second element, i.e. the development of capitalism in agriculture, it is held that where capitalist transformation in agriculture is absent or incomplete, the surplus is too low for industrial capital (Kay, 1981:489). The resolution of the Agrarian Question is seen to require capitalist agriculture because the latter is assumed to generate agrarian development and the creation of a surplus. This view is faulty on two counts. Firstly, *non-capitalist* relations in agriculture may produce adequate surplus for development (as in the case of simple commodity production, see next chapter). Secondly, for the CMP (or any other relations) to develop productive capacity in agriculture, a wider context is needed with an articulation to industrial relations and forces of production that can supply the advanced means of production for development. In this regard, the hegemony of an urban bourgeoisie is not simply to extract surplus from agriculture, but to contribute to its generation. In

other words, agrarian capitalism is neither a **necessary** condition for resolving the Agrarian Question, and nor is it **sufficient** for this.

These two elements of Agrarian Transition (as qualified above) prompt an examination of what is entailed in meeting them, and quite how they are expected to resolve the Agrarian Question. As they stand, these elements are clearly very general and with limited relevance to the diverse, uneven and often stalled experiences of transition to agrarian capitalism. For example, what are we to make of them in relation to the British pattern where agrarian capitalism was a precursor of, rather than an equivalent condition to, the rise of an urban bourgeoisie (see Mouzelis, 1979b:75,-81/3). Likewise, the Brazilian case where, it has been argued, a structural pact between urban bourgeoisie and rural landed class was possible because the non-capitalist latifundia-minifundia relations in agriculture provided adequate surplus to industry (de Oliveira, 1972, cited by Goodman et al, 1984:190).⁽³⁾

It is unfeasible to review these experiences here, although the Agrarian Transition ultimately needs to be analysed more historically if it is to account for the different ways in which the CMP has developed (or not, as the case may be) in agriculture as compared to its path in industry, and the varying roles of each in broader economic development and underdevelopment. I would argue that there is still value in the two elements identified by the theory of Agrarian Transition, provided they are recognised as an ideal-type highlighting two key problems that face a **capitalist** resolution of the Agrarian Question, and not as a model about real historical experience. As it is, much analysis of the peasantry teleologically assumes that the features of inequality, wage-labour and dependence on the market indicate a process of **transformation** to capitalist relations, when in fact these characteristics represent the **perpetuation** of peasant households in the context of an articulation with the CMP (see Williams, 1984:3). In this regard, agrarian change in non-capitalist

relations may be not so much a phase of **transition** as **conservation-dissolution** (see chapter seventeen).

In the light of these points, we can dispense with the claim that **capitalist** agricultural transformation is inevitable or necessary for the Agrarian Question's resolution, and move on to the question of what role, potential and conditions are associated with agrarian capitalism in relation to the Agrarian Question. In this regard, one can point to the fact that several factors severely inhibit the development of capitalism in agriculture. These are: the nature of agriculture, absolute rent, and differential rent. So significant are these obstacles that it is pertinent (as Williams (ibid:60) suggests) to ask how capitalist agriculture emerged in cases where it did, rather than wonder why it has not done so in others. These obstacles, however, place the Agrarian Transition in context, and highlight the conditions needed for it to be successful.

3. CAPITALIST AGRICULTURE.

Several general factors concerning the nature of capitalist agriculture contribute to making it difficult for capitalist relations to develop in agriculture. These are:

i. Agriculture is influenced by environmental, climatic and seasonal factors, and it is not conducive to organizing and rationalizing like capitalist industry (see Cox, 1979:38; Banaji, 1976a:301).⁽⁴⁾ It is also less amenable to absolute surplus value exploitation than capitalist industry because dependence on natural variables like daylight and weather impose limits on the extension of labour-time (see Marx, 1969:20). However, the other side of this is that agricultural wage-labour is known for its **intensive** exploitation of labour-time — which would help explain why capitalist agriculture commonly suffers from a shortage of labour, and concomitantly, why strong political mechanisms have often been needed to counter this shortage (see Williams, ibid:7/8).

ii. One of the major features of agriculture is delayed production (Meillassoux, 1973:82). For capitalist agriculture, this means that returns on capital invested tend to materialize slowly (Baran, 1962:166). Because time affects the rate of profit (see chapter thirteen), this factor can be an obstacle to agrarian capitalist development (Mann and Dickinson, 1978).⁽⁵⁾

iii. Low returns in relation to the high capital investment in agriculture discourage small and competitive capitalist investment in this branch. Investment tends to wait on whether it suits the profit rates of

monopoly capital (Mouzelis, 1975/6:484; Amin and Vergopoulos, 1974; Thomas, 1975:40/1). (This is one reason why State involvement in agriculture (via *inter alia* development projects) has occurred – the State is able to raise the necessary capital and sustain low returns (ibid)).

iv. Another specific feature of capitalist agriculture is its relation to capitalist accumulation. In industry, accumulation can occur independently of the centralization of production units. Indeed, centralization often follows directly from accumulation. But in agriculture where land is fragmented, centralization may sometimes be a precondition for accumulation (Kautsky, 1976:30; Marx 1972:715).⁽⁶⁾ The problem for capitalist development is that centralization can be delayed or even prevented indefinitely by the very nature of land as a commodity – that is, by its immobility. Properties which come on to the market through economic mechanisms may not be spatially conducive to centralization into a single consolidated production unit (Kautsky, 1976:31).⁽⁷⁾ Another consequence of land being a relatively immobile and non-reproducible commodity is a weakening of the system dynamic of competition – thus retarding agricultural development.

In addition to these general reasons, one can point to two other factors – absolute and differential ground-rent. As non-capitalist phenomena impeding capitalism, they lend some support to the Agrarian Transition view that sees a strong rural landed class as a problem for resolving the Agrarian Question. These two rents affect not simply the transfer of surplus from agriculture to industry, but its actual generation, and the development of agrarian capitalist relations *per se*.

4. ABSOLUTE GROUND-RENT – AN OBSTACLE TO CAPITALIST DEVELOPMENT.

Whereas almost all means of production in industry are reproducible on an extended scale, agricultural land is in limited supply (Tribe, 1977:77). A consequence of this is that land can be monopolized comparatively more easily than industry and absolute rent charged for its use. This is effectively an element of monopoly price depending on the control of the supply of land (Hindess and Hirst, 1977:187; 295). Absolute rent means that prices of agricultural produce may be above value (Kautsky, 1976:21). (The reason is that the prices include all the costs of production – even though not all these costs represent proportionate labour time).⁽⁸⁾ In this way, absolute rents may be passed on through high prices to industry – representing a surplus transfer into, rather than out of, agriculture.

Absolute rent is a heterogeneous relation of production spanning Moments A, B and C, and may articulate with the CMP (even through the medium of a single person).⁽⁹⁾ Where a capitalist owns the land – or politically dominates a landlord at the level of social classes – he may charge a price for the produce that includes a monopoly-based land price, and therefore receive the absolute rent himself. Alternatively, the State may sometimes appropriate this rent – an important consideration in analysing state involvement in rural development projects. But in neither case is this a capitalist relation of production. Indeed, its existence may be contrary to the development of such relations.

This is evident in the way that absolute rent sustains a non-capitalist rationale in agriculture. As a monopoly income, absolute rent is unlike profit which requires saving and reinvestment. Absolute rent is relatively free of competitive constraints and there is no imperative to reinvest it in improving the quality of the land (Friedmann, 1979:179). This rent can be spent entirely on consumption – an obvious limit on the development of production (Amin, 1974:177,195).

5. DIFFERENTIAL GROUND RENT – AN OBSTACLE TO CAPITALIST DEVELOPMENT.

Capitalist agriculture is characterized by uneven profit rates, based on the differences in fertility of land under cultivation. Fertility confers an advantage known as "differential rent" (Marx, 1969:17/18,240). The costs of production (and therefore price) will be set by the least fertile capitalist enterprise surviving in the market at any one juncture, i.e. one which still secures a sufficient rate of profit (Kautsky, 1976:–17,19; Hindess and Hirst, 1977:293/4). By selling at this price, a surplus profit can be made from goods produced on land of better fertility (Hindess and Hirst, 1977:184). This too may accrue to a capitalist, or indirectly to the state or a landlord (ibid:186). The significance of this rent for

agrarian capitalist development is negative. Because differential rent – unlike super-profit in industry – is relatively permanent, capitalist competition is less effective in agriculture than in industry.⁽¹⁰⁾ As such, the CMP's tendencies to develop through modernization of the means of production are less pronounced in agriculture – which is another reason why agrarian capitalist development lags behind industry.

6. THE DEVELOPMENT OF CAPITALISM IN AGRICULTURE.

Within Marxism, writers often draw from Lenin (1960a) and assume that the development of agrarian capitalism follows a model of the growth of a class of landless proletarians and a class of yeomen-kulak (ultimately capitalist) farmers out of a polarizing middle peasantry (see Njonjo, 1981; Taylor, 1984). Indeed, not only Marxists but British colonial officials have seen this as “a normal step in the evolution of a country” (Kenya's Swynnerton Report – cited in Anyang'Nyong'o, 1981:115).

But this perspective ignores not only differences at the centre (between for instance, the British, French and “Prussian/Junker” routes to rural capitalism),⁽¹¹⁾ but also the vast difference between the centre and the periphery. In the centre, agricultural capitalism has generally developed internally (if unevenly and in cases haltingly) to each central social formation. At the periphery, external dynamics have played the major part.

In studying capitalism and agriculture and their significance for development, these different experiences need to be taken into account as the basic framework of analysis. It is within this that one may analyse whether capitalist industry, trade, finance or agriculture has been the leading force in the process; what the articulation between these has been; and what the dynamics within each have involved. For example, in agriculture, whether capitalist relations have come through a revolution from above, below or outside; in industry, whether capitalism developed from

merchants, users or artisans, or from external mercantile/industrial/financial capitals; whether urban or rural capitalism developed first, and with what effect on each other. (12)

It would be – to borrow a phrase from Leys (1980) – “indefensibly schematic” to discuss these here, given that an in-depth analysis would require not one, but several theses. One thing is clear, however: within the international capitalist economic system as a whole, the development of capitalist relations in agriculture has generally been far slower than in industry, even if in instances it preceded it. According to Galeski (1972:28), capitalist farms have never developed anywhere on a massive scale except in the United States. (13) Although capitalist relations are now dominant and tending to exclusivity in central agriculture in the form of monopoly capital (Buch Hansen and Marcussen, 1982:177), generally speaking this is taking place much later than industry. In the periphery, the situation is extremely varied, and agrarian capitalism, while often predominant, is by no means generally prevalent. (See Part J).

7. CONCLUSION.

This chapter has analysed capitalist agriculture and reviewed some of the conditions advocated for its contribution to the Agrarian Question. The theory of Agrarian Transition implying agrarian capitalism and an urban bourgeoisie has been shown to require substantial qualification. In this regard, I have examined the issue of the nature of agriculture, and absolute and differential groundrents, and shown how they inhibit both the development of capitalism in agriculture, as well as capitalist agrarian development. I have then discussed the terms under which Agrarian Transition needs to be discussed, pointing especially to the differences between centre and periphery.

With a view to the analysis of planned rural development in the periphery later in this thesis, the next chapter analyses – at a general

level - the agrarian transition models of the rich peasant road to capitalism and the alternative of simple commodity production. The chapters after that (in Part H) examine how the experience of rich peasants and simple commodity production in the Third World, particularly Tropical Africa, has been closely linked to state and agri-business strategies of agrarian transition. The rich peasant and simple commodity producer models are both directly relevant to tropical Africa where the absence of a large landed class historically has precluded a "Junker" type of transformation (Amin, 1974:364; Byres, 1977, cited by Kay, 1981:486).⁽¹⁴⁾

ENDNOTES

1. In Chile, this was not too great a problem in that the Chilean industrial bourgeoisie and the landlords reached a compromise whereby not agriculture but copper mining would subsidize industrial development (Kay, 1981:473). In other countries there have been similar compromises involving oil or gold (Hiro, 1978:289; Halliday, 1979:129).
2. Mouzelis (1975/6:489) disputes this, arguing that the Iberian Peninsula experience shows that industrial capital can prosper with or without the existence of big agricultural landed property. He further argues that as agriculture becomes an increasingly subordinate part of the economy, it makes little difference for the overall development of the CMP whether landed property persists or is destroyed (ibid:488). Mouzelis may be correct in all this, but in the absence of a detailed analysis of the specifics of the Iberian case (including a critical look at the claim that industrial capital has prospered there), it is difficult to evaluate these points. It may be that a far-sighted landed class has embarked on a "Junker" route enabling both agrarian development and a transfer of surplus to industry in a manner not unlike Japan's experience (see Geertz, 1963:47/8; Baran, 1962:289; Moore, 1969:246,251). More likely, however, the situation may be externally-induced and dependent industrialization with no relation to the local Agrarian Question (see Poulantzas, 1976b). While more research is clearly needed, it can be stated that while landed property does not preclude **either** scenario from developing prosperous capitalist industry, it appears more likely to obstruct rather than facilitate this.
3. The detailed argument behind this is that non-capitalist agriculture was able to expand through continuous extension of agricultural frontiers, and on this basis was able to supply goods that reduced the reproduction costs of urban labour as well as the transfer price of rural migrants into capitalist relations. There was also enough for export. The fact that the rural sector did not serve as a home market was not an impediment to industrial capital because of the large urban middle class market (ibid).
4. The *Grundrisse* (Marx, 1973:726), using the term mode of production in a technical sense says that agriculture forms a mode of production **sui generis** (Banaji, 1976a:301).

5. Perelman (1979:119) disagrees on the basis that there is no difference to capital concerning this. However, it is clear that the possibilities of a capital being able to reduce turnover time in agriculture through innovation, mechanization, etc. are more limited than in industry.

6. It would be wrong, however, to see accumulation as impossible in agriculture without centralization. Land size is not necessarily a limiting factor in all cases. As Patnaik (1979:400) points out, physical area is not an accurate index of productivity because there can be increased constant and variable capital within a given area. Thus land centralization is not indispensable to agricultural capitalist accumulation. However, in the context of the CMP, larger land-holdings have greater accumulation capacity than small ones in that – at the very least – they have greater access to credit.

7. Property ownership is also often governed by laws and traditions that can inhibit capital accumulation through centralization. An example here would be the Roman-Dutch code that prescribes equal inheritance in intestate estates. As Nancy Charton has pointed out in a personal communication (5 September 1985), this is part of the way that the complicated merging and melding of modes of production may affect development.

8. Super-profit based on absolute rent exists irrespective of the productivity of the land – and in this regard is distinct from super-profit based on another type of rent which is found **only** in agriculture, and which is discussed below (see Hindess and Hirst, 1977:186).

9. Only in the feudal mode of production is absolute rent effective in Moment B – i.e. in the relations **in** production. When a capitalist tenant steps in between the direct producer and the landlord, the nature of rent is transformed since the capitalist is now the direct exploiter of labour (Hindess and Hirst, 1977:296).

10. In industry, super-profits may be made by capitalists who use exceptional machinery and can produce below the normal costs of production. On this basis, they can sell at the going price and through the relative increase in the surplus value they realize (see chapter thirteen), achieve a super-profit. But capital mobility means that this super-profit is usually transitory (Kautsky, 1976:16/7). Through competition, such industrial super-profits are constantly erased as more capitalists catch up and the super-rate becomes the new average (Tribe, 1977:78).

11. On the British road, see Dobb, 1962:10; Banaji 1976a:317/8; Moore, 1969:10/11, 39/40; Standing, 1981:186; Morris, 1976:339, footnote 14; Hindess and Hirst, 1977:245; Kautsky, 1976:44. On France, see Moore, 1969:43; Duggett, 1975:169; on the Prussian (Junker) path see Morris, 1976:130; Joshi, 1981:457; Moore, 1969:296, 246, 251; Hindess and Hirst, 1977:34; Brenner, 1977:73-4; Standing, 1981:189; Baran 1962:278-83; Baran, 1972:157; Moore, 1969:440; Geertz, 1963:47/8).

12. Mouzelis (1975/6:489) is also correct to argue that
if one wishes to account for the different ways in which
agriculture is articulated to industry, one must pay
less attention to any inherent trends of the CMP and
more to the **class structure** of the societies under
consideration. ...trends and laws only make sense when
they take a less universal form and are seen **in context**.

13. Key similarly holds that transformation of agriculture into capitalist relations has only really been completed in the United States (Bradby,

1975:144). But even these claims overestimate the extent of CMP relations in American agriculture. In 1900, nearly 80 percent of American agricultural producers were self-employed and used unpaid family labour, and this had only declined to 67 percent in 1960 (Friedmann 1978:93). In the economy as a whole, this status was 51 percent in 1900 and it dropped to 17 percent by 1960.

14. In view of this, I therefore leave aside other Third World experiences, including the "strategic" path as in Taiwan and South Korea (Harrison, 1981:103; Hamilton, 1983, *passim*; Hiro, 1978:289); the Latin American experience (Kay, 1981:487; Amin, 1974:362; Harrison, 1981:112/3); the Middle East and Gulf region (Keddie, 1968:152; Halliday, 1979:117-9; Greussing and Kippenburg, 1975/6:126; Amin, 1974:168); and South East Asia (Harrison, 1981:79/80).

CHAPTER TWENTY-SIX
PEASANTS AND COMMODITY PRODUCERS

1. Introduction.
2. The rich peasant route to capitalism in agriculture.
3. The development of simple commodity production in agriculture.
4. Simple commodity production subsidizes the CMP.
5. Simple commodity production and advanced means of production.
6. Conclusion.

1. INTRODUCTION.

The relative autonomy and bargaining power of middle peasants (see below) makes this class a "problem" for state and capitalist industry intent on resolving the Agrarian Question (Williams, 1981a:34). As such, middle peasants are usually seen as needing to be displaced, destroyed or at least subordinated by the CMP (Buch-Hansen and Marcussen, 1982:18).

Two processes of agrarian transition have a bearing on this. Firstly, transformation to rich peasants (kulaks) and ultimately farmer capitalists with a proletarianized counterpart serves to convert middle peasants into elements of the CMP, fulfilling one of the classic requirements for resolution of the Agrarian Question. Secondly, middle peasants may be transformed into simple commodity producer status articulating with the CMP. While kulaks and farmer capitalists may still pose problems of control for those wanting resolution of the Agrarian Question (though less so if they are dominated politically by industrial capital), it appears that simple commodity producers may bypass these in certain situations.

The discussion in this chapter is at a very general level, and risks a degree of simplification. However, it sets out important dynamics for analysing rural development more concretely. (See Parts H, I and J).

2. THE RICH PEASANT ROUTE TO CAPITALISM IN AGRICULTURE.

As opposed to the "Prussian" road, the rich peasant transition to capitalism takes place from below (Standing, 1981:189). It has developed -

in widely varying forms in Britain, the United States, Bolivia, Venezuela, Peru and Rwanda (ibid), and is often associated with places where feudal estates have either not existed, or have been dismantled (through reform – in Taiwan, South Korea, – or revolution – in Mexico). In such conditions, there are fewer obstacles for rich peasants to develop into capitalist farmers (Morris, 1976:339, footnote 14; Hindess and Hirst, 1977:259).⁽¹⁾

The rich peasant road in the centres may be described as a form of economic transition through "internal articulation" (see chapter ten). However, in the periphery, the development of kulaks has been largely a consequence of both internal and external articulation. This difference between centre and periphery has important consequences for development, as discussed in chapter thirty-three.

In general terms, the kulak route to capitalism implies a polarization whereby middle peasants are progressively divided and transformed into rich and poor, and these groups in turn tend towards developing into capitalists and proletarians.⁽²⁾ In classical Leninist terms, once the rich peasantry has begun to transform itself by permanently hiring labour and by enlarging the commodity market, the middle peasantry is affected by a new competitive environment, and new social and technical needs.

Middle peasants involved in commodity exchange are vulnerable to market fluctuations: falls in prices drive them into debt, while population growth and inheritance pressures reduce the size of holdings (Wolff, 1973, in Charlesworth, 1980:263). The middle peasant, therefore, is faced with a "simple reproduction squeeze" (Bernstein, 1978; Williams, 1981a:34). This means either keeping in step with the market and producing more cheaply (thereby converting the family farm into an enterprise) – or falling behind and losing independence to become a semi-proletarian. Those unable to keep up increasingly sell their labour-power and eventually their land and other means of production too, while those on the other side begin accumulating and reinvesting and hiring labour to these ends (Cooper, 1978:158/9). Thus,

in this scenario, one section of the middle peasantry is seen to move "downwards" — changing into poor peasants and ultimately into semi-proletarian and proletarian status with partial and eventually total separation from the means of production. The others are seen as becoming rich peasants, ultimately capitalist farmers (Brass, 1980:446).⁽³⁾ While the "reproduction squeeze" reflects producers' dependence on the market, one should not ignore the fact that "the market" (especially capitalist industry and the State) also needs the producers. In other words, while participation in the market increases dependence on the CMP, it also may accompany a relative independence, especially in cases where producers benefit from advanced CMP means of production, but supply the market only to the extent that this benefits them, and have the capacity to withdraw from commodity production to greater or lesser extents.

If the middle peasantry has tendencies to split, then what determines which fractions of this class will become rich and which poor? The process is not a simple working out of inherent tendencies, but a matter of politics, the state, and resistance, and is consequently uneven and unstable. In this situation, inequalities among the middle peasantry may be significant. These may be due to differences in technical knowledge, managerial ability, experience of education, access to fulltime work off farms, and especially in relationships to political power. Also significant is the issue of family size. In this regard, Chayanov (1926) saw that what influences output on a family farm is the ratio of producers to consumers in the family unit — i.e. a demographic consideration. In his view, the more able-bodied producers in a household, the higher the potential productive capacity and output. At particular junctures, the different positions of households in this cycle may serve as a basis for upward or downward mobility (Hunt, 1979:249).⁽⁴⁾

The question of the rich peasantry becoming fully-fledged capitalist farmers has to be seen against the obstacles to capitalization of agricult-

ure (described in the previous chapter). Where these are overcome to some extent or other (usually with the aid of State supplies of labour, subsidized production costs and guaranteed prices and markets [see Williams, 1984:57]), and where a supply of advanced means of production is available, there is every reason for farmer capitalists to raise productive capacity (see Amin 1974:155). The degree to which this feeds back into industry depends largely on the class political dynamics involved, in particular the second element of the Agrarian Transition model – the hegemony of the urban bourgeoisie.

Using the English case to briefly illustrate the rich peasant road,⁽⁵⁾ it may be argued that a stratum of middle peasants resisted feudal exaction and successfully improved their situation to enter into petty commodity production for the market (Dobb, 1962:10; Banaji 1976a:317/8). As a class, the 16th century yeomen were located between the smaller gentry and the less prosperous peasantry (Moore, 1969:10/11). Starting as capitalist tenants on landlords' farms, they eventually gained political supremacy over this class (Standing, 1981:186). As capitalists, they hired wage-labour not to supplement, but to replace their family labour, and they paid ground-rent to the landlord (Morris, 1976:339, footnote 14; Hindess and Hirst, 1977:245). In some cases, the landed upper class followed their lead and turned to capitalist agriculture (Moore, 1969:39/40).

It was this kulak-cum-capitalist class who formed the main force behind the enclosures whereby land was centralized and poor peasants ultimately proletarianized, and who pioneered agricultural development in the 18th century (Standing, 1981:186). Faced with increasing competition on the world market, this class could either introduce tariffs, go bankrupt, or improve their productivity (Kautsky, 1976:44). The first option was ruled out politically by the urban classes, and it was the last-mentioned which took place. This was possible because of the articulation of fledgling industry and agriculture in the national economy, with the

former able to produce new agricultural means of production (ibid:47).

There is, however, another route that the better-off members of the middle peasantry may take – that of simple commodity production.

3. THE DEVELOPMENT OF SIMPLE COMMODITY PRODUCTION IN AGRICULTURE.

The importance of simple commodity production lies in the fact that it appears **in some circumstances** to be able to develop agriculture by introducing new means of production. In other words, it solves the Agrarian Question without requiring capitalist Agrarian Transition.

Simple commodity production presupposes an independent household production unit. It therefore requires a break with bonds of servitude with landlords or state, and the separation of producers from each other – i.e. the dissolution of communal property rights, work organisation and distribution (Kahn, 1978:113/4). Typically, simple commodity production grows out of middle peasant production.

By participating in commodity production, a middle peasant production unit often finds itself on a road which leads to the growing commoditization of household reproduction. The demand for means of production and subsistence incorporates each household into a market where it becomes logical for it to specialize and thereby become ever more dependent on exchange to secure its reproduction. This in turn implies a decline in control that the producers have over the disposal of the product with regard to the exchange value that can be realized for it.

The middle peasant household then has to try to keep in step with the economic requirements of the market, as well as satisfy socially-accepted living standards. Ownership of the means of production and productive organization of labour remain based on the household, but the production exists under conditions of competition in the market (Friedmann, 1978:97, footnote 1). The movement from middle peasant production to simple commodity production is thus from the market place to the market principle (Post,

1977:243). To the extent that the market principle comes to prevail, the peasant household becomes not simply a domestic economy, but a commercial enterprise as well (Galeski, 1972:12). This requires that simple commodity producers specialize, enlarge scale, and produce more cheaply. If they do not, they fall behind and lose their positions as independent producers and the classical polarization scenario is played out (Galeski, 1972:116). However, there are circumstances under which they may continue to exist as simple commodity producers. Before analysing these, however, it is necessary to first clarify the status of simple commodity production, about which there are very different opinions (Mouzelis, 1979b:177, footnote 58). For Meek (1956) this form of production is only an analytical tool used by Marx to highlight the properties of the CMP. For Lange, (1963), simple commodity production – although never dominant in a social formation constitutes a specific mode of production, and is found in most contemporary social formations (see also Marx, 1972:166/7). In my view, simple commodity production is distinct from the petty commodity production by middle peasants or other classes. It comes into its own and constitutes a heterogeneous production relation when it articulates with economic elements that can supply its inputs as commodities – and as noted in chapter twenty-four (and see below), the CMP is most suitable here. It is under these conditions in central capitalism that simple commodity production is capable of developing productive capacity in agriculture.

The persistence of simple commodity production articulating to the CMP can be traced *inter alia* to: i. the tenacity of simple commodity producers and transfer of their surplus to the CMP. ii. the supply of technology and labour from the CMP to simple commodity production.

4. SIMPLE COMMODITY PRODUCTION SUBSIDIZES THE CMP.

Writing alone (1975) and also with Amin (1974), Vergopoulos refers to the "self-exploiting" and "tenacious" character of the family farm, plus

other characteristics, to explain the persistence of small-scale ownership. They argue that rather than the CMP establishing itself in the countryside, it articulates with simple commodity production there and develops at the expense of the rural producers involved (Mouzelis, 1977:482-4).

The CMP may certainly benefit from simple commodity production. Simple commodity producers work for survival and not profit, and they can often still continue despite low agricultural prices, and despite having to pay high industrial prices (Mouzelis, *ibid*: 484). They are often willing to let merchandise go to market at a price lower than a capitalist producer would have to charge (even with equivalent techniques). This is because they can relinquish their claim to a part of the value that would otherwise be due to them, and still reproduce themselves (Perelman, 1979:120).

In this regard, a simple commodity producer is similar to a middle peasant. Both can absorb paying a proportionately higher rent than a capitalist can, because the latter has to achieve an average profit rate to remain in business, while the former do not (Patnaik, 1979:388; Kautsky, 1976b:35). For Kautsky (*ibid*:40), the middle peasant is therefore always the "first to endure overwork and underconsumption under the pressure of competition".⁽⁶⁾ In addition both forms of production may have a lower marginal cost than (time-waged) wage labour because they dispense with the need for external supervision (see Marx's *Capital*, 1976a:450, footnote 16).

Like middle peasants, simple commodity producers have a lower cost of production than capitalists because they have no profit category and a flexible level of personal consumption (Friedmann, 1979:169). And because simple commodity production has no profit, it is not governed by the average rate of profit. Its highest limit is set by the average rate - at that point capitalist entry would be induced (Friedmann, 1979:181, footnote 14). Its lowest limit is the simple reproduction of the household. The ability of simple commodity producers to undercut capitalists is one reason why agriculture experiences a slower development of capitalist relations

than other economic sectors (Galeski, 1972:114, 158). The vulnerability of simple commodity producers to this situation is linked to their general weakness as a class, which in turn stems from the atomized character of their production. They tend to lack the organisation to demand monopoly rent from capitalist purchasers.

The economic significance of the tenacity is that simple commodity production can provide a surplus transfer to capital (Perelman, 1979:120). Controversy about whether this "subsidy" is in fact surplus value need not detain us here.⁽⁷⁾ Likewise with the controversy about whether any such "subsidy", i.e. appropriated surplus labour time embodied in a product, is provided at all.⁽⁸⁾ I take it that there is a surplus, and move on to analyse its significance.

Surplus labour provided by simple commodity producers to capital may initially be premised on a relative increase in the intensity of their labour. It constitutes the realization of a "latent surplus" (see chapter eleven). When it cuts into the labour-time necessary for reproducing the unit of production, the dissolution of that unit is likely to occur. Such a situation, combined with market fluctuations, can compel the simple commodity producer to become a semi-proletarian or to fall into the clutches of users — hence there can be a tendency towards class differentiation under simple commodity production (Patnaik, 1979:393). Ultimately, simple commodity producers cannot survive by only working harder. The key to their continued existence is their ability to mechanize.

5. SIMPLE COMMODITY PRODUCTION AND ADVANCED MEANS OF PRODUCTION.

It is largely through raising productivity that households have been able to retain their position in advanced capitalist economies (Friedmann, 1979:159). Unlike industry, successful competitors in agriculture can become highly mechanized simple commodity producers using family labour. This has been the pattern in several First World countries.

According to Kautsky, "the intensification of labour on the peasant holding independently of any moral or other constraints cannot pass for an advantage of small-scale production, even from the purely economic point of view" (1976:26). This is true insofar as a high rate of absolute exploitation reduces the incentives for rural exploiting classes to mechanize agriculture. But with simple commodity production, absolute exploitation may be an incentive for the producers (as opposed to the exploiters) to raise agricultural productivity through advanced means of production. In this event, the exploitation of the direct producers raises rather than lowers their productivity (Mouzelis, 1975/6:487).

The simple commodity producer is in fact constantly pressured to modernize and increase productivity — not in order to maximize profits, but in order to cover rising expenses and to meet rising debts. In this regard, the ability of industrial capitalism to meet the need for means of production for these producers is most important. The other side of this is that simple commodity production in this way may contribute to capitalist industrialization by widening the internal market. This corresponds not only to the **needs** of the simple commodity producers, but also to their **ability** to buy new inputs — in other words, an increase in their incomes despite the high exploitation. Industrial capitalist development may draw off surplus at their expense, but it may simultaneously enhance their incomes by raising their productivity.⁽⁹⁾

It is not only means of production that simple commodity producers require from the CMP to survive. They also need a supply of labour when demographic or seasonal variables rule out self-sufficiency in their own household labour. Such labour may be found in relations other than capitalist ones — for example, among poor peasants or (up to a point) among their simple commodity producing peers. However, where capitalist relations are widespread at Moment A in a society, this offers an eminently suitable context from which to draw labour.

Simple commodity production use of hired labour and advanced means of production does not mean an automatic transformation into a capitalist enterprise. The process involves an accumulation of means of production, rather than of capital (Goodman et al, 1984:202). Related to this, simple commodity producers retain a simple reproduction momentum, aiming at meeting household reproduction requirements, not capital accumulation as an end in itself. Income goes on wages, household consumption, and renewing means of production (Friedmann, 1978:80).

Thus the "incorporation" (Mouzelis, 1975/6:485) of simple commodity production into the CMP, does not mean that this type of production becomes an internal part of the CMP. It is articulated to capitalist relations at Moments A and B (labour) and Moment C (means of production inputs, agricultural produce outputs) through its reproduction. But it also retains distinct relations at all three Moments. Furthermore, it remains distinct because it does not share the CMP's system dynamics to the extent that a capitalist enterprise does. According to my framework (see chapter eight), simple commodity production is an **external** labour process articulated to the CMP in a heterogeneous relation of production.

It has been argued that "(t)he reason for the persistence of family farms is not to be found in the capacity of family labour for self-exploitation, nor in the application of technology *per se*; rather, the secret of this anomaly lies in the **logic** and nature of capitalism itself" (Mann and Dickinson, 1978:468). This argument is much too one-sided, although it does remind us that alongside the factors on the non-capitalist side (self-exploitation and technological advancement), there is the contribution of the capitalist side, viz. the intrinsic obstacles to capitalist development in agriculture (see previous chapter). I would argue that the survival of family farms as simple commodity producers articulated to the CMP is related to all these factors, and that if there is any primary factor, then it is probably none of these, but rather the balance of political power

between the classes in these two forms of production.

What this overall model means is that industrial capital may continue to articulate with, rather than destroy, simple commodity production (Mouzelis, 1975/6:485). This is premised on the possibility of simple commodity producers surviving through the CMP's labour and material inputs into their relations and forces of production. While this has been the case in the centre, the peripheral CMP does not articulate with simple commodity production in the same way. (See Part J).

6. CONCLUSION.

Having analysed the kulak-capitalist and simple commodity producer routes to resolving the Agrarian Question, it is worth noting that there is nothing inevitable about either trajectory. Peasant classes **may** polarize into farmer capitalist and rural proletariat; they **may** become simple commodity producers articulated to the CMP. I would be surprised if middle peasant dynamics, especially in articulation with the CMP, produced what one writer describes as an "ossification" of peasant classes (Anyang'-Nyong'o, 1981:118). However, it is the case that middle peasants may — rather than develop along the kulak or simple commodity route — "continue to reproduce themselves as peasant households and maintain some degree of control over the disposal of their produce" (Williams, 1984:60). This presupposes, however, successful opposition to the pressures to follow a different path — not least pressures from other classes opposed to the relative autonomy of middle peasants.

It would be wrong to see any of these options as mutually exclusive. Middle peasants articulated to the CMP may (even within the same middle peasant household to an extent) exhibit aspects of all three of these options (as well as others) in varying and changing degrees. In this chapter, I have attempted to elucidate the dynamics of the kulak and simple commodity paths, and their significance for the Agrarian Question. Both

are particularly relevant to agrarian transition in Tropical Africa where they have been the intended development strategy in many instances.

This brings me to the next part of this thesis, a focus on rural development in the periphery. Middle peasants, kulaks and simple commodity producers (in formation or fully-fledged) in Africa have not developed endogamously, but rather in response to, and sometimes at the behest of, an articulation with an external CMP and subject to the colonial state. Post-independence, none of these classes has been strong enough to direct state power or even to win an untrammled right to develop autonomously. Instead, their development has been controlled and restricted, especially as "rural development" as a deliberately interventionist state policy has increasingly come to the fore. In this context, agrarian relations continue to be the subject of orchestrated restructuring, with middle peasants, kulaks and simple commodity producers at the centre of intensive social engineering.

ENDNOTES

1. Thus, in 1907, Lenin argued that the rich peasant stood for the progressive capitalism of free petty producers rather than the reactionary capitalism of the Junkers and the Tsarist bureaucracy. For this reason, the demand for land by peasants was supported because it meant the dissolution of feudal relations and support for capitalism (Harrison, 1979:94).
2. One writer argues that NEP (New Economic Policy) in the Soviet Union (a semi-peripheral social formation at the time) began with the majority of agricultural producers being middle peasants, and within ten years had resulted in intense class polarization between rich and poor peasants (Nolan, 1976:205/6). With the Hmong of Thailand, a similar rapid development took place (Cooper, 1978:158/9).
3. There are sometimes countertendencies to this polarization — such as impoverishment caused by the sub-division of rich peasant farms among family members. Likewise with certain systems of land tenure, inheritance laws, land shortages, marketing restrictions and legislation.
4. The problem with Chayanov's theory is that it sees family size as a biologically autonomous variable, with farm size and production output being the adjusting one (Patnaik, 1979:381). This (as Patnaik, *ibid*, correctly notes) is contrary to the Marxist position that different relations to means of production (i.e. Moment A) ultimately determine different

inequalities (i.e. Moment C). Patnaik says that Chayanov's correlations are, in fact, consistent with the Marxist proposition that it is economic variations in land-size and scale of production which cause variations in family size, rather than *vice versa* (ibid, see also Hunt, 1979:277, 280). Richer peasants can support a larger family (Galeski, 1977:63), and in Africa and the Middle East also acquire more wives (see Raikes, 1978:291). While we can conclude from this that demographic variables are not an alternative to class factors as underlying causes of social differentiation (ibid:290), family structure and size still clearly play a role in determining inequalities among middle peasants.

5. Williams notes that England was arguably not a peasant to capitalist transition, given the role of manorial farming in this historical development (1984:6/7). This is a complex question that I cannot enter into here. I would merely note that the account which follows is not intended as a comprehensive historical rendition. Rather, its purpose is simply to draw attention to certain key historical dynamics.

6. Not only agriculture has this feature — the lot of any simple commodity production can deteriorate below that of wage-labourers.

7. Kautsky (1976:14) has argued that such a subsidy is not surplus value. For him, there can be no surplus value when the labour that generates the surplus product is not commoditized and does not itself possess a value. This much can probably be granted. As against an ahistorical "labour theory of value", I would argue that it is only meaningful to speak of labour-time creating value where this is evident in exchange-value. In other words, only where there is commodity exchange can one talk of value, and only where labour power is a commodity, of surplus value (see also Williams, 1981a:32). However, I leave aside a detailed discussion of these issues, as they are not fundamental to my argument.

8. Friedmann (1979:169) disputes any subsidizing role by simple commodity production. She argues that a capitalist and a simple commodity producer exist in the same price market in their relations to merchant capital, finance capital, and land-owners — because of the mobility of factors of production, and because of competition, in a capitalist economic system. Like capitalists, simple commodity producers only pay capitalist rates of interest, rent and merchant costs (ibid:172). Friedmann acknowledges however that simple commodity producers may experience unequal exchange, and that an indirect subsidy to the CMP can be transferred in this way. This is especially possible in the periphery where there are not standardized prices, because of the lower capital mobility there and the presence of non-capitalist relations as well. Further, in the periphery, the strength of finance, merchant and landlord capitals in relation to simple commodity producers, is greater than that in relation to capitalists, and monopoly based exploitation is hence more likely for the former.

9. Where rent, interest and the cost of means of production are market-determined, a simple commodity producer can pay the going rates (just as a capitalist does) and increase household income (Friedmann, 1979:172/3).

PART H

PLANNING AND RURAL DEVELOPMENT

CHAPTER TWENTY-SEVEN: PLANNED RURAL DEVELOPMENT.

CHAPTER TWENTY-EIGHT: THE STATE AND DEVELOPMENT IN THE PERIPHERY.

CHAPTER TWENTY-NINE: RURAL DEVELOPMENT STRATEGIES.

CHAPTER TWENTY-SEVEN
PLANNED RURAL DEVELOPMENT

1. Introduction.
2. The Agrarian Question and development planning.
3. Some issues in development planning.
4. Ideology and development planning.
5. The politics of development planning.
6. Conclusion.

1. INTRODUCTION.

This chapter investigates the general character of planned rural development, highlighting some of the economic, political and ideological issues that inform the more detailed analysis in subsequent chapters.

2. AGRARIAN QUESTION AND DEVELOPMENT PLANNING.

Development planning cannot be simply taken for granted. Its existence needs to be explained in terms of the fact that it often tends not to suit governments or capital to let endogenous rural dynamics unfold in their own way.

The Agrarian Question cannot thus be treated simply as an economic issue. The political significance of resolving it is always important. This is particularly so when social classes and the state take it upon themselves to attempt to channel rural class formation in a particular direction. They prefer to orchestrate an agrarian transition that corresponds to their interests, and this is typically presented as being in the interests of rural producers as well. Against this background, the phrase "rural development" characteristically refers not to the ongoing internal process of development in rural areas, but to planned agrarian change by outside agencies such as governments, international organizations and intervening capitals (Heyer et al, 1980:1).⁽¹⁾

The idea of planned economic development is underpinned by a social engineering ethos (see Berger, 1976:36), although it uses the language of

participation to legitimize its manipulation (Heyer et al, 1980:4; Seidman, 1978:319). Ironically, the language of participation co-exists with unspoken assumption that rural development is impossible without external development agencies. In fact, rural development is primarily the activity of governments and other outside agencies, not of rural people – it is undertaken for the latter, not by them (Heyer et al, 1980:1). Many advocates of development see their role as animating rural people who are regarded as being an obstacle to their own welfare and unable to grasp the benefits of development until persuaded of their interests (ibid:4). For example, according to Williams (1981a:29), the World Bank conceives of rural development as a solution to a peasant problem. From the viewpoint of development planners, the Agrarian Question is an Agrarian Problem requiring their intervention. Because of such assumptions, development planning is – and almost intrinsically so – a problematic and top-down activity from the very start, as will be evident in this and subsequent chapters. I turn now to a number of issues confronted in planning, considering them relatively independently of this factor. This is not to represent them as neutral, technical and unproblematic issues – indeed, subsequent sections of this chapter highlight the ideological and political dimensions involved.

3. SOME ISSUES IN DEVELOPMENT PLANNING.

If development planning is to adequately facilitate the expansion of productive capacity, it clearly needs to take into account the mobilization and orchestration of the forces and relations of production to this end (see Lange, 1960:208). To achieve this objective, development policy should aim to counter factors contributing to underdevelopment (see Part E). The other side of this is the need to promote a homogeneous national economic system with generally average productivity; cohesion through integrated and complementary economic activities to form a balanced, organic whole at Moments A, B and C of production; and an independent

economic dynamism whereby the economy is not dependent on foreign impulses (see Amin, 1974:28/9). Development planning also needs to unite macro and micro levels. Individual development projects should aggregate into an overall development programme (Lea and Chaudri, 1983b:18). This requires defining an overall strategy, setting up sectoral objectives that flow from this, and planning detailed projects and policies consistent with these objectives (Amin, 1974:29). Against this background, the overall challenge to development planning is achieving a balance in the allocation of surplus and surplus labour for the most rapid growth of productive capacity. This involves several crucial issues:

(i) The question of time-scale is significant for planning. What degree of economic sacrifice in the short-term is "justified" by its long-term benefits? (Berger, 1976:97, 124). Decisions have to be made about which development problems are the most urgent, and which will have to be postponed for later action (Kollontai, 1970:6,8). This requires the establishment of a sequence of problem solving (ibid:6).⁽²⁾

(ii) Another issue is whether investment should initially be in agriculture (or other primary industries), so as to provide a base for subsequent advance in manufacturing industry, or whether the latter should have priority (so as to provide a foundation for later improvements in agriculture) (Dobb, 1951:80).⁽³⁾ Besides the question of overall priority, there is the question of relations between the two sectors, both at the level of the forces of production (the distribution of use-values) and the relations (the allocation of surplus labour). The Agrarian Question in this regard is highly complex for planning.

(iii) There is also the issue whether industrial investment should be in light consumer goods or heavy capital goods?⁽⁴⁾ While investment matures more quickly in light industries, the rate of development of light industry depends in the long-term on the rate of development of heavy industry (ibid:81).

(iv) A further issue concerns the need to balance the different Moments of production. This is particularly in terms of Moments B and C — between distribution and production, and between surplus-utilization and production. Income distribution and wages have to be balanced with consumer goods through availability and price mechanisms (Lange, 1960:213). Regarding finance, investment targets must be balanced with available inputs (including foreign inputs which are difficult to calculate) (Amin, 1974:34). Budgets and state expenditure have to be matched, and a balance of payments realized. The availability of means of production must also balance with the demand for investment (Lange, 1960:213).

(v) In addition to the above, there is the issue over the role of the state in the planned development. To advocate that "laissez-faire" autonomous endogenous rural development should take place (Williams, 1985:175), (leaving aside questions of its desirability), is to underrate the class and structural reasons for the interventionist character of the capitalist state in general and the peripheral state in particular. Capitalist economic systems by their very nature involve state policies that significantly intervene in and affect agriculture. This is not to ignore the significant range of interventionist policy options that may be adopted within this framework. For example, McCall and Skutsch identify four different

strategies for the role of the state in development in Tanzania: (a.) where the state mediates capitalist penetration; (b.) where the state becomes a direct producer, bypassing peasants; (c.) where the state controls marketing, prices, and credit policies; and (d.) where the state mobilizes peasants towards self determination - (they cite the example of ujamaa) (1983:246,256).

State strategies can also be distinguished as to whether their emphasis is towards additive planning, growth-centres or structural transformation (Datoo and Gray, 1979:258-61). **Additive planning** is an incrementalism within a given structural context, and does not in itself ensure sectoral integration. **Growth-centre** strategy derives from diffusionist theory, and sees development as spreading from selected growth poles. In contrast to this approach, **structural transformation** implies a holistic approach that encompasses qualitative change in relations as well as forces of production.

The selection and implementation of a development strategy and the emphasis given within such a framework is not a technical issue. It depends on the ideological assumptions on the part of planners, on the social structure and political conditions of the social formation, and in particular, on what is economically possible and politically feasible.

4. THE IDEOLOGY OF DEVELOPMENT PLANNING.

Many ideological assumptions go into the drawing up of a plan. Sometimes there is an explicit ideological orientation such as in strategies following a reformist model, a free-market model, a technocratic model, and a collectivist model (Lea and Chaudri, 1983b:19).⁽⁵⁾ Ideological differences lie behind diametrically opposed development plans, such as the exclusion of kulaks from co-operatives in socialist agricultural plans (Sajo, 1979:223), or stimulating them as "progressive farmers" in capitalist planning. Ideological assumptions can influence the very role of development officials. Agricultural extension workers can be seen as technical advisers only, or as organisers of rural class struggle aiming at socialist

relations in agriculture (Harris, 1980:96).

But ideological assumptions are often not explicit. As discussed in chapter one, there are basic assumptions in every world view which influence what problems and solutions are selected, and what thereby are excluded. As noted in section 2 above, the major and almost inherent assumption in planned rural development is that rural classes are a problem: "They are unable to develop. They must be developed" (Williams, 1976a:144). The belief is that state intervention can achieve more than peasants on their own (ibid:155).⁽⁶⁾

Another assumption that often exists is that development means large-scale, capital-intensive, technically complex, and mechanized production (Wallace, 1981:283). As Adams (1981:343) writes: "(p)easants as producers are invisible; they don't exist. Machinery is progress; peasants can only become worthy of machinery, hence progressive". An ideology of development comes into being that identifies progress with advanced technology, commoditization and bureaucratic administration (Williams, 1986b:19). The form of development is fetishized, and the content (i.e. the process of expanding productive capacity) is lost sight of.

There is usually an implicit correlation between the type of explanation of underdevelopment and the prescriptions that are recommended for development (Dattoo and Gray, 1979:257). For example, idealist premisses tend to blame cultural factors for underdevelopment and accordingly prescribe plans that emphasize the role of education in changing traditional beliefs and practices (for example, Eisenstadt, 1968, cited by Berger, 1976:55). A more specific example can be seen in Niger where it was assumed that rural development was a general problem, not tied to the specific conditions of life of the rural classes. The latter were seen in terms of stereotyped notions, and the choice of cooperatives that flowed from this derived from a romantic view of African society which failed to recognise the divisions in the rural social structure (Roberts, 1981:216,213).

The unit of analysis in the explanation of underdevelopment also affects the planning prescription. For example, regional explanations and prescribed regional planning imply that the problems originate – and can be solved – within that unit (Datoo and Grey, 1979:257). (Much development planning based on modernization theory uses the wrong units of analysis, not the determinant whole).

Ideological assumptions about social structure also affect whether a development plan stresses centralization or decentralization. The same assumptions also affect whether the emphasis in agrarian reform should be on redistribution of large-holdings to small farmers and the landless, on better use of means of production within existing tenure patterns, or on improving transport, communication, and marketing facilities (Petras and La Porte, 1970:232). Ideology also influences whether land reform means an incremental increase in output within existing production relations – on the assumption that landowners will become “modernizers from above”. An alternative is for land reform to be structural change and “modernization from below”, as advocated by “redistributionists” opposed to inequalities in land-ownership (Petras and La Porte, *ibid*:233/4).

Cultural premises also influence development plans – right down to the very form of specific projects – including what is seen as appropriate to people and how it is presented to them (Foster, 1969:108/9). For example, land reforms that allot individual title from communally-held land usually apply to **men** only – on the assumption either that women automatically benefit, or forgetting that in many cases, women do twice as much work as the men (Harrison, 1981:442).⁽⁷⁾

Elitist assumptions that go into planning often result in inegalitarian growth-centre strategies being adopted. This is revealed by the example of Zambia before independence, where the colonial government assumed that only a minority of Zambians could be superior farmers. The result was that five percent of the people got farms of 400 acres each, while the

remainder of the people were allocated mere five acre plots (Foster, 1969:--110). Likewise in Kenya, where it was assumed that skilled and experienced farmers were better performers than novices and accordingly were settled on low population density settlement schemes and given every opportunity of success. The inexperienced farmers settled on the high density schemes were almost programmed for failure (Leo, 1979:632). This assumption was, however, made in a vacuum and without knowledge of the situation. As it turned out, the high-density inexperienced farmers were far better performers than the low-density experienced ones.⁽⁸⁾ The lesson that one writer draws from this is that "most experts in rural development do not really know about whom they theorize" (Leo, *ibid*:635).

A microcosm of the effect of ideological assumptions on the planning of development projects is the Gezira scheme in Sudan. Firstly, the British government assumed the existence of Western nuclear-family units among the tenants who, ironically, were expected to be content with a "native" standard of living. It was also assumed that such a family unit could viably work a tenancy of a certain size (Barnett, 1977:195, 205). None of these assumptions proved to be correct. Secondly, the formal organization of the scheme was based on assumptions about how groups act (*ibid*:199). From the British milieu was brought the belief that workers need to be strictly supervised and controlled (*ibid*:201). Coupled with stereotypes about "native" labour, the scheme was thus planned to be hierarchical and authoritarian (*ibid*:200). Thirdly, the *homo oeconomicus* assumption was made that tenants would act to maximize their consumption by maximizing production (*ibid*:170). In fact, "satisficing" behaviour - i.e. manipulating limited choices within organizational constraints - was the more common behaviour.

4. THE POLITICS OF DEVELOPMENT PLANNING.

It would be wrong to see ideological assumptions underlying develop-

ment planning as free-floating, and as a self-sufficient explanation for development policy and practice. Plans emanating from the capitalist state (see chapter fourteen) -- although conditioned by the internal dynamics of the state -- are not neutral and removed from class issues.

Every development plan inevitably affects the interests of all social classes and strata, because it entails the mobilization and allocation of resources (Kollontai, 1970:13). (See the discussion "politics and surplus" in chapter eleven). Public versus private strategies for development have obvious class relevance; the development of large--rather than small--scale industry can consolidate the position of monopoly capital or the urban proletariat rather than that of small capitalists (ibid:13/4). It is not surprising then that a necessary myth is created whereby rural development plans are constantly presented as being in the interests of all (Heyer et al, 1980:3). This is part of the ideology of development. But, despite such myths, the

problems pertaining to the scale of projected activities, to the specific nature and place of construction, to the relations among branches of the economy, etc., give rise to an intense class and political struggle around the issue of planning programmes (Kollontai, 1970:13).

Development strategies are not a field within which governments make free choices between different means to the same ends. Different development ideologies suit different social interests and social classes (Rudebeck, 1979:30/1; Dos Santos, 1969:62). Different classes even have contradictory definitions of development and different measures to achieve it (Dos Santos, ibid). Thus, although the capitalist state has a relative autonomy from classes (see chapter fourteen), development plans at least in part reflect the political outcome of class struggles (Taylor, 1981:384/5; Barnett 1977:6-15). The way that a development plan sets up priorities in resource allocation depends on complex political and socio-economic factors such as the internal class struggle and the international situation (Dobb,

1951:80). Development plans and programmes thus "bear the heavy imprint of numerous political considerations" (Kollontai, 1970:13, Bates, 1981, *passim*). As Harrison (1981:331) notes:

Development policies have been biased against the poor, the backward, the rural, and skewed in favour of the rich, the westernized and urban, for a very simple reason. It is politics that determines the direction of development, and the privileged groups have infinitely more access to political power than the poor.

It is also important to note that irrespective of how a development plan is drawn up and adopted, many of the most effective political decisions are often actually made in the implementation (Baran, 1952:-200). If the plan did not intend to give resources to the powerful, this is what may well happen anyway (see chapter thirty).

The significance of this is that planned rural development is not just external intervention into rural affairs, but a particular type of intervention reflecting to a large extent an attempt to direct production in accordance with *inter alia* state and ruling class priorities (as well as fashions in international agencies) (Dutkiewicz and Williams, 1987a:42). This is why much development planning is (correctly) seen by rural classes as against their interests, and why - far from being the lauded participants of development - they may well become its adversaries (Williams, 1986b).

6. CONCLUSION.

Like the Agrarian Question, rural development needs to be analysed in terms that go beyond its economic significance. This chapter has argued that that no development strategy can be taken on its own terms. To do this it has teased out some of the technical issues and investigated the ideological and political dimensions involved in planned development. These will be analysed in more depth in the discussion in

chapter twenty-nine on development strategies adopted in Tropical Africa. The next chapter also demonstrates these points in its discussion of the state and rural development in the periphery.

ENDNOTES

1. For example, rural development for the World Bank, while not conceived in terms of the Agrarian Question, is seen explicitly as a **strategy** aimed at people in rural areas (World Bank, 1975a:3) (my emphasis).
2. The difficulties in this are illustrated by land reform, which involves dealing with a whole constellation of factors which "defy piecemeal and partial tinkering" (Herring, 1981:135, 148). Tackling these factors sequentially may be necessary, but problems can arise such as a policy failure in one district demoralizing another one still awaiting its implementation (ibid:154). The fundamental problem is how to plan for the whole by starting with only a part of it.
3. The history of western capitalist development was largely from agriculture to light industry (consumer goods such as textiles), and only ultimately in heavy industry (Dobb, 1951:83). This is sometimes held to be the natural model for development planning. However, it has had little success in the Third World because international trade has discouraged the growth of capital goods industries there (ibid). In contrast to the Rostow recommendation of "textiles first", Soviet industrialization was led by heavy industry (ibid:107).
4. "In practice of course it will always be **some** mixture of both. ... But there will be an important question of priority" (Dobb, ibid).
5. According to one development consultant in SA's Ciskei bantustan:

Planning is conditioned by implementation policies and national ideologies. So with the Ciskei. Community identity, the importance of the capitalistic ethos, the traditional structure of rural society, and so on, have been recognized in the planning process (Venn, in Proctor-Simms, 1978:55).
6. The depth and strength of this assumption is evident in Sano's review of a book by Heyer, Williams and Roberts (1981). Sano fails to see the significance of the book's critique of such a view. Acknowledging the problems of much development policy, he writes that "(t)o set rural development in motion might in every case be to set a process of contradictions in motion, to which there can be no perfect solutions, but only relatively 'good' policies, i.e. policies that to the greatest extent possible seek to compensate for the fact that they are initiated by agencies based outside the rural areas" (1982:115). One could point out in response to this, that it is not possible to "compensate" for a view which implies that no rural development takes place until it "is set in motion" and indeed that contradictions wait upon such input to be activated.

7. Thus in Africa "male-dominated ministries produced anti-feminist programmes. Land reform in Kenya, for example, simply lodged title in the owner, who was almost always a man. In fact, women worked the land (Seidman, 1978:298). In colonial Zambia, only men were considered farmers, and women could not join state schemes which were the backbone of the authorities' "progressive farmer" policy (Muntemba, 1978:83). This persisted after independence and although women began to receive some acknowledgment of their economic role, this was in terms of training them in handicrafts and poultry keeping (ibid). In Niger, the animation development strategy was conceived with men in mind and without reference to women's needs (Roberts 1981:217).

8. At the same time, the prospects for loan repayment by low-density settlers were better than by high-density ones (Ruthenberg, 1966:132) (see chapter thirty-six).

CHAPTER TWENTY-EIGHT
THE STATE AND DEVELOPMENT IN THE PERIPHERY

1. Introduction.
2. The colonial state.
3. The post-colonial state.
4. The debate over the Kenyan state.
5. The politics of planning in the periphery.
6. Conclusion.

1. INTRODUCTION.

Dutkiewicz and Williams (1987 :39) have pointed out that while there is no common crisis across Africa, what is shared is the centrality of state activity in attempting to resolve the diverse problems – and the widespread failure of this intervention as well. This chapter analyses development planning in the periphery in terms of the character of the colonial and post-colonial state. The extent to which the capitalist state carries out the political and economic functions described in chapter fourteen is always dependent on the type of social formation and the international context in which it is located. As with the discussion in chapter fourteen, the analysis here is based on historical generalization and is not intended as a general theory of the peripheral state.

2. THE COLONIAL STATE.

The classic structural form of the colonial state has been described as "overdeveloped" (Alavi, 1972). This is attributed to the fact that its base was in a metropolitan structure, and it represented metropolitan dominance over almost all indigenous classes, and the dominance of the CMP over non-capitalist relations of production (Alavi, in Kaplan, 1977:98/9). The argument is that because the colonial state represented an absentee social system and ruling class, it performed functions which this class (the metropolitan bourgeoisie) elsewhere did privately (Mamdani, 1977:148,–312). It did not simply regulate production – it determined its very

nature. To achieve this politically and economically, an "overdeveloped" bureaucracy and coercive apparatus had to be built up (ibid). The relative autonomy of this apparatus — linked to internal dynamics within these structures — meant that the colonial state had a momentum of its own, and a degree of independence even from metropolitan classes and states. Politically, the colonial state had to smash the existing internal ruling class(es). However, to overcome resistance, this state also had to use internal groups as allies — hence indirect rule: metropolitan domination that is mediated by local classes (Mamdani, 1977:143, 41). The difference between this and neo-colonialism (which is indirect domination based mainly or completely on local groups) is that it was primarily maintained by force through an overdeveloped apparatus of repression, administrative coercion and settlers (Cabral, 1969:81).⁽¹⁾

The colonial state, as an appendage of a metropolitan state and an agent of the CMP, provided for the domination of the CMP over pre-capitalist relations — despite the physical absence of this mode of production initially. This domination undermined and restructured the pre-capitalist economy (Bernstein, 1979a:423/4). Colonial state activity was increasingly devoted to military and unproductive expenditures, and the alliance with inefficient pre-capitalist groups meant that surplus was wasted (Hymer, 1972:51). Empirically, there were a wide range of variations concerning indigenous commodity production — see chapter thirty-three. In many cases, however, the colonial state wanted to increase commodity relations in order to raise revenue for local administration and for imperialist investment. To this end it contributed to developing the structures of a peripheral economic system (see chapter twenty-five) (Bernstein, 1979a:427).

Historically, it was largely due to political unrest and the Second World War, that the colonial state took on the specific role of responsibility for promoting colonial development, and expanded its apparatus to control exports, imports and internal marketing (Dutkiewicz and Williams,

1987:41). But it failed to modernize the means of production as a means to generate revenue (Kay, 1975:106). In addition, the colonial state also directly and indirectly tended to suppress the development of an indigenous capitalist class (see next chapter). The development of an indigenous capitalist class via state accumulation was inhibited by the fact that the colonial bureaucracy was often comprised of foreigners and, in Africa, also by the absence of large landed-property (Amin, in 1974:363-6).

3. THE POST-COLONIAL STATE.

There is some controversy over whether the post-colonial state is characterized by facilitating the export and consumption of surplus, or whether it appropriates this surplus for itself (Alavi, 1972:75; Leys, 1976). In fact, to explain the use of surplus by the state, one has to look at the underlying class dynamics (Ziemann and Lanzensdörfer, 1977).

Baran argues that in underdeveloped countries, "it is only the state that is in a position to mobilize the surplus potentially present in the economic system and to employ it for the expansion of the nation's productive facilities" (Baran, 1962:223). Likewise, Dobb holds that with independence, governments in underdeveloped countries have stressed the potential role of the state in consciously mobilizing resources under a national plan as a crucial impetus of development (Dobb, 1962:33). But both observations need to be reassessed in terms of the interests and capacities of the classes that have relations to the peripheral state. Thus, the economic role of the post-colonial state

has to be located in relation to the possibilities (and contradictions) of accumulation by the ruling classes which have formed since independence, whether they are reproduced and seek to accumulate on the basis of individual or state property (or some combination ...), and in various alliances with international capitals. (Bernstein 1979a:433)

In the context described above, it was often not an indigenous bourgeoisie that led the struggle against colonialism and inherited state power

after independence (Cabral, 1969:57/8). The other side of the coin of the weak bourgeoisie has been the weakness of the proletariat and the peasant classes. For these reasons, the petty bourgeoisie – usually assumed by Marxists to be a lesser political force than other classes – has come to the fore in the Third World.

Generally speaking, the class position of members of the state apparatus is less important than their function as part of a social category actualizing the role of the state in the ultimate interests of the ruling classes (Poulantzas, 1972:246/7). In many peripheral economies, however, the absence of strong economically-based ruling classes places a large amount of autonomy on the governing petty bourgeoisie. This governing group has often tried to develop itself as a bourgeoisie by using the post-colonial state not only to erect the necessary conditions (infrastructure, credit, etc.) that would benefit private capital, but also as a basis for its own immediate accumulation of funds.

Conditions have favoured this situation in some respects. Capitalist development can occur without a national bourgeoisie, if other local classes can use the state and international capital to this end (Ferner, 1975:280). While a colony is tied to its metropole, a neo-colony is more responsive to the whole world market (Mamdani, 1977:48). As noted in chapter nineteen, independence ends the monopoly control of a single power, and dependence becomes multi-lateralized (ibid:222; Warren, 1973). While overall dependence is not reduced, a potential increase in state power is the result (Barratt-Brown, 1976:273, 278). In a word, national independence combined with the internationalization of capital has meant that states can play multinational firms off against each other (Warren, 1973:138/9).⁽²⁾

Nowhere in Africa, however, does it seem that such possibilities have been successfully exploited to generate either national development, or a fully-fledged national bourgeoisie with an interest in and capacity for development. While related to the overwhelming character of factors

contributing to underdevelopment, the failure of this trend is also in part the result of the internal character of the post-colonial state - viz. inefficient, corrupt, wasteful, overly-bureaucratic. The formation of the governing petty bourgeoisie and its associated class character is another contributing factor. As an historical generalization, it has been argued that the petty bourgeoisie's aspirations under colonialism were not to change the structure of underdevelopment, nor to develop national production, but to be promoted within the existing structure (Hymer, 1972:58). Many had, in fact, been groomed to be intermediaries of imperialism (Mamdani, 1977:221). This petty bourgeoisie found itself unable to rule independently of imperialism (ibid:223). The weakness of its economic and political base rendered it a dependent ruling class (ibid:313). Although formal political rule was transferred to its members, economic mechanisms kept them in the world capitalist system (Barratt-Brown, 1976:256). It was a dependent, underdeveloped and unconsolidated class dependent on state resources for financing its limited accumulation (Mamdani, 1977:315). The role of the post-colonial state in economic development remains prominent because of the continued weakness of local petty bourgeois and bourgeois classes to develop privately (Amin, 1974:372; Woddis, 1977:276).⁽³⁾

The overdeveloped features of the colonial state have remained, and actually proliferated. There is a hypertrophy of administrative activities as evidenced in the growth and direction of public spending (Amin, 1974:-197). To an extent, the hypertrophy of the post-colonial state is attributable to public expectations and the corresponding institutionalized developmental role of the peripheral state, and is therefore also relatively autonomous of class control motives. However, it is also in part due to bourgeois and petty bourgeois interests in widening their access to state resources and extending state control over the producers of these resources (see chapters thirty-three and thirty-four).

The same interests have also meant that the post-colonial state has

tended to devote considerable resources to combatting political instability - at the expense of development.⁽⁴⁾ Similarly, the post-colonial state has also had to meet the requirement of creating an effective territorial unity and ideological legitimacy in the social formation (Saul, 1974). While these may be preconditions for development, in themselves they are not a productive use of resources.

4. THE DEBATE OVER THE KENYAN STATE.

The issues raised above have been the subject of a lively debate initiated by Colin Leys about the developmental significance of Kenyan capitalists and Kenyan state. A number of issues are confused in this debate, arising from the conflation of four distinct points:

- (i) the political and developmental character of Kenyan capitalists (comprador or national);
- (ii) the (broader) issue of the development of capitalist relations in Kenya;
- (iii) the development of productive capacity in Kenya;
- (iv) the role of the Kenyan state in development.

Kaplinsky has criticised what he sees as Leys' emphasis on (i) and what he sees as Leys's implied conclusion that there is an indigenous national bourgeoisie successfully using the state for development in Kenya. He attempts to shift attention to the issue of (iii), where he argues that indigenous industrial accumulation by local capital is flawed due to its being based on an alliance with foreign capital that has only **temporarily** located production in the low-wage periphery (1980:104).

In response, Leys has argued that his evidence showed only African entry into manufacturing, and that he was not characterizing this as an indigenous industrial bourgeoisie (1980:109). Yet, it does appear that for Leys, if Kenyan capitalists are not quite a "national bourgeoisie", they are still part of a situation where Kenya is developing. This is evident in his criticism of Kaplinsky and dependency theory for minimizing peripheral development: "when the fact of such development cannot be denied, it is decried as inequalitarian, unbalanced, anti-popular; and when

this is admitted, it is finally dismissed as being at most short-lived and illusory" (ibid:112). The nub of the issue is thus the character of this "development", and how Kenyan capitalists and the state relate to it.

One pointer to analysing this is provided by Beckman's intervention in the debate. Like Kaplinsky, Beckman appears to have doubts about whether Kenya's growth amounts to development *per se*. He focusses attention on (ii), arguing effectively that capitalist relations (as distinct from the issue of national development) are not in contradiction with imperialism (1980:57). He points out that close links between domestic capital (private and state) and foreign capital (i.e. (i)) are compatible with the low employment and linkage generating capacity of Kenyan growth (i.e. compatible with a **negative** interpretation of (iii)) (ibid:54). What Leys has done, it would seem, has explained (i) and (ii) in terms of (iv - the state), and deduced (iii) as positive productive capacity from them. This is a false deduction, however, because attention to (iii) in Kenya shows that this is not so, and that the four phenomena (African capitalists, capitalist relations, state and productive capacity) are actually quite distinct, and they do not add up to development.

In my view, all four of these elements are significant, provided they are seen in terms of their relation to each other. I therefore disagree with Godfrey (1982:274) who scorns element (i), trivializing it as concerning the nationality of capitalists' passports. However, he is correct in noting that rather than a national bourgeoisie, Kenya has a local bourgeoisie within a (dominant - GB) international system of production (ibid:289). In this observation, issues (i) and (ii) are married, and it is possible to see that the progeny is not a positive interpretation of (iii).

I would argue that Kenya's bourgeoisie is not "national" in that despite its use of the state, it is still unable to develop Kenya's productive capacity because of its subservient place in the international

capitalist system. In this regard, Kitching has made a valuable contribution to the debate. He argues that the Kenyan state is not an agent of either international or local capital (or fractions of either), but a site of struggle which results in contradictory outcomes; and that the state itself fractures into contending forces in this struggle (1985:132). I would argue that in this struggle, Kenyan capitalists certainly are a factor, and they have a contradictory significance for both the development and the underdevelopment of productive capacity in Kenya.

This is not the place to embark on empirical analysis of the Kenyan state, but the general points that emerge here are pertinent for analysing the role of rural development planning in the periphery. The Kenyan debate highlights that the peripheral state, indigenous capitalists, capitalist relations and development are distinct and not necessarily connected phenomena. While state development planning may therefore accommodate the interests of indigenous capitalists (and the capitalist aspirations of a petty bourgeoisie), and/or the interests of international capital, these are not necessarily geared towards, or realized in, developing national productive capacity. The point is that some development plans may aim primarily for one of these objectives, others at more than one, and some may combine all aspects. While this is not to say very much, it sets useful parameters that point to the ambiguous and variegated character of the developmental significance of the peripheral state and its social base.⁽⁵⁾

5. THE POLITICS OF RURAL DEVELOPMENT PLANNING IN THE THIRD WORLD.

Prior to the 1960s, it was questionable whether there should be development planning for the Third World (Kollontai, 1970:3).⁽⁶⁾ Colonial planning differed from both capitalist and socialist experience in that it did not plan primarily for production, but rather for infrastructure geared to extroversion of the economy (Seidman, 1978:301, Lea and Chaudri 1983b:8, Birnberg and Resnick, 1975). In addition, it was permeated by the broader

functions and character of the colonial state, and in this regard, political stability and domination was important. Post-colonial development planning takes place in the context of the politics of the post-colonial state, and stability and domination are still a major feature. As a result, both pre- and post-independence, development has often been first and foremost a political strategy with political goals, rather than part of an integrated national development strategy dealing with the Agrarian Question. Indeed, in some instances, political goals and resolution of the Agrarian Question have been contradictory. Rural social engineering has taken place for political reasons which are counterproductive to the development of productive capacity. (See chapter thirty-six).

5. CONCLUSION.

This chapter has described the state and political context of rural development planning in the periphery, and this is taken up again in Part J. I have argued that the overdeveloped character of the colonial and post-colonial state has underdeveloped productive capacity in the Third World. The colonial state also inhibited the development of indigenous capitalist relations, although the governing petty bourgeoisie post-independence has used the state to try to develop these relations. However, in the case of Kenya, this has not been sufficient to develop the productive capacity of the country as a whole, with the developmental character of the state being ambiguous rather than wholly negative or wholly positive. At the same time, it is clear that the development of the interests of the petty bourgeoisie through the state has not been the same as development as such. I also argue that development planning in the periphery has often been undertaken with political rather than developmental goals, and that this may be counterproductive to development. A more detailed account, drawing from development plans in Tropical Africa appears in the next chapter, highlighting many of these issues.

ENDNOTES

1. Indirect rule was bolstered by the form of the CMP in the Third World: merchant capital acting as an agent of industrial capital (Kay, 1975:104). This merchant capital was dependent on – and it served to prop up – pre-capitalist economic and political forms. Indirect rule could rest on local groups whose own power derived from non-capitalist relations (ibid:105).
2. Thus the idea that imperialism stunts development underestimates this new potential of the state (Evans, 1977:44). For example, in Brazil, the state organized *tri-pé* ventures between itself, local and foreign capital. These ventures gave local classes access to and a degree of control over high technology and international finance (ibid:55). The nature of the multinationals did not alter, but the state's incentives and restrictions led to basic industries being developed (ibid:63). (See chapter nineteen).
3. Taking all these factors into account helps to explain why Africa stands out as a prime case of the failure of peripheral capitalist development. In Latin America, classes have been strong enough to constitute authentic ruling (as opposed to merely governing) classes. In these cases, the character of the state has been given more by the influence of the dominant class(es), than by the class composition of members of its apparatuses, and the autonomy of the bureaucracy is far more limited. In Peru, for example, contrary to some interpretations that the military government was creating – against the interests of the “dominant” landed and mercantile classes – an industrial bourgeoisie *ex nihilo*, this government actually represented the interests of an already existing and powerful industrial bourgeoisie (Ferner, 1979:272/3).
4. In 1976, the Third World spent four percent of its GNP on defence, and although this is not higher than the Western rate, it is a serious drain in a situation of underdevelopment (Harrison, 1981:384).
5. In the literature, the debate over the Kenyan state concerns largely the question of **industrial** capitalist development, unlike the focus in this and the next parts of this thesis which is on rural development. However, the same arguments about the distinctions between class character, class relations, the state and development apply equally to agriculture.
6. While capitalism has always featured social engineering in establishing and maintaining capitalist relations of production, economic development planning was alien to much of its genesis. Western planning began in France, and has always differed fundamentally from socialist planning in that it regulates capitalist production and exchange rather than replaces it (Seidman, 1978:301; Kollontai, 1970:18). It is the case that many capitalist planning policies do involve direct state initiation of, and participation in, production itself, but this is still within the broad context of private capitalist relations.

CHAPTER TWENTY NINE
RURAL DEVELOPMENT STRATEGIES

1. Introduction.
2. State, capital and planned agricultural development.
3. Plantations and settler agriculture.
4. Progressive farmers.
5. Control of Moment C: marketing.
6. Contract farming and outgrowers.
7. Settlement schemes.
8. Conclusion.

1. INTRODUCTION.

This chapter analyses a variety of development strategies, drawing examples from Tropical Africa. Although the region covers over forty countries and four agro-ecological zones (La-Anyane, 1985:1), its national economies have shared many similar historical experiences, and they have also differed significantly from those elsewhere. Colonialism and neo-colonialism are important factors in this. Occasional cases from other situations are cited where appropriate. All examples are intended as illustrative rather than substantive points, and not as an historical political economy of African agriculture. Kenya, the most frequently cited case (here and in the subsequent chapters) is used because external intervention into agriculture has been pervasive in the country's modern history (Heyer, 1981:90), and because this intervention has — in certain respects — been the most successful in the region (Carlsen, 1980:11).

2. STATE, CAPITAL AND PLANNED AGRICULTURAL DEVELOPMENT.

The initiation of development plans by state and capital in Africa has varied in terms of rationale, time and type. The common economic purpose behind these plans has sometimes been not so much development of national productive forces as development of the interests of governments, international capital and (post-independence) a local bourgeois/petty

bourgeois class. As argued in the previous chapter, the post-independence hypertrophy of state development planning and development projects in the Third World needs to be seen in this light.

Rural development planning in most of the examples below may emanate from the state, but it is clearly interlinked with the demands and capacities of private (usually international) capital. The shortage of state funds and technical/managerial skills ensures a major role for foreign aid and investment in development programmes (Bernstein, 1979a: 433/4). This is in infrastructure for development of commodity relations (communications, energy, storage, processing, health and educational facilities), and in direct planning and financing the programmes (ibid).

According to Bernstein, this often leads to an alliance of state and (international) capital: the former organizes primarily the political, ideological and administrative conditions for the penetration of capital; the latter organizes the technical and financial means of penetration (via productive capital, financial capital and development agencies) (ibid:434). However, it would be wrong to underrate the actual financial involvement (via budget grants, shares or loans) by the state in many development programmes -- an involvement which usually benefits private capital (see chapter thirty-six). Nonetheless, even state-owned schemes are still often controlled ultimately by international capital via export crops and inputs (Raikes, 1978:317). In such cases, control of Moment A is formally vested in the governments, although in reality the international firms possess most of the means of production. To greater or lesser extents, control of Moments B and C is almost entirely vested in international capital.

The ability of international capital and local ruling classes to appropriate and accumulate is closely related to the development of commodity production, and rural development projects and programmes are important stimuli in this regard (Bernstein, 1979a:433). State development plans have generally aimed to increase and control commodity production by

the peasantry, who in much of tropical and central Africa are the bulk of the population and who post-independence earn a significant portion of foreign exchange (Hill, 1977:25). Peasant production has the advantage of providing cheap food and raw materials, as well as revenue (Heyer et al, 1981:5). But while governments and the ruling interests want a productive peasantry, they also want one that remains under secure control and which does not use its productivity to wrest economic concessions (ibid). An independent peasantry is difficult to tax, and its economic power gives it control over local decision-making bodies. Peasant commodity producers have a degree of independence deriving from their ownership of means of production and subsistence (Heyer et al, 1980:5). They can set the terms of supply of produce, or they can refuse to supply altogether (ibid).

In order to benefit from cheap peasant production therefore, governments – and multi-national corporations – need to control the conditions of sale and even of production. In certain cases, particularly when pre-capitalist production is not commodity production, and where conditions inhibit the transformation of tribesmen into the various peasant classes, governments and capital have also confronted the “the peasant problem” by introducing wholly capitalist relations of production.

3. PLANTATIONS AND SETTLER AGRICULTURE.

Prior to World War II, the production of cash crops in tropical Africa was in many instances dominated by two forms of capitalist farming: company-owned plantations and individually-owned settler farms. The latter played a key role in securing colonial state intervention against peasant commodity producers who competed in the produce market, and who had an alternative to working as wage-labourers for the settlers (Muntemba, 1978:—61). The plantations too made use of state controls to secure and control a labour force, although they also engaged in buying, processing and marketing peasant produce (Dinham and Hines, 1983:49).

For several reasons, both forms of capitalist farming have failed to spread across agriculture in tropical Africa. Concomitantly, there has been no wholesale activity to separate local producers from their means of production and transform them into fulltime wage-labourers owning only their labour-power. In addition, it has not been easy for an indigenous class to accumulate sufficient wealth and means of production to be able to hire fulltime wage-labourers. If resistance by rural producers to proletarianization is one factor constraining agrarian capitalism in Africa, the cheapness of their production helps to explain why capital stays out of direct agricultural production. In Nigeria, for example, state and capital rejected plantations because peasants were already developing cheap export production (Williams, 1985:145). As regards plantations, direct investment in this type of capitalist farming has declined, with companies relating to African farming through several other strategies (see below).⁽¹⁾

4. PROGRESSIVE FARMERS

A strategy of planned development that is different to plantations and settler agriculture is that aimed at the "peasantization" of pre-capitalist producers. Taxation, land and education policies played an important part here in raising the cash needs of pre-capitalist producers, and compelling a degree of commoditization of agricultural produce and labour power. In parts of East Africa, colonial merchant companies supported the development of African commodity production – even against the settler capitalist farms (Mamdani, 1977:60; Van Zwanenburg, 1974:445; Williams, 1984:16).

In this context, Tropical Africa has seen the use of the "progressive" or "master" farmer development strategy by both the colonial and post-colonial state. Largely "additive" and "growth-centred" in character (see chapter twenty-seven), this strategy has aimed to increase peasant output through upgrading agricultural methods and diffusing improved means of production. Associated projects have ranged from extension services,

teaching agriculture in the schools, and the provision of roads and railways. Growth-centred features are evident where a particular programme (eg. extension advice) is aimed at selected areas and farmers reckoned to have developmental potential. Known as a "focal point" approach, this orientation began under colonialism and has continued in many forms since independence (Coulson, 1981:58; Williams, 1985:153).

The "progressive farmer" strategy has also involved attempts at a type of land reform – as in Kenya under the Swynnerton plan which involved registering title to land, and the consolidation of scattered plots. In this regard, the strategy may also have a transformative dimension.

Credit schemes are often part of "master farmer" development strategies, though they also represent a different kind of intervention into agriculture than that focussing on farm methods and physical infrastructure. Such schemes are intended to raise productive capacity by affecting relations of utilization: facilitating and indeed stimulating the acquisition of improved means of production. Bates (1981:109) sees it as a paradox that African governments **subsidize** production through this credit mechanism, at the same time as **taxing** farm output. But this "paradox" is quite logical in fact: in order to tax output, it is first necessary to ensure that there is the output at all.

To the limited extent (see next chapter) that the "progressive farmer" approach has raised rural productivity, this strategy has characteristically benefited a minority of farmers, assisting their development into middle peasants, simple commodity producers and kulaks. However, this development has a negative side in it for the initiators of these programmes, particularly as regards kulaks. While the strategy is intended to supply bureaucrats and the class/es they represent with peasant surplus, it is difficult to secure this from a rich peasantry engaged in private accumulation (Raikes, 1978:299, 314). Where there is competition among traders, rich (and middle) peasants are not wholly subordinated to the prices that

suit state and capital (Williams, 1984:59). A conflict of interests may arise between government and peasants, with the former attempting to restrain middle peasants and simple commodity producers from developing into kulaks and to restrict the development of kulaks into farmer capitalists (Heyer, 1981:92). This has commonly led to state and capital excluding indigenous capital from investment in marketing, and using co-operatives and parastatals to control this arena (see below). For this and other reasons, there has been a thrust in some state and capitalist circles against the elitist character of the master farmer emphasis. Thus the same social forces that helped to block the full and generalized proletarianization of African producers as desired by settler capital, and which helped to develop middle peasants and to set a stratum of this class on the road to kulak or simple commodity producer status, have sometimes acted to restrain the growth of rich peasants and simple commodity producers, and thereby the growth of an indigenous capitalist class.

5. CONTROL OF MOMENT C: MARKETING.

Regarding intervention that affects relations of distribution, much development planning has involved the institutions of co-operatives, marketing boards and crop authorities. A common mechanism for appropriating peasant surplus labour is through the unequal exchange of their produce via these institutions (Bernstein, 1979a:434). Marketing boards were set up under colonialism, sometimes by commodity producing farmers themselves, with the purpose of benefiting producers (Bates, 1981:12-14). However, the state soon found ways to divert surplus from the boards to itself, and this increased greatly after independence (ibid).⁽²⁾ Kitching analyses this as the state functioning as merchant capital, extracting surplus through marketing board price mark-ups between the buying and selling of commodities, and he analyses how various taxes also achieve this indirectly (1980:414,-416-7). For these reasons, it may be misleading to portray marketing boards

as if they were all part of a **development** strategy as such. In Kenya, in tea and coffee production, boards did play a role in encouraging output, but in Nigeria they have taxed produce to the extent of threatening existing production and marketing levels (Williams, 1981:49).

Since the 1930s, various African governments have also set up co-operatives and incorporated them into centralized state marketing systems. Originally, this involved export crops, but since independence it has spread wider to encompass local food commodity producers who previously escaped the controls (Heyer et al, 1981:5/6). Co-operatives have thus found favour not for their collective values, but due to their use as an instrument of public administration (Williams, 1981a:25).

However, these controls involve only the level of the market, and they are not very effective – generating massive smuggling and hoarding in response (Bates, 1981:82). At any rate, this control does not affect the conditions of production. Farmers can (and do) resist by switching crops or even withdrawing from the market in the face of low prices (as in the case of small-scale coffee growers in Kenya) (Bates, 1981:82). As against this, rural development settlement schemes are one means of forcing or soliciting peasants to directly conform their production to the requirements of outsiders (Heyer et al, 1981:8).⁽³⁾

Crop authorities do, however, affect production through policies that, in addition to the restrictions on volumes and prices of marketed produce, limit what should and should not be grown, how, when and where (Raikes, 1978:295/6; Mamdani, 1977:142; Muntamba, 1978:60).

6. CONTRACT FARMING AND OUTGROWERS.

Contract farming by outgrowers represents a joint strategy by capital and the state for intervening in production. Control of peasant production is achieved through a contractually enforced heterogeneous relation of production which transforms producers into outgrowers.

Contract farming focusses on richer farmers producing cash crops for agro-industries. Contract producers are tied to multinationals through credits that have to be paid for in produce. In Kenya by 1978, there were about 1.5 million small farms, twelve percent of which were producing thirty percent of smallholder marketed produce through contracts in this way ((Dinham and Hines, 1983:92; O'Keefe, 1984:162).

An interesting Kenyan case illustrates some of the dynamics involved in this strategy. Brooke Bond Liebig Ltd has been active in Kenyan tea and coffee for 60 years, and through contract farming has now adapted to independence and been able to expand its investments. After independence and the rise of African smallholding cash crop production, Brooke Bond was prevented from expanding its agricultural holdings. However, it still remained in charge of processing, and insisted on high standards – with many government extension officers having been seconded from the company (Dinham and Hines, 1983:102). Initially threatened by this smallholder production, the company saw that this development was not only inevitable politically, but also that it could still influence and profit from it. Consequently, the company won strict standards over the quality of peasant tea, which enabled it to blend high quality tea bought cheap from smallholders with its own lower quality tea picked on the estates (ibid). Brooke Bond still makes much of its money from its own plantations, but now also from the manufacture and marketing of tea produced by smallholders contracted to the Kenyan Tea Development Authority.⁽⁴⁾

On capital's side, contract farming is often a strategy of vertical integration to supply processing plants (Raikes, 1978:286,307; Goodman et al, 1984:209). To this end, it is (like many settlement schemes) often combined with a nucleus estate, as in the case of the Mumias sugar scheme (Mulaa, 1981:89). By 1979, there were 13 000 outgrowers at Mumias. The company does the ploughing, harrowing, furrowing and also – if farmer defaults – weeding. It also supplies fertilizer and transport to mills.

These services are given on credit, and deducted (plus 8 percent interest) at harvest (ibid:91). The Booker McConnell company involved in the designing of the scheme initially had low expectations from the outgrowers, and wanted the emphasis to be on the nucleus estate (i.e. treating the project like a plantation venture) (Buch Hansen and Marcussen, 1982:25). While the outgrowers have proved to be successfully productive, the nucleus estate means that the enterprise is not totally dependent on the small holders (Williams, 1981a:25). Booker McConnell makes its money by holding five percent of equity, managing the factory and nucleus estate, and getting part of the profit (Dinham and Hines, 1983:86). In addition, a subsidiary supplied the technology for the factory (ibid:87).

7. SETTLEMENT SCHEMES.

Settlement schemes characteristically involve changes in land tenure and correspondingly, producer control of this key means of production is typically weakened, if not wholly excluded. Such schemes enable outside control over all Moments of production and especially over Moment B, concerning the timing, quality, and use of inputs, as well as Moment C concerning payment systems and channels for distribution (see Raikes, 1978:308; Heyer et al, 1981:8). This approach is often dubbed a transformation approach as opposed to the "single-focus" approach in the "progressive farmer" strategy because its total control facilitates comprehensive development measures (see Williams, 1981a:24; Cliffe, 1978:337).

While peasant agriculture under other forms of intervention is unreliable because peasants are — up to a point — capable of withdrawing into subsistence, agricultural settlement schemes eliminate this possibility (Hill, 1977:27). It has been argued that development schemes aim

to generate the development of an undifferentiated middle peasantry, producing high-grade export crops under controlled and increasingly technically advanced methods of production and to avoid the uncontrollable aspects of rich peasant differentiation (Cowen, 1976, quoted by Raikes, 1978:286).

One example of this arrangement in Kenya is the Million Acre settlement scheme begun in 1962. Independence made way for 70 000 small farms on this and other settlement schemes (Heyer, 1981:107). Settlers became tied into controlled commodity production through their need to generate cash to repay the state loans they had received to buy land on the scheme. Elsewhere, settlement schemes (often combined with irrigation) have involved a package of tight production and marketing controls where settlers only have tenure on the basis of performance. They may also involve a package of incentives such as water supplies, housing, health care, and schooling (Heyer et al, 1980:9). On these projects, a scheme authority not only supervises peasant production, but also runs a capitalist nucleus estate. The latter often provides transport, processing and marketing facilities, and labour for extra work on settlers' plots.

The role of international capital in this development strategy may be analysed as withdrawing "upstream", and controlling production through management, with the state taking responsibility for everything else (Buch-Hansen and Marcussen, 1982:35). Although direct private capitalist investment in production is absent, companies provide information and advice, and become managers and consultants in large developments, influencing and controlling the choice of particular cash crops, and the markets that these are sold in (Dinham and Hines, 1983:158). The strategy also enables companies to glean surplus through supplying advanced means of production such as fertilizers and machinery (see Heyer et al, 1981:8).

8. CONCLUSION

The development strategies discussed in this chapter, as well as other strategies such as moishavim (see Halliday, 1979:113), may be exhibited in a given social formation both singly and in combined form. Thus Nigeria's third development plan (1975-80) included setting up large irrigation

projects, supplying extension and inputs to capitalist and progressive farmers, promoting high yielding crops, and bypassing peasants with state companies (Williams, 1985:153-5; see also Riddell's recommendations for Zimbabwe as discussed by Williams, 1982).

This view of development strategies as facilitating exploitation and control over rural producers by governmental or commercial agencies (or both) is corroborated by what happens on many projects. But one important factor limits the applicability of this view: many strategies are too unviable to realize such goals. This is discussed in the chapters thirty-three and -four.

ENDNOTES

1. Plantations continue in some cases. The Del Monte company was hired by the Kenyan government in the 1960s to manage a scheme where smallholders produced pineapples. Del Monte initially won stringent government controls over existing producers and strict licensing of newcomers. By 1968, the company decided to phase out smallholders altogether in favour of estate production which would give them control over the quality and size of production and suit their need for simultaneous harvesting. The company has the right to remit its profits (Dinham and Hines, 1982:105-7).
2. Thus instead of cushioning producers against world market price reductions, boards in both Ghana and Nigeria passed the burden directly on to the producers (Bates, 1981:15). This strategy prevailed in the 1950s and ensured marketing board monopolies over sales (Williams, 1985:148).
3. Bates defines agricultural policy as government actions that affect prices and income through intervening in markets for agricultural produce, farm inputs, and manufactured goods consumed by rural households (1981:3). Quite why he ignores policy interventions in **production** is unclear, but it means that his overall argument misses the significance of other developments in African agriculture (see sections 7 and 8 below).
4. Another company engaged in direct contract farming in Kenya is BAT Kenya Developments Ltd which since 1976 has a strictly controlled contract chicken growers scheme. Twenty contract farmers take 10 000 chicks a week, rear them and return them to BAT (K) for slaughtering, processing, packaging and marketing (Dinham and Hines, 1982:109). BAT (K) also contracts small producers to grow tobacco at a set quality using company loans and technical inputs - and is also the sole buyer of leaf tobacco in Kenya (Buch-Hansen and Marcussen, 1982:94).

PART I

SOCIAL STRUCTURE AND PLANNED RURAL DEVELOPMENT

CHAPTER THIRTY: PLANNED DEVELOPMENT AND INEQUALITY.

CHAPTER THIRTY-ONE: THE SOCIAL STRUCTURE OF PROGRESSIVE FARMERS AND
OUTGROWERS.

CHAPTER THIRTY-TWO: THE SOCIAL STRUCTURE OF SETTLER TENANTS.

CHAPTER THIRTY
PLANNED DEVELOPMENT AND INEQUALITY

1. Introduction.
2. Planned development and inequality.
3. Critique of the arguments for inegalitarian development strategies.
 - 3.i. Technical success.
 - 3.ii. Elitism as a "transitional" phase.
 - 3.iii. Inequalities as facilitating the productive use of surplus
 - 3.iv. Inequalities as productive incentives.
 - 3.v. Elitism as an emulation model.
4. Conclusion.

1. INTRODUCTION.

Development strategies concern the allocation of resources, and this immediately raises the issue of inequality and development. Criticism of much development policy from the "humanist" perspective (see chapter two) has focussed on the moral dimension of this issue, and the economic significance has been relatively neglected. This chapter therefore analyses the inequality in rural development from the standpoint of productive capacity.

2. PLANNED DEVELOPMENT AND INEQUALITY.

Rural development strategies tend to accentuate inequalities, whether intentionally or not. There are important exceptions, for example as noted by Cowen (1981a:122; 1981:71). Kenya's central province has seen a trend to egalitarian middle peasant status rather than polarized capitalist/wage-labourer relations, and one could argue that rural development strategies have contributed to this (see also Buch Hansen and Marcussen, 1982:130). However, even this example is disputed (see Anyang'Nyong'o, 1981:118/9; Njonjo, 1981:37; Carlsen, 1980:219). The general situation is therefore one of inequality.

This can be traced in the first instance to budgetary allocations. Tanzania, in contradiction to its stated policy of promoting peasant agriculture, spends only 12,5 of its national budget on agriculture. And within this allocation, inequality is again characteristically reproduced:

eighty percent of Tanzania's agriculture spending goes on large farming projects. Consequently, it is estimated that only two percent of the national budget goes to small farmers (Dinham and Hines, 1983:120). In Malawi, government spending on agriculture has increased since 1964 in favour of a few large projects. From nil in the 1964 budget, these projects accounted for 25 percent of the 1967 budget, and 50 percent in 1971 (Thomas, 1975:38). The Sudan's Gezira scheme has been hailed for distributing income to the 30 000 tenant families, the 2000 permanent technicians and supervisors, and the 150 000 labourers, as well as benefiting the commerce of two towns and providing, via tax, the salaries of many civil servants (Grove, 1979:118). Yet Gezira's privilege is still relative to the deprivation of other areas (Barnett, 1977:21).

The content of development programmes further tends to emphasize inequality. In Tanzania, colonial settlement schemes aimed to develop a class substantially better off than the majority of rural dwellers (Raikes, 1978:307/8). The idea was to create a farming bourgeoisie from "yeomen" graduating to 30 - 50 acre farms worked by wage-labour (Coulson, 1981:70). In Western Nigeria, schemes were intended to create what Hill (1977:28) calls a "public sector rural bourgeoisie". To this end, each of the 50 settlers on a scheme were given 30 acre farms - ten times larger than the average peasant holding. With the use of advanced techniques, settlers were expected to earn two-thirds more than ordinary producers outside of the settlement (ibid).⁽¹⁾ In Zambia, a colonial agricultural scheme set up 200 "outstanding farmers" with 200 - 400 acre plots who received the bulk of state agricultural help and credit (Foster, 1969:110). The remaining 95 percent of local people were left with five acre plots and very little aid (ibid). The same strategies aimed at a minority of "progressive farmers" have been used in Uganda (Seidman, 1977:164), Kenya (Leo, 1979), and Tanzania (Bryceson, 1980:306/7).

Even where inequality is not the aim, it has frequently been the

effect.⁽²⁾ Tanzanian land reform meant that wheat plots of 10 to 40 acres were allotted to worthy applicants. But local officials secured much larger plots for themselves (Raikes, 1978:302). A similar phenomenon occurred in Zambia (Cliffe, 1978:337). The use of state dairy facilities by Ugandan farmers, and the functioning of Senegalese co-operatives, worked out in a similarly unequal way (Seidman, 1978:166; Kom, 1977:162).⁽³⁾

In many of Kenya's development programmes, the same inequalitarian development strategies can be observed. For example, government agents offering agricultural services were selective in whom they contacted, and inequalities in literacy status and access to radios between rural groups exacerbated the way the services benefited some and not others (Hunt, 1979:283, footnote 26). Kenyan loans, theoretically available to all, were only used by three percent of the rural classes (Leys, 1977b:352). In effect, state credit is accessible only to those making large purchases — which excludes poorer producers from benefiting (Steeves, 1978:126). Under the Special Rural Development Programme (SRDP), a credit scheme was aimed at poor farmers in Vihiga, but the rich were the first to benefit (Oyugi, 1981:171-4;186). Twelve percent of smallholders accounted for most of Kenya's smallholder marketed output, reflecting (in part) the fact that only a minority group of wealthier smallholders were able to risk cash crop production without jeopardizing household subsistence, and to use extension, processing and marketing facilities to this end (Dinham and Hines, 1983:92; Williams, 1984:14; Kitching, 1980:374; Hunt, 1979:271).

Benefits of extension in Kenya have been consumed by larger farmers. The SRDP aimed to experiment with ways of diffusing innovations to farmers, but, as it happened, innovations tended to be directed to the people who had already accepted them (Oyugi, 1981:185). One evaluation of the programme concluded that SRDP model farmers should not just reflect emergent progressive leadership. "Indeed the challenge is to help the less progressive and not just the progressive farmers" (IDS 1972:B-4). Benefits

linked to Kenyan co-operatives have similarly been uneven: all members pay equal subscriptions, but the benefits have been consumed disproportionately by larger members (Bates, 1981:60, footnote). The Million Acre settlement scheme was especially inegalitarian. The 5000 "progressive farmers" selected in 1960 for specially beneficial low-population density settlement were to be experienced farmers who had "proved their ability and accumulated some savings" (Harbeson, 1971:240). The purpose of this was for white farmers to subdivide and sell their farms to buyers able to pay for them (ibid). Thus, the aspirant low-density farmers had to be already privileged to qualify, and the colonial government gave them extra privileges once they were settled (Leo, 1979:619). This was repeated in 1975 in the Mwanza settlement scheme in Tanzania (Cliffe, 1978:337). In Kenya, low-density farmers received double the extension services that the high-density farmers did - even though far outnumbered by them (Leo, 1979:269). Kenyan farmers on irrigation schemes have incomes twenty percent higher than their counterparts off the schemes (Bates, 1981:48).

Foreign aid to Malawi was also channelled into this type of elitist project: six years' worth of foreign development aid to the Salimi Lakeshore Project gave 750 privileged farmers incomes seven times higher than those of the 20 000 surrounding poor farmers (Thomas, 1975:38).⁽⁴⁾ Where settlement is involved in a development project, social inequalities may be exacerbated by the eviction (without adequate compensation) of the people formerly on the land and who have been forced to make way for settlers. In Kenya, 1000 families were evicted to make way for the Mumias nucleus sugar estate, and this was repeated at two subsequent projects (Buch-Hansen and Marcussen, 1982:25/6). (For West African examples see Wallace, 1980:61; Williams, 1986a:3 and Bondestam, 1974:430). Not only do producers lose land under such schemes, but the conservation of water has negative effects on dry season farming downstream (Bates, 1981:49). In many cases, protected markets for the products of development schemes are

set up at the expense of external producers.⁽⁵⁾

A great many African projects share the features of a development programme in Colombia. This programme benefits only a tenth of the local peasantry, and is characterized by:

model pilot projects with prosperous, neatly dressed workers, which visiting dignitaries are ferried around while carefully hidden down the road the many are ragged and starving. Expensive settlement schemes provide the lucky few with everything: land, roads, clean water, supplies, credit, schools, health clinics – while the unfortunate majority are left with nothing (Harrison, 1980:135).

Clearly, rural investment has been spread unevenly, with the lion's share going to a few favoured areas and farmers (ibid).

3. CRITIQUE OF THE ARGUMENTS FOR INEGALITARIAN DEVELOPMENT STRATEGIES.

According to Williams (1981a:41), it is of the nature of rural development itself, that it distributes resources to the better off. How is this whole situation to be explained? It is not simply a case of neglect and oversight concerning the majority of people outside the projects. In many cases, it is a consequence of wealthier groupings hijacking egalitarian programmes for their own development. But it is also frequently the result of deliberately inegalitarian development strategies. I now turn to reviewing the arguments made for these.

3.1. Technical success.

Elitist growth-centre strategy is sometimes justified in terms of agricultural investment being allocated on the basis of expected success, and not on the basis of need (Harrison, 1981:98, 416). For example, the projects promoted by the Malawian government are in areas of highest agricultural potential – and this may in fact be necessary if national productive capacity is to be enhanced (Thomas, 1975:38). But this is not always true. The Ugandan group farms benefiting from the agricultural budget only contributed three percent of national cotton production

(Seidman, 1978:165). In fact, agricultural projects typically consume a large portion of the agricultural budget, although they often produce only a small fraction of total marketed output (Bates, 1981:49).

3.ii. Elitism as a "transitional" phase.

The rationale for elitist growth-centre projects is typically that they are a necessary, but temporary, phase. As such, inequality is promoted as being in the long-term interests of all (Heyer et al, 1981:4). In some cases, the inequalities and social groupings planned for are expected to be intermediate transitional forms (see chapter ten) that will inherently develop into something more acceptable over time eventually. The inequality involved in a growth-centre strategy is supposed to be ended eventually through diffusion and up-and down-stream linkages. However, far from the "trickle effect" distributing benefits beyond the "growth centres", it has been a slow drip at best, and a reverse flow at worst (Harrison, 1981:416). The economic failure of growth-centre strategy has been acknowledged by MacNamara (1973) during his World Bank period, leading him to advocate general investment in small-scale agriculturalists in its place (Markovitz, 1976:180). As will be discussed in chapters thirty-three and -four, the obstacles to development confronting growth-centre projects often thwart their success, and what initially was to be temporary subsequently becomes permanent.

3.iii. Inequalities as facilitating the productive use of surplus.

Elitist growth-centre plans are sometimes justified in terms of the alleged role of social inequalities in fostering development. They are seen as being conducive to economic development because, the argument goes, equitable distribution would lead to consumption of surplus, whereas concentration leads to reinvestment (Harrison, 1981:417).⁽⁶⁾

For example, in land reform, the decision to distribute land unequally

is often justified on the grounds that there is too little to make an egalitarian distribution feasible. The best way to boost the rural economy is held to be by giving land to experienced peasant farmers, rather than to the 'ignorant' and 'illiterate' peasantry. The assumption is that experienced farmers will contribute to developing the forces of production in a way that will eventually benefit the national economy and thereby other classes in the social formation.

However, whether such assumptions hold in every situation is doubtful. These inequalities may sometimes involve "hidden" (i.e. consumed) rather than "actual" (i.e. invested) use of economic surplus, and may therefore be counterproductive for economic development. In this respect, it has been argued that economic growth can flourish (and has done so) in conditions of relative equality and a wider consequent market structure (Mouzelis, 1979a:355; 1979b:84).⁽⁷⁾ Relations of distribution and relations of utilization are distinct things: concentrated wealth in the former does not necessarily mean productive investment in the latter.

3.iv. Inequalities as productive incentives.

In some cases, social inequalities have played a role in fostering growth (Arrighi and Saul, 1968a:284).⁽⁸⁾ For example, one can cite the role of inequalities linked to production incentives which reward producers who save more/ take risks/ work harder than their fellows/ or grow certain crops. Lagemann (n.d.:139) for example, writes that "technical solutions are very important requisites for a change in the farming system, but their implementation requires institutions and policies which make it attractive to small farmers to increase their production" (quoted by Richards, 1979:—270). Examples are guaranteed markets or inflated prices serving as incentives. As Bates (1981: 60, 92-95) points out, while it is usually only the wealthier and stronger farmers who win advantages such as inflated prices, other producers may also benefit from such "incentives". Inequalit-

ies do not therefore automatically follow from incentives, and where they do, the kind of inequalities discussed here need not become permanent or class-based (Kollontai, 1970:9). Such inequalities may affect productivity negatively or positively, depending on a range of other factors. But where incentives do not work, they may involve a drain on national resources through a surplus transfer to farmers who do not use the income or opportunities productively.

3.v. Elitism as a demonstration model.

Another rationale for the inequality of elitist growth centre projects is that "progressive farmer" and settlement schemes are models to be emulated by non-participants. For example, it has been argued that the purpose of a South African irrigation scheme in the Ciskei bantustan is to serve as a demonstration model in the region:

Most people's image of agriculture in the Ciskei is that it is a sort of drop out occupation; that it is not for people with any brains. It is necessary to show people that you can actually earn a living by engaging in an activity related to the land and this is what the Keiskammahoek irrigation scheme tries to do (Godden, in Proctor-Simms, 1978:88).

It is true that such projects do show what could be done (Harrison, 1981:123). But it is not enough just to provide demonstration models: outsiders have to be willing and able to emulate them (Markovitz, 1976:--194). Because the ability to emulate depends on resources, however, there are severe objective restraints on it. The typical fact is that, like the case of a Ugandan settlement ranch in 1966, state spending per farmer is much more than can be sustained at a national level, and therefore the projects are inherently limited to benefiting a minority (Seidman, 1977:--166). Thus, given the capital and management-intensive nature of most of these projects, they tend to have only an isolated impact on rural development as a whole (Cliffe, 1978:337, Heyer et al, 1980:13). As one

commentator observes about the Ciskei's project,

it is highly unlikely that the Keiskammahoek scheme will influence development in surrounding areas. Farmers would be justified in claiming that they too could follow the example of the Keiskammahoek settlers provided they were given irrigation water and subsidized to the extent of over R1200. The diffusion effect of the scheme is therefore limited (McI. Daniel in Proctor-Simms, 1978:75).

4. CONCLUSION.

This chapter has analysed and criticized some of the arguments behind inegalitarian elitist and growth-centred development strategies. One of the broader reasons underlying the failure of growth-centre strategy has been the nature of the strategy itself. It rests on a confusion about the relationship between the parts and the whole. Besides the difficulty in changing the (ultimately) determinant whole by means of tinkering with a few of the parts, very often the actual existence and functioning of the whole is lost sight of. The "wood", so to speak, is overlooked, and only a few selected "trees" are focussed on. This methodological error is based on a lack of clear units of analysis and a lack of understanding the inter-relationship between them (see chapter three). In the context of a disarticulated, extroverted economy, this can only lead to economic failure. Growth-centres *may* grow (though this is often not the case - see chapters thirty-three and -four). But their capacity to diffuse or inspire greater productivity seems limited and unable to develop the productive capacity of the whole *qua* whole.

In view of all this it is necessary to concur with Saul (1977:139/40) that while class inequalities affect economic development, the relationship may sometimes hinder, and in other cases facilitate, the expansion of the productive capacity. Writing with Arrighi, Saul says that "the existence either of some necessary dichotomy between "development" and "equality" or, on the contrary, of some necessary link between the two cannot be postulated *a priori*" (1968a:284). What one can conclude is that in terms of

channelling surplus for most effective development, elitist growth-centre strategy does not seem to work. On the contrary, it may become a drain on surplus and part of what Hughes (1977:220) calls "hidden surplus". To explain its failure, one has to look beyond the role of inequalities in relations of distribution (Moment C) and possession/separation (Moment A), towards the significance of the social structure as a whole (i.e. all Moments, and including system dynamics and reproduction). In the next two chapters, therefore, I analyse this social structure of planned development in these terms.

ENDNOTES

1. Another example of inequality in Nigeria is the Kano River Project expected to take all the agricultural graduates from Kano state for the next twenty years (Wallace, 1981:291).
2. This was the case in India, where irrigation infrastructure, roads, electricity, credit and Green Revolution inputs were available in two states (Hiro, 1978:88). Socially, rich peasants were best placed to use these due to having the basic resources that were needed to take advantage of these inputs (Byres, 1981:426-7, 410-12). Thus, the Green Revolution had an unequal application and ended up enabling rich peasants to consolidate themselves as capitalist farmers (ibid:443, Brass, 1980a:395).
3. Even in pro-socialist Mozambique, the Eduardo Mondlane co-operative consists of a small minority of the village and constitutes a distinct social group with the best land and irrigation, in contrast to outsiders (Harris, 1980:341/2, 344). The Chaimite co-op members also make up a distinct social group whose high accumulation and distribution differentiates them from the village. They even have their own separate literacy classes, and consumer co-operative (ibid:349).
4. Although not geared solely to development projects, rural investment in Uganda between 1962 and 1967 was still biased towards privileged farmers. One quarter of the budget over this period went to group farms and to tractor services which benefited only one percent of farmers (Seidman, 1977:165).
5. The control over the marketing of milk in the Ciskei bantustan by the Ciskei Marketing and Development Board is a case in point here - see **Daily Dispatch**, 13/4/79. In Gezira, the need for wage-labour for settlers on the scheme led to banning cotton production in places regarded as labour-supply areas (Mulaa, 1981:132).
6. "Resources for development are currently dissipated in diffuse, broad spectrum programmes, the impact of which is neither effective nor adequate. It follows that there is a case for partial concentration of resources in

selected areas where prospects for success are greatest" (Venn, 1979:5). Indeed, "an element of ruthlessness is necessary if the trap of dissipation of effort is to be avoided" (ibid:9).

7. Kay (1981:503) describes how Allende's socialist strategy for Chile saw a massive re-distribution of wealth as compatible with – and in fact a pre-condition for – economic development. Harrison (1981:417) and Heyer et al (1980:4) argue that Taiwan and South Korea successfully combined egalitarianism (the result of land reform) with rapid development.

8. In fact, excessive zeal for egalitarianism can hinder economic development in certain conditions (Kollontai, 1970:9). This raises problems for the "humanist" development theorists concerned with growth plus equity.

CHAPTER THIRTY-ONE
THE SOCIAL STRUCTURE OF PROGRESSIVE FARMERS AND OUTGROWERS

1. Introduction.
2. Peasants or proletarians?
3. "Progressive farmers".
4. Outgrowers as proletarians?
5. Outgrowers as capitalists?
6. Outgrowers as simple commodity producers?
7. Multi-class characteristics and relations of production.
8. Conclusion.

1. INTRODUCTION.

The social structure of the producers involved in various development strategies is important to investigate in terms of the perspective outlined in this thesis. As Steeves (1978:124) notes with regard to Kenyan tea schemes, but with wider relevance, development projects both show — and serve as a catalyst of — class formation, the generation of class interests, and the emergence of class-motivated activity. This chapter examines the class character of "progressive farmers" and outgrowers. The next chapter looks at settlement scheme tenants. Neither is intended as a comprehensive analysis. Rather they point to how the concepts in this thesis help to elucidate the complex class issues in planned development.

2. PEASANTS OR PROLETARIANS?

That the class character of contemporary rural producers is a complex phenomenon is evident in a debate relevant to the Kenyan experience. The issue is the extent to which Kenyan agriculturalists are peasant or proletarian in character.⁽¹⁾

On the one side of the debate is Njonjo who notes that almost 50 percent of income to small-holders in Kenya's central province comes from wages and remittances. He asks whether this class is thus a peasantry or a proletariat with patches of land (1981:37).⁽²⁾ His position tends towards the proletarian characterization, and it has come under fire for ignoring

both the rural labour process and the question of ownership of land (see Gutto, 1981:44). Indeed different conclusions have been reached by taking these two considerations into account.

With regard to the **rural labour process**, O'Keefe's argument (1984:160) is pertinent. He studied a Kenyan village and found that 44 percent of smallholders depended on off-farm sources for more than half their income. He rejects calling these producers "farmers" in consequence, and says that their production relations more clearly reflect those of a "lumpen rural proletariat-cum-peasantry" functioning as a labour pool for capitalism. The reason why he stops short at calling this class simply a proletariat, appears to be based on its relation to rural non-capitalist labour processes: its members take part in wage-labour in order to support a family-based production system (ibid:161).

With regard to **land ownership**, Amin (1974:30) (writing in general terms) holds the view that the possession of land means that rural producers are not full proletarians; instead he characterizes them as semi-proletarians. Taylor (1984:185) similarly finds it significant that Egyptian rural producers retain some control of land, and also argues accordingly that they are not a rural proletariat.

So if, in the light of these considerations, and contra Njonjo, smallholders are not a true proletariat, to what extent are they then peasants? Analysing the Kenyan case, Cowen sees rural producers not only as **not** proletarians, but as actually resisting proletarianization (1981b:139). He argues that the peasantry has been regenerated, with workers able to leave agricultural wage-labour, and wage remittances becoming secondary to income from commodity production (ibid:124).⁽³⁾

Yet as Cowen observes, peasants' patches of land are not used for direct consumption, but for commodity exchange (although still aimed at reproduction of the household). For this reason, "producers do not escape either the circuit of capital or the capital/labour relation" (Cowen, 1981a:69). In Cowen's view, no less than any other place of production, the smallholding is now subject to the control of capital.

Cowen stops short of saying that peasants participating in the capital/labour relation are proletarians. But it is exactly this scenario which has led Brazilian writers (amongst others) to describe the modernized family farm as new form of worker/capital relation, with the new peasant as a worker for capital - i.e. as a proletarian (Goodman et al, 1984:194). In

other words, the debate comes full circle to Njonjo's conclusions (albeit for different reasons). And indeed, like Njonjo, this perspective has been criticized for missing the fact that the rural labour process itself is not capitalist (Goodman et al, *ibid*). The approach focusses on the whole relation, but neglects the heterogeneous character of the parts.

The problem with the peasant/proletarian debate outlined above is the implicit blanket categorization involved. It is little wonder that there are such different positions, when not only are different producers being analysed, but the diversity of relations engaged in by any single rural producer is also not adequately appreciated. Njonjo's peasants are proletarians through their off-farm production; Cowen's are subjected to capital through their on-farm production. Are they referring to the same producers, and if so, how should this be characterized? An observation by Williams is pertinent to this problem.

Williams notes that most small holders are neither independent producers (outside the market), nor outworkers subjected to capitalist firms that provide means of production, subsistence and markets (1981a:31). He argues for defining the diverse groups within this range by their incorporation into "circuits" of capital (*ibid*:32), but this method risks overstressing the **articulation** between the CMP and non-capitalist features, at the expense of evaluating the specificity of the latter. Where the circuit of capital articulates with non-capitalist labour processes (not to mention non-capitalist relations of possession/separation and distribution/utilization), this needs to be recognized. But following my arguments in this thesis, this circuit does not render everything in it capitalist (as Banaji (1980) would have it). Add to this point the need to analyse producers in terms of all three Moments of production, reproduction and system dynamics and it becomes possible to cut through the confusion surrounding rural classes.

There is little problem in analysing properly capitalist and proletar-

ian classes as on plantations, settler farms, and on company/state-owned estates. It is also relatively uncomplicated to assess tenants who share-crop, and pay rent to a landowner (see Williams, 1984:17/8). It is more difficult when it comes to other classes and class relations.

3. PROGRESSIVE FARMERS.

"Progressive farmers" are made up of several distinct (though also overlapping) classes and cannot be attributed any single class character. Historically, "progressive farmer" initiatives have contributed to the "peasantization" of pre-capitalist producers - i.e. creating and developing the classes of middle, rich and poor peasants. Although there are a wide range of permutations that occur within the whole process (Saul and Woods, 1981:114), the emphasis has often been on fostering a middle peasantry. However, even when this is the case, the process still contributes to the development of rich and poor peasants (see below). Developing commodity production is the most general goal of "progressive farmer" strategies. For this purpose, they may involve land reform to develop peasant relations of production, and the promotion of advanced means and methods of production to develop peasant productive capacity.

The promotion of advanced means of production means in effect that producers are induced to rely more heavily on the market, and also to become increasingly dependent upon the bureaucracy for supplies and services (Heyer et al, 1980:9). To the extent that these inputs are acquired through credit, this locates "progressive farmer" producers in a relation (sometimes indirect) to the lenders of the credit, and this applies to outgrowers and settler tenants as well.⁽⁴⁾ This relation may well be exploitative, given that credit is commonly a means of appropriating surplus labour. For Roseberry (1978), credit is an exploitative relation with the capitalist rationale (i.e. system dynamic) of converting money into more money. In his view, this relation means that many peasant produc-

ers are actually proletarians. But this is to ignore the production relations of such producers at Moment A and B - which remain non-capitalist at both points. In my view, the articulation of peasants (and again this applies to outgrowers and settler tenants) to a source of credit constitutes a heterogeneous relation of production. While this may be the dominant relation among the many they participate in, it is not necessarily so, and even where it is, this does not obliterate the existence or significance of their other relations.

I turn now to the effect of "progressive farmer" strategies on class character inasmuch as they increase the commoditization of production - both inputs and outputs. At the outset, it may be noted that more than half of smallholder output in Kenya is used for household consumption (Carlsen, 1980:37). While this statistic conceals substantial variations, it does imply that as far as **reproduction** goes, many smallholders are far from full simple commodity producer or CMP class-status.

Commoditization can play a part in developing middle peasants from pre-capitalist producers, but it also makes middle peasants an unstable class. They are under pressure to step up commodity production and become simple commodity producers, contract outgrowers or kulaks, or fall behind and become poor peasants or proletarians. Thus in Kenya, middle level smallholders involved in cash cropping, and neither hiring labour in nor out in significant quantities, are a "rapidly eroding group" (Kitching, 1980:374,406/7). A detailed analysis by Carlsen (1980:191) points to growing differentiation into rich and poor rural households. Such polarizing peasants need to be analysed in terms of the various class relations they are likely to engage in.

"Progressive farmer" strategies may also directly facilitate the development of rich peasants out of the upper strata of middle peasants. Combined with the pressures and opportunities of the market, these strategies can generate both the need and capacity to hire steady labour.

Kulakization is not the same as becoming a capitalist farmer, however.

"Wage employment, like inequality, may be integrated into peasant production rather than become a feature of the 'self evident' transition from peasant to capitalist farming" (Williams, 1976:167). Capitalist relations require (*inter alia*) wage-labour, commodity production and capital accumulation. However, in Kenya the development of farmer capitalists is, as discussed in chapter thirty-three, often blocked by means of marketing boards and monopolies operated by the very same agencies that promoted middle peasant and kulak commodity production in the first place.

Commoditization and "progressive farmer" strategies may also stimulate the development of simple commodity producers. Hill (1970:21-29) observed this in Ghana, although she incorrectly characterized the producers as rural capitalists because of their commercial behaviour and treatment of land as an investment, ignoring the fact that they did not hire labour.

Although "progressive farmer" development strategy does not always envisage this, commoditization may involve selling not just agricultural goods, but labour power as well. Contrary to Njonjo, however, this latter relation does not in itself render such producers proletarian. It implies certain proletarian characteristics to be sure, but it depends *inter alia* on the significance of this labour as to whether the producer is wholly proletarian. And this varies according to what other relations the producer is involved in, and what the wage labour means for household reproduction. These remarks enable us to interpret a survey of 7000 farmers in Kenya which found that non-farm cash income exceeded farm cash income, and that this was the main means of repaying loans made to farmers entering settlement schemes (Kitching, 1980:357). In other words, all these producers (or at least some members of their households) shared some proletarian characteristics and some peasant characteristics. There is substantial variation in the latter, which affects the significance of the former. Thus, the survey found that at the higher levels, off-farm income was used to buy

land and labour and it facilitated capital investment. Paid employment at lower levels served to take the strain off peasant household subsistence.

In comparison to "progressive farmer" strategies, outgrower strategies restructure class relations much more clearly, because they intervene more extensively in the labour process (usually via control of Moments A and C). The issue I investigate below is what this means in terms of the class character of outgrowers, and how it may combine different features normally characteristic of the various disparate classes. The first section looks at proletarian features, and subsequent ones consider capitalist, landlord and simple commodity producer characteristics.

4. OUTGROWERS AS PROLETARIANS?

On outgrower (contract-farmer) schemes, there are big differences between producers. And although they generally retain somewhat more control of production than proletarians, they do have some similarities with them. Some outgrowers not only resemble proletarians, but do in fact engage in extra-household production as wage-labourers for others. At Kenya's Mumias sugar scheme, some outgrowers - mainly those relying solely on family labour - battle to survive from their agricultural production and consequently hire themselves out as workers in times of need (Buch Hansen and Marcussen, 1982:33/4; Currie and Ray, 1987:97). To this extent, outgrowers may participate directly as proletarians in off-farm wage-labour relationships. The argument for outgrowers as proletarians is based, however, more on the character of their on-farm activity, and the relations involved in it. Thus, in many outgrower schemes, multi-national companies (often using estates) control the production of plantation crops by small holders under conditions which, according to Heyer et al (1980:8), come near to relegating the producers to the position of wage-labourers. Indeed, there are similarities that can be observed at each Moment of production. For the purposes of exposition, I deal with these similarities in the order

of B, C and A, and then go on to evaluate their significance afterwards.

4.i. Moment B.

Concerning outgrower schemes at Moment B, at Kenya's Mumias scheme the operations of the producers are closely controlled. Farmers contract for three years to sell cane, field supervisors monitor their work and the efficiency of the whole scheme is attributed by officials to the centralized management there (Mulaa, 1981:91,92). It is thus argued that their control over means of production is increasingly nominal, and the extension officers effectively control the labour process (Currie and Ray, 1987:95). This has obvious parallels with a capitalist labour process.

4.ii. Moment C.

Outgrowers also resemble proletarians in that they have no control over the class relations of distribution and utilization. For example, at Mumias the scheme has a monopsony on buying cane (Williams, 1984:17/18). The producers become indebted to the company, and have little scope for negotiating the price. When this is linked to the conditions at Moment B (see above), it has been argued that "the idea that the farmer 'sold' his/her crop becomes something of an illusion. The producer price **could** be seen as tantamount to a wage" (Currie and Ray, 1987:95).⁽⁵⁾

4.iii. Moment A.

At Moment A, outgrowers may be similar to proletarians where -- as at Mumias -- their entry to or exclusion from the scheme is out of their hands. The fact that they do possess the land may not in fact be meaningful given their lack of control on Moments B and C.⁽⁶⁾

4.iv. Evaluation.

Against the view that outgrowers are in effect proletarians, it might

be argued that for the capitalist investor, contract farming means precisely not having to enter a direct capital-wage relationship (Buch-Hansen and Marcussen, 1982:18). But this in itself does not preclude the possibility of outgrowers constituting an **indirect** capital-labour relationship, as is the case with piece-work proletarians. Both outgrowers and piece-workers may retain some control at Moment B, the labour process. Piece-work involves wage-labour because the means of production are supplied by the capitalist, and it represents a partial proletarianization of the producer (Dobb, 1962:22/3). Payments vary due to the different skills, strength, energy, and staying power of each producer — but they remain wages nonetheless (Marx, 1972:520) (see chapter twenty-four). The labour process may be described as formally subsumed under capital, though it is not necessarily part of the CMP as such (see chapter eight).

Another — though also erroneous — argument against the outgrower/proletarian equation is based on the fact that outgrowers are not really subsumed to capital at Moment B through being congregated together into mechanized and socialized production (Bernstein, 1979a:432). Against this view, such a situation does not preclude capitalist relations of production. Formal subsumption may be capitalist without transforming the labour process (Cowen, 1981b:126; see chapter eight). It is therefore not significant that outgrowers' relations in production do not have the same control over by the structure of the forces of production as characterizes real subsumption within the CMP.

A different argument against seeing outgrowers as proletarians might be that land ownership by outgrowers is **not** merely formal. This would undermine Williams' claims that outgrowers supply little more than their own labour power to production, and accordingly can be analysed as subsumed under capital (1985:171).⁽⁷⁾ On the contrary, the fact that outgrowers supply land as well as labour power is what distinguishes them from settler tenants. It is significant that possession often constitutes

an obstacle to control by capital and state, and this is one reason why both agencies may try make tenure conditional on subordination to them (see discussion on settler tenants in the next chapter).

In my view, it is difficult to decide one way or another on the significance of land ownership in the abstract. Where this factor is meaningful in terms of producer control over other Moments of production, the producers may be better described as simple commodity producers (see below). Where it is not, they resemble proletarians taking part in a capitalist relation of production.

Also, against the outgrower-as-proletarian position, the claim that the producer price is a wage may be challenged. The point about outgrower farming is that the major risk is transferred from state and capital to the producer – unlike the case of a propertyless proletariat (see Buch-Hansen and Marcussen, 1982:18; Curry and Ray, 1987:94). In addition to this, direct production of household subsistence means that unlike proletarians, outgrowers' **reproduction** is not wholly dependent on what capital pays. (Indeed, this feature cuts capital's contribution to reproducing labour power, and may be deliberately cultivated by capital for this very purpose – see Blume, 1971:29, 200; Dinham and Hines, 1983:27).

What may be true for (some of) the parts (proletarian), is thus not true for the whole. Outgrowers may resemble proletarians in some respects – and indeed articulate to the CMP in this. But it would be reductionist to describe them as proletarians in consequence. Instead, their production relations (to land and to payment) and their reproduction may be quite separate and distinct from proletarians. What is more, some outgrowers may even exhibit proto-capitalist and landlord characteristics.

5. OUTGROWERS AS LANDLORDS AND AS CAPITALISTS?

In this section, I examine claims for outgrowers as landlords and capitalists, evaluating each argument as I review it.

5.i. Moment A.

In a confused analysis, it has been argued that there may be disguised wage-labour in Mumias in that outgrowers could be considered as only formal and legal owners of means of production, though in reality receiving a wage that is equivalent to the land rent (see Buch Hansen and Marcussen, 1982:—30). In my view, where outgrowers in effect really own and supply only labour power, then they come very close to being piece-work proletarians (see above). However, where they supply land but do not work it, they are clearly landlords, receiving rent. Where they supply land, but depend on other means of production from capitalists, then (in some respects) they resemble the general structure of métayage. As such they produce surplus value for capital based on the means of production supplied by capital. Outgrowers at Mumias have been described as effectively renting land (and labour — sic) to the Mumias Sugar Company (Heyer, 1981:115). I would argue that this is a case of renting land in cases where the outgrower fails to undertake the work, and the company uses its own labour to plant, fertilize and weed (Buch-Hansen and Marcussen, 1982:31). If the outgrower hires outside labour on the basis of his possession of land, then he is in semi-capitalist relations at Moment A in this respect (see below for the significance of labour hiring at other Moments).

5.ii. Moment B.

Like their counterparts on settlement schemes, some outgrowers may resemble capitalists in hiring labour. However, this needs careful qualification. At Mumias, one study found that 90 percent hired labour for weeding (Buch Hansen and Marcussen, 1982:31). Another study says that 46 percent hired labour, and 36 percent depended exclusively on hired labour (Mulaa, 1981:97). The extent to which this is capitalist depends on its role in the reproduction of the enterprise (is it central?), and on the

system dynamic in the hiring (is it part of capital accumulation?).⁽⁸⁾

5.iii. Moment C.

Analysis of Moment C shows that in terms of relations of utilization, some capitalist features are evident among a stratum of outgrowers. It is the case that, as at Mumias, all major activity is carried out by the company, and this limits the opportunities for outgrowers to develop into capitalists. Though some farmers have 50 acres under cane, employ labour and receive high returns, they are unable to invest in agriculture (Mulaa, *ibid*:92). At the same time there is a small capitalist farmer stratum where a capitalist rationality and investment pattern is developing among ten to fifteen percent of outgrowers, who have high incomes (also from other occupations), and who invest to accumulate, especially in circulation, but also in agriculture (Buch-Hansen and Marcussen, 1982:33). There is also a middle group of outgrowers whose level of reproduction has risen with income from cash crops. They use hybrid maize, but few technical innovations. They have marginal non-agricultural income and produce with mix of family and wage labour (*ibid*). This group appears to be a middle peasant group with limited similarities to capitalists.

6. OUTGROWERS AS SIMPLE COMMODITY PRODUCERS.

Some outgrowers may resemble simple commodity producers as in the case of Kenya's contract tea farmers.⁽⁹⁾ This section reviews the arguments for this, commenting on them as they are dealt with.

6.i. Moment A.

It appears at first sight that outgrowers differ from simple commodity producers where aside from land, they possess no means of production. However, some outgrowers do actually acquire these in the course of production. In Kenya, the tea development authority (KIDA) licences

growers, and administers a credit and fertilizer scheme funded by the international groups and the Kenyan government (Blume, 1971:88,101). Growers receive plants and materials from the KTDA. However, they pay for all the services, with the charges deducted as a standard levy on the monthly payment they receive.⁽¹⁰⁾ In addition, the outgrowers elect representatives to the KTDA controlling board where they have a majority of one over government appointees (ibid:92). All of these would seem to buttress simple commodity producer status regarding possession of means of production.

At the same time the producers do not have altogether unqualified possession. The Tea Act gives the KTDA legal rights to take over neglected outgrower land (Buch-Hansen and Marcussen, 1982:24). With tree cash crops in general (which take a long time to yield), Blume argues that "pressure can be exerted directly through control of production materials and credit securities" (1971:213). This is true, but it is quite compatible with simple commodity producer status.

6.ii. Moment B.

Simple commodity producers are more difficult to control than contract farmers, and "legal regulations have to be created so that disciplinary measures can be enforced" (Blume, 1971:58). In Kenya, a law called the Tea Cultivation Order sets out rules amounting to directives for production under close supervision (ibid:93). Lists are drawn up of problem growers, who are warned in writing a few times. If the head office decides the grower should be punished, it can take him to court, where fines may be levied (ibid:100). Up to a point, however, this is not inconsistent with simple commodity producer status.

6.iii. Moment C.

In addition to buying inputs, simple commodity producer status means

selling most of the produce. In the case of the KTDA producers, however, many farmers devoted only a small sector of their land to tea, and cultivated subsistence crops on much of the remainder (Buch-Hansen and Marcussen, 1982:18; Blume, 1971:88-102). This precludes them from full simple commodity producer status, and implies that in addition to them participating in a simple commodity relation, they are also involved in middle peasant relations.

7. MULTI-CLASS CHARACTER AND RELATIONS OF PRODUCTION.

"Progressive farmers" and outgrowers fit into the category of "new production forms" created by articulation within peripheral capitalism (see chapter seventeen).⁽¹¹⁾ Production by these various largely non-capitalist producers should be seen as **external** non-capitalist labour processes articulating with the CMP (often indirectly through the state). The total relation does not involve the same classes at all three Moments of production. Nor can such non-capitalist relations be reproduced independently of the CMP. Neither do they have definite **system dynamics**. As a result, in terms of the criteria advanced in chapter seven, they are not a **mode of production** articulating with the CMP. At the same time, however, they are not an **internal** part of the CMP. They constitute heterogeneous relations of production articulated to it, and sharing certain of its features in respect of different Moments of production, reproduction and system dynamics.

In consequence, these producers are not wholly proletarian or capitalist. In addition to being class-differentiated among themselves, they also combine (in varying degrees) both characteristics (and possibly others - like simple commodity production and landlordism - too) in many cases. It would appear that the best way to understand their class status is to recognize them as participants in **at least** two (interactive) heterogeneous relations of production. To the extent that, for example, their

articulation with one side such as capital predominates, they would constitute a more definite class, with a single and homogeneous general character. In such a case one could speak of their participation in the capitalist mode of production as their primary relation of production (see Cohen, 1981:100). This is a matter of conflict and struggle amongst other things, and it depends on the dynamics of domination and subordination in articulation (see chapter ten).

8. CONCLUSION.

Class creation and formation under development planning is extremely complex. For example, under it, a single household may have the man working as a wage-labourer on another's farm, while his wife works the family plot and hires casual labour using his wage remittances (Kitching, 1980:445). Yet the concepts of three Moments of production, reproduction, system dynamics and homogeneous/heterogeneous relations of production enable us to grasp this analytically, as I have demonstrated in this chapter. This opens the way to distinguishing which features (if any) are dominant. Chapter thirty-three looks at significance of these issues in terms of the economic failure of planned development in the periphery.

ENDNOTES

1. Symptomatic of the complexity of the issue is the fact that few of the participants seem convinced and clear enough to spell out their position precisely, preferring instead to skirt around the issue. Evaluating the debate therefore requires drawing inferences from their arguments about what their positions actually are.

2. His latter phrase is probably drawn from Lenin's designation of rural proletarians as "allotment-holding wage workers" (1972:172-187, cited by Williams, 1976:165).

3. This trend shows up in the decline of the wage-labour sector in agriculture by 1.7 percent annually between 1972-80, while output rose at 3 percent annually over the same period (Currie and Ray, 1987:94).

4. On the Ugandan group farms, farmers become indebted through the use of

government credit, marketing, tractors, and mortgages (Seidman, 1978:164). In Mozambique's Eduardo Mondlane co-operative, the same happens through renting various means of production from the state (Harris, 1980:342). At Mumias in Kenya, services are given to outgrowers by the company on credit, and are charged at eight percent interest (Mulaa, 1981:91).

5. It appears that the only difference between outgrowers and proletarians that proponents of this view like Currie and Ray (1987:95) are prepared to concede is an ideological one: for them, "whereas the wage relation conceals the expropriation of surplus value, the producer price is a different ideological relation. It conceals the farmer's subsumption to transnational capital, and the fact that ownership of productive property has become more formal than real" (Currie and Ray, 1987:95).

6. In post-1973 Chile, middle peasants became contracted to agro-export industries, having little control over their farms as a result. Despite still having formal ownership of the land, they were, according to Kay, (1981:510) ultimately indirect wage-labourers for capital. Williams says that the dependence of outgrowers on capitalist owners of means of production is close to that of the proletariat (1981a:34/5).

7. That the control is difficult to sustain and subsumption therefore only conditional and partial (ibid) is not a criterion for saying that the producers are non-proletarian, as Williams seems to imply. These characteristics are evident in proletarians too.

8. Possible pointers to capitalist features are evident in the attitude of workers hired by the company to service outgrowers' plots towards the outgrowers. At Mumias, they expect outgrowers to reproduce them while on the job (Mulaa, ibid:98).

9. In the 1950s, smallholder tea cultivation rose from 6.5 percent to 35.8 percent of the total land under tea (Blume, 1971:83).

10. A previous payment scheme confused growers and led to unrest. The current scheme closes the loophole of underhand practices such as growers getting their leaf delivered by someone who is clear of debt (ibid:103).

11. The regeneration of the Kenyan "peasantry" is not the revival of a pre-capitalist class, but the creation of a contemporary non-capitalist class that depends on its articulation with the CMP for its existence (see Cowen, 1981b).

CHAPTER THIRTY-TWO
THE SOCIAL STRUCTURE OF SETTLER TENANTS

1. Introduction.
2. Settler tenants as proletarians?
3. Settler tenants as capitalists?
4. Conclusion.

1. INTRODUCTION.

This chapter focusses on a particular rural group that is the creation of rural development strategies, and unravels its class characteristics in terms of the concepts developed in this thesis. Specifically, I argue that **settler tenants** combine proletarian and capitalist features in their various relations of production, and cannot be conceptualized as being simply one or the other.

2. SETTLER TENANTS AS PROLETARIANS.

Some writers have argued that producers who are tenants on development schemes may be seen as proletarians exploited by state or private capital. The claim is based on similar features between the scheme settlers and wage-labourers such as their mutual lack of control, their insecurity, and their remuneration. This can be usefully evaluated in terms of the concepts of Moments of production.

2.i. Moment A.

Agricultural settlement schemes typically create a new group of agricultural producers who are dependent on the government and bureaucracy for the right of access to means of production (Hill 1977:27). Control here is in terms of governmental control over the relations of possession and separation.⁽¹⁾

According to Wallace (1981:286), the most absolute form of control of rural producers is through ownership of land. This can be seen at Sudan's

Gezira scheme where tenants have access to land on an annual lease, renewable only if their performance is satisfactory (Barnett, 1981:313,-150). Likewise the Ciskei bantustan schemes allow "for the removal of non-performers" in that "tenure is subject to performance" (Proctor-Simms, 1978:72). Settlers on Tanzanian schemes also lack tenure security, and can be expelled for breaching cultivation rules (Raikes, 1978:307/8). Thus, notwithstanding the frequent rhetoric surrounding the development of a class of land-owning yeomen and their attachment to the soil, settler producers can be removed from "their" land for failure to follow rules or produce adequately (Raikes, 1978:307/8). Like proletarians, at Moment A then, settlers only have access to means of production through (state or private) capital.

Not all settlement schemes involve control of land. In the case of Nigeria's Kano River irrigation project, officials wanted an annual contract with tenants where the latter could be evicted in certain circumstances. However, political and economic considerations ruled this out, and land was re-allocated to original owners (Wallace, 1980:63). Control shifted to the issue of access to other vital means of production - water, seeds, fertilizers, tractors and knowledge, (and when these failed at the Bakalori irrigation scheme, it involved the violent use of means of coercion) (ibid:65). These forms of control are similar to those exercised over outgrowers, and the analysis in the previous chapter applies here. According to Blume (1971:138), the position of some scheme producers is similar to that of share-croppers. He makes this claim in reference to the arrangements on Kenya's Tana River irrigation scheme where family labour of planting, weeding and harvesting is supplemented by the scheme management hiring wage-labour for ploughing.

In my view, this is not a sufficient basis to use the term share-cropper. However, it does raise the question of what this division of

labour means for class characterization. Without wanting to get bogged down in the issue, this situation can be seen as an additional element of the separation of scheme producers from the means of production at Moment A (and a lack of control at B). What some settlement scheme tenants may resemble are métayers (see chapter twenty-four). This is in situations where they supply (or come to possess) some of the means of production on the schemes. In this capacity, they may yield surplus to the state as both land-owner and provider of the remaining means of production, paying part rent and part surplus value.

2. ii. Moment B.

Settlers' lack of control at Moment A tends to mean that they also lack control of Moment B. Settlements on newly developed land with irrigation lend themselves "to production under close supervision" (Blume, 1971:219).⁽²⁾ On the Gezira scheme, tenants are subject to the control of irrigation by inspectors (Barnett, 1977:101-14). Government control of land, water and other inputs characteristically means that tenants have to obey a set of production rules concerning the timing and quality of their activities, and over the use of purchased inputs, choice of sales outlets and systems of payment (Williams, 1984:17/18; 1986a:3). In this regard, producers on schemes tend to be relatively undifferentiated internally on the question of control of production (Raikes, 1978:286). Such controls aim at the standardization and rationalization of peasant commodity production (Bernstein, 1979a:428). The process is thus one of increasingly tightly controlled schemes — mainly for the production of specific export crops (Raikes, 1978:286, 307). For example, a condition of access to the Gezira scheme is that producers have to produce cotton, even though they would earn more from food production (Williams, 1984:16; Barnett, 1977).

The regulations on such schemes

typically dictate very precisely the forms of labour power to be employed and represent a more direct

intervention in the organization of production. They tie the producers in various ways to the use of particular techniques of cultivation (and sometimes first-stage processing as in the case of tobacco), often at a greater expenditure of labour time, and directions and sanctions by the development agencies concerned. (Bernstein, 1979a:428).

An example of these may be seen in the irrigation rules at Kenya's Tana River irrigation scheme. The farmer receives a licence for one year (which is extended if he is free of misconduct), and he may not sublet or hire labour without the scheme manager's permission. The rules also state that "a licensee shall cultivate his holding to the satisfaction of, and in accordance with the crop rotation laid down by, the manager, and shall comply with all instructions given by the manager relating to the cultivation and irrigation of his holding" (Blume, 1971:143). The licence provides for producers to be given warnings, then to be prosecuted and finally to have their licence withdrawn.

Often managers are appointed from the outside and have the power to fine or expel participants (Raikes, 1978:307). At Gezira, tenants considered negligent or careless have their cultivation taken over by the company, and expenses deducted from their share (Barnett, 1975:194). The continued dependency of West Nigerian schemes on government subsidies has led to increasing government control over daily operations, the organization of labour, and decisions about production (Hill, 1975:30). On many supervised settlement schemes in Tanzania, the village development committee could only advise; the manager has *de facto* control of all aspects of scheme life (Seidman, 1978:325; Cliffe and Cunningham, 1972:26). This has been described as resembling landlord-tenant relations (*ibid*) - which may be so, although I would hesitate to designate producers here as **feudal** tenants, given that - unlike the feudal case - scheme settlers characteristically have no means of production of their own.

Barnett (1977:72,77) concludes that the Gezira tenants resemble industrial wage earners due to their limited area of decision-making and

their lack of choice within the organizational constraints.⁽³⁾ They "seem like a herd of landless labourers signing on each year to get a dhurra crop and the pocket money and loans" (ibid:122). There is some validity in this observation, and to be sure settler tenants share with many proletarians a lack of control of the labour process.

2.ii. Moment C.

As regards settlers' position in Moment C, they tend to have little say over the distribution or utilization of surplus. At Gezira, the board has a monopsony on the sale of cotton (Williams, 1984:16). As with outgrowers, this control over distribution is easier when the firm or state has a monopoly on necessary processing facilities for sugar, tea and tobacco (Williams, 1985:170).

As regards the form of remuneration at Moment C, settlers are also in a similar position to wage-labourers. Thus, the Gezira tenants were not intended to be workers in the sense of being wage-earners (Barnett, 1975:-194). But the basis of their remuneration implied this. Although the tenants contributed a few basic tools, their main input was labour-power (1977:169). Remuneration also needs to be looked at in terms of its relation to reproduction, the value of labour power and control of surplus distribution. On one Mozambican co-operative, members have been paid advances on a regular weekly/monthly basis:

Formally these were an advance instalment of the final distribution of the co-operative's net revenue to its members. In fact, however, the amount paid was calculated as an hourly rate set at a level to attract labour to the co-operative in competition with the state farms and the rate bore no relation to the co-operative's expected net revenue (Harris, 1980:347).

In addition, the amounts distributed were determined by the co-operative leadership and government officials rather than all co-op members. Thus according to Harris, elements of a wage-system existed

(Harris, 1980:347). Similar features exist in many settlement schemes' payment systems. In Tanzania, the development schemes:

were considered by most settlers to be government farms, and with considerable justification, since control of their incomes was entirely in the hands of the manager, who could decide how the gross receipts should be divided between loan repayment, scheme investment and settler incomes (Raikes, 1978:308).

2.iv. Conclusion.

The argument for settlement tenants as proletarians implies that there are capitalist relations on the development schemes. Regarding Moment A, it is clear that these producers are similar to proletarians in their separation from means of production. Taking into account the specificity of Moment B – the labour process – on these schemes, the designation still holds, but is more complicated. Compared to a labour process in which capital dominates directly and through real subsumption of labour, some scheme producers are only **formally** subsumed through Moment A alone (the relations of possession and separation). However, as discussed in chapter eight, formal subsumption does not preclude them from proletarian status.

Moreover, on many schemes, producers are in fact subsumed at Moment B where they lack self-sufficiency and self-determination, and depend on the timing and inputs of fellow settlers and/or the scheme's management services (including the nucleus estate). The almost total control of the labour process on some settler schemes certainly lends itself to designating these producers as similar to proletarians in this regard.

Concerning Moment C, the designation of settlers as proletarians may be legitimate in terms of an analysis of piece wages (see previous chapter). On Western Nigerian schemes, settlers receive hourly or piece-rates for their labour (Hill, 1977:29).

The issue of settler tenants' status as proletarians also needs to be examined in terms of relations of reproduction and utilization. And it is

here that certain non-proletarian features may become evident. On many schemes, settlers reproduce themselves to a greater or lesser extent through their own production activities on food plots, and in this they are distinct from proletarians. In cases where self-sufficiency is wholly excluded by the nature of the crops they are compelled to cultivate, and where their reproduction depends on buying commodities, then their status in this regard is similar to proletarians.

Settlers' relations of utilization may involve buying in labour-power to supplement or in cases replace their family labour on the tenancy. This brings me to the question of settler tenants' capitalist characteristics.

3. SETTLER TENANTS AS CAPITALISTS.

3.i. Moments A and B.

Because settlers lack possession of the means of production at Moment A, they are certainly distinct from capitalists in this regard. However, at Moment B, they resemble capitalists inasmuch as they may hire labour. In the Gezira scheme at peak periods, it is necessary for each household to hire outside labour (Barnett, 1975:195; 1977:36). Gezira's tenants' relations with hired labour ranged from employer-employee to patron-client (ibid:58). Because of this, the Gezira tenants cannot be seen as homogeneous, and certainly — in terms of hiring and exploiting labour — they cannot be seen as pure proletarians (Barnett, 1977:177).⁽⁴⁾ The situation varies on many schemes however, with greater or lesser hiring of labour possible. What is important to consider is the extent to which hiring accords with a CMP system dynamic of accumulation. This brings me to relations of utilization.

3.ii. Moment C.

Analysed in terms of the categories developed in this thesis, the hiring of labour does not mean that the settlers are consequently full

capitalists. This is not only because of the situation at Moment A described above, but also due to conditions at Moment C. Thus the control exercised by the scheme management over the Gezira settlers themselves limits their standard of living and causes their production to stagnate (Barnett, 1977:169-71,180). This is evident in considering the extent to which settlers differ from capitalists in terms of accumulation. Schemes, like co-operatives, can become an agency for monetary accumulation, provided that members receive enough (Harris, 1980:345). However, monetary accumulation is not *per se* capitalistic - only if it is invested in buying and combining labour-power and means of production under exclusive control with the aim of producing more surplus so as to expand the process (ibid:346).

The scope for capitalist agricultural accumulation is strictly limited on many development schemes. Tanzanian schemes, for example, have fixed acreage and enforced rules to keep individual producers in line with quality controls and technical criteria (Raikes, 1978:286).⁽⁵⁾ Controls aimed at the production of export crops also limit the diversification of activities (ibid:314). Aspirant capitalists have to look elsewhere to invest their money. To the extent that they do so, they may engage in other capitalist activities, but this is not necessarily so (see chapter thirty-three).

Relations of distribution, in particular the form of remuneration of settlers are also pertinent to the question of them having capitalist class characteristics. Gezira tenants may be regarded to some extent as shareholders in that they receive 40 percent of income, the remainder going to the state (also 40 percent - in return for supplying irrigation and owning the land) and the Sudan Plantations Syndicate (20 percent for management contribution) (O'Brien, 1984:122). In fact, this percentage is based on a traditional Sudanese share cropping model, rather than a capitalist one. The share is not controlled by settlers as investment

capital because they do not possess it in the first place. It represents rather a fluctuating return on their labour power inputs, and probably in effect on the value of their labour power, i.e. a type of piece-wage.

Settler income at the Ciskei Keiskammahoek scheme is labelled "profit" by the project managers, with the implication that settlers are no different from capitalist farmers participating in capitalist accumulation through a co-operative scheme. However, on closer inspection, it emerges that

the "profit" the settlers obtain through their participation in the scheme is regarded as part of the operating costs. The difference between income and operation costs i.e. profit ... will go to the Ciskei government. The settlers may therefore be regarded as wage-earners rather than joint owners of the enterprise (Padri, 1979:12).

3.iii. Conclusion.

From all this, it can be seen that settler tenants share some superficial similarities with capitalists in so far as they may hire labour and accumulate money. But these features are pertinent only at Moments B and C respectively; they do not accord with capitalist system dynamics, and are therefore not sufficient to designate settler tenants as capitalists.

4. CONCLUSION.

As with many other rural classes, settler tenants are involved in an admixture of relations of production. As participants in multiple relations (including relations off-scheme, too), it is difficult to attribute a single class character to them, except in that their practices may consistently combine the practices of these diverse relations. Their class character even so is likely to be contradictory — just as is the case with several other social classes (see chapter six).

One can ask whether such settlement projects constitute class creation. The small number of producers on the schemes does not, in itself, rule them out of this status (see chapter ten). Nor does the fact that

settlers on one scheme are likely to be isolated from those on others. Their economic and political class significance, however, is a different question, and I discuss this in the few next chapters.

ENDNOTES

1. This control often needs to be seen in the context of widespread separation from means of production in the rest of the social formation. In these conditions (i.e. CMP relations at Moment A):

the general peasant population can then be relegated to the political-economic position of an "agrarian reserve army" useful for maintaining discipline among and control over those who participate in the government agricultural scheme (Hill, 1977:27).

2. Blume points out that with irrigation, management rules can be implemented simply through control of water delivery (1971:200).

3. He describes them as being like a cog in a machine and as lacking personal freedom, responsibility and interest in the land (Barnett, 1977:122). One of the top colonial officials described the scheme as a huge plantation where individual tenants had to be driven for each detail of work along standard methods for dealing with wage-earners (ibid). In a word, the scheme is organized authoritarily and hierarchically (Barnett, 1975:200). Even post-nationalization, the basic authority and control relationships (plus the division of profits and determination of policy) have remained mechanistic and hierarchical (ibid:164). Most Gezira officials oppose devolution of power believing that this would detract from control and efficiency (ibid:205).

4. For example, Peruvian co-operatives have "relied on seasonal migrants paid extremely low wages, so enabling their own members to reduce their workload" (Standing, 1981:205, footnote 53), but this is not the same as exploitation with a capitalist rationale.

5. This is also the case at the Keiskammahoeck Irrigation Scheme in the Ciskei (Fieldwork observation, May, 1979 - GB).

PART J

THE FAILURE OF PLANNED DEVELOPMENT

CHAPTER THIRTY-THREE: THE ECONOMIC FAILURE OF PROGRESSIVE FARMERS
STRATEGIES.

CHAPTER THIRTY-FOUR: THE RECORD OF SETTLEMENT AND OUTGROWER SCHEMES.

CHAPTER THIRTY-FIVE: RURAL POLITICS AND DEVELOPMENT.

CHAPTER THIRTY-SIX: THE LIMITS OF POLITICAL DEVELOPMENT.

CHAPTER THIRTY-THREE
THE ECONOMIC FAILURE OF PROGRESSIVE FARMER STRATEGIES

1. Introduction.
2. The problems of planning in the periphery.
3. The limits of developing "progressive farmers".
4. Simple commodity production in the periphery.
5. Questions about endogamous capitalist agriculture.
6. The class character of kulaks.
7. Conclusion.

1. INTRODUCTION.

Planned development has not been very successful in peripheral social formations. In this chapter I assess why it has failed to meet the limited goal of economic viability, let alone engender the adoption of new means of production and be integrated into a development process that raises the productive capacity of the whole. I also focus specifically on the failure of "progressive farmer" development and the associated failure to develop simple commodity producer, kulak and capitalist farming. The next chapter looks at the problems of outgrower and settler tenant strategies.

2. THE PROBLEMS OF PLANNING IN THE PERIPHERY.

In general, agriculture is usually very dependent on natural conditions, and it is therefore not wholly susceptible to state planning and control. In the Third World, this is compounded by the fact that planning is still embryonic and formative due to the low level of the means of production and the complex tangle of relations of production (Kollontai, 1970:5). Planning itself is not a well developed productive force.⁽¹⁾ Both its conception and execution are undermined by the broader context of underdevelopment and the (associated) character of the peripheral state and ruling classes. The structures and processes of extroversion-dependence, unevenness-disarticulation, and surplus transfer raise the following problems for development planning:

i. There are many spontaneous forces -- especially the market and private capitalist activities (Kollontai, 1970:15). The state has little control over the division of the economy into monopoly, competitive, and marginal levels -- and this makes a coherent development strategy hard to devise (Maré, 1977:23).

ii. Planning options are limited by international dependence regarding export markets, balance of payments, foreign investment, and imperialist aid (Kollontai, 1970:15). Fluctuations in world demand for primary products undermine planning and budgeting (Harrison, 1981:339). Also, loans have to be paid off regardless of slump years, and so development plans have to be cut accordingly (ibid).(2)

iii. The national economy has no integrated internal market through which up-and downstream effects of planned development could be diffused by poles and growth points of development (Amin, 1974:289). Instead, sectors and forms of production are juxtaposed -- their linkages being with foreign centres (ibid).(3)

iv. The fact that underdevelopment usually involves a lack of accurate analysis and information compounds the external and interventionist nature of planning. Most development programmes in Africa have been undertaken without adequate knowledge of population, land, income distribution, crop yields, consumption and marketed quantities (Heyer et al, 1980:12). Simply put, development agencies (both state and private) lack knowledge and experience of local conditions (Williams, 1986b:19). Failure is also due to sheer ignorance of planners, rooted in their training and their transnational style of operation (Williams, 1986a:7).

The character of the peripheral state adds its own contribution to the failure of planned development. The planners themselves are not necessarily willing or able to put aside their own (or other) class ideologies and interests in order to design **economically** effective programmes. Many projects are more about developing the political power of the state and/or sections of the petty bourgeoisie and bourgeoisie than about development (see chapter thirty-five).

Furthermore, while a plan requires policies and measures to implement it (Seidman, 1978:285), these may often distort its structure and developmental intentions. Members of bourgeois and petty bourgeois classes in the periphery either directly or through family ties and corruption, use the state to channel surplus to their **own** ultimate benefit (Harrison, 1981:369). Politics is increasingly a primary source of capital accumulation (Williams, 1981:28). The consequence is a "soft state" (Myrdal, 1968) where despite its "overdeveloped" and hypertrophied structure, it is "soft"

on protocols, bureaucratic impartiality, etc. – at least as regards the privileged classes (Seidman, 1978:383).

As part of the "soft state" there is also the tendency for "absolute surplus" to be converted into "hidden surplus" (see chapter eleven). In this, investment finance is channelled into private consumption through bribery, corruption and other mechanisms. The "soft state" means insufficient courts, an inappropriate bureaucracy, and the unaccountability of the parastatals (Seidman, 1978:288). A result of this is "soft development" such that planning in Tropical Africa has had little success in achieving either its private or public sector aims (Seidman, 1978:286/7).

The weakness of classes able to develop productive capacity means that plans to stimulate development contributions by private capitalists still require rapid enlargement of the state sector (ibid:291). This involves provision of credit, marketing and storage facilities, processing and transport, and other inputs (eg. fertilizer, tractors) (ibid:295). State spending on unsuccessful development may produce a revenue crisis and (through borrowings) a foreign exchange crisis as well (Dutkiewicz and Williams, 1987:44).

3. THE LIMITS OF DEVELOPING "PROGRESSIVE FARMERS".

An illustration of the points discussed above may be seen in the experience of Kenya where, on the surface, the planned development of "progressive farmers" seems to have had some success in the 1960s. On closer inspection, however, the significance of the country's peripheral economic system and the character of its state and ruling classes can be shown to be crucial to facilitating – and limiting – the extent of this success.

Kenyan "progressive farmer" strategies entailed the lifting of colonial restrictions on African cultivation of cash crops and the expansion of African access to land, and these were important factors

behind the flourishing of smallholding production (Carlsen, 1980:218; Williams, 1984:9).⁽⁴⁾ An added factor here was the the consolidation and registration of land (Williams, *ibid*:14). Ruthenberg (1966:100) argues that the increase in marketed output was related to government rural development policy, but he also notes that the increase cannot be seen solely as the consequence of public inputs (*ibid*:37).

Indeed, while rural development factors played a role in stimulating non-capitalist commodity production, this latter has historically been dependent on its articulation with the CMP. This articulation made possible and indeed financed "progressive farmer" commodity production, through the remittances of wage earners to these non-capitalist production processes (Kitching, 1980:3).⁽⁵⁾ In turn, this articulation benefited the CMP in supplying it with cheap labour power and agricultural commodities. So, in addition to supplying finance, the CMP also provided the (world) market at an attractive price. This was probably a more important determinant than state development policy, as can be seen in the failure of a credit programme in the 1960s. This programme, despite being substantial and generous, was unable to change the fact that the low monetary returns per acre and labour-time spent dissuaded smallholders from growing cotton (Kitching, 1980:319). Heyer writes that the growth in Kenya's smallholder marketed output was linked to a good market and to substantial inputs and that these conditions are unlikely to be available again (1981:117).

If increased smallholding production was thus dependent on the CMP for finance indirectly and markets directly, it drew little in the way of technological innovation (Ruthenberg, 1966:134; Carlsen, 1980:76,83). The form this production took was mostly through expanding the area under cash crops, rather than by advanced means of production facilitating higher yields (Dinham and Hines, 1983:187). Kitching claims that there was a "massively expanded programme of research" into hybrid crops, fertilizers, insecticides and planting practices. For him, this was "a prime factor in

raising the productivity of physical labour power on small holdings", and it "represented a powerful intervention by the state into production on smallholdings" (1981:381). However, the evidence seems to point to the conclusion that few technological advances were involved in (or evolved out of) Kenya's post-Swynnerton expansion of commodity production (Buch-Hansen and Marcussen, 1982:20).⁽⁶⁾ The increases in output were from the extension of small family labour farms under cash crops. In addition, it appears that the majority of rural households were actually untouched by Kenya's "agrarian revolution" (Ruthenberg, 1966:120; Kitching, 1980:324). By 1970, less than 12 percent of peasant land was under high value cash crops or improved varieties of maize (ibid:328; see also Ruthenberg, 1966:25). If "progressive farmers" and farmers affected by the "revolution in production" are defined as broadly as including any producer cultivating any quantity of one of the five leading cash crops, then only about a third of smallholders were affected (Kitching, 1980:329). The rest of the land was still used as in 1952 for basic food crops and pasturage (ibid).

The continuation of "progressive farmer"-type strategies in the 1970s (associated with the World Bank and aimed at the rural poor) did not dramatically improve production, if at all (Williams, 1981a:31). According to Buch-Hansen and Marcussen, by the mid-1970s, "progressive farmer" development in Kenya had reached its limits in terms of both land availability and the productivity of family labour. Somehow, productivity increases were necessary if peasant production was to continue (ibid:21). In this regard, settler and outgrower schemes offered better prospects through their enforced use of new means and methods of production. Their success in this, however, has often been outweighed by their failure in other respects (see the next chapter).

The limits of Kenya's planned rural development in the 1970s are linked not only to the structure of underdevelopment, but also to the character of the Kenyan state and the weakness of its planning. The

backwardness of planning is evident in reports by the Institute of Development Studies at the University of Nairobi that investigated the Special Rural Development Programme run in the early 1970s. These show a dire lack of agronomic and social research (IDS, 1972).⁽⁷⁾ The IDS reports also reveal how the absence of integrated planning resulted in inappropriate projects.⁽⁸⁾ Political factors also played a major role in the failure of planned development. (See chapter thirty-six).

Control over middle peasant/simple commodity producer production by state marketing boards has been another factor inhibiting "progressive farmer" development in Kenya and Tropical Africa in general. These boards, far from stimulating increased productivity, were notoriously inefficient. (For examples in Kenya, see IDS (1975:18-24); for Tanzania, see Coulson (1981:67-8)). While peasant tea production schemes under the KTDA in Kenya have been successful (Raikes, 1978:308), this has also been a dependent and limited growth aimed at the external market, and more akin to an outgrower system than a marketing board (see next chapter). Acting as monopolies, boards have passed the costs of their weakness and corruption on to the farmers (Bates, 1981:27). In some cases, it is even worse where co-operatives have acted as marketing boards: Kenya's "progressive" coffee farmers who developed under the Swynnerton Plan in the 1950s were forced into co-operatives that were tightly government controlled and which often had monopolies on marketing. The effect was that these growers received twenty percent less of the world market price than large plantations which sold directly to the State board (Bates, 1981:28; Cowen, 1981:137). With tea in Kenya, thanks to lobbying by Brook Bond company, the Kenyan Tea Development Board banned the sale of home-made sundried tea in Kenya.

4. SIMPLE COMMODITY PRODUCTION IN THE PERIPHERY.

The Kenyan experience of progressive farmers highlights the failure of middle peasants to develop into successful simple commodity producers.

What it boils down to is the fact that as producers in the periphery of the international capitalist system, they have articulated very differently with the CMP in comparison to their counterparts in the centre (Mouzelis, 1975/6:487/8). In the latter case, simple commodity production develops and persists through increasing its productivity and establishing positive complementarity with industry. Technical progress in the CMP is diffused to the simple commodity producers.

In the periphery, however, disarticulation-unevenness and dependence-extroversion means that the dynamism and high productivity of the CMP at the centre tends not to get transferred to small commodity producers. The relative immobilities of labour, incomplete commoditization of household reproduction, and the absence of competition has meant that there is little pressure to reinvest in agriculture (ibid). In consequence, these rural commodity producers in the Third World are not "modernized". Instead, there is a large productivity and income gap between them and large-scale capitalist farms as a result (Mouzelis, 1979:81; 1979a:353). Thus, in the periphery, simple commodity production by middle peasants has not become their primary relation of production. Instead of becoming generalized, it has co-existed with various other relations (Friedmann, 1979:178).⁽⁹⁾

In the periphery, simple commodity production rather than developing endogamously from a middle peasantry was controlled and limited from the start. In Uganda, the colonial state tried to prevent production relations from developing into capitalist ones through banning land sales (Mamdani, 1977:60,142). In Kenya, middle peasants and simple commodity producers were suppressed initially as a threat to settler production. Later, they were deliberately encouraged, and industrial interests, trading companies and the colonial and post-colonial state all tried to regulate what was produced, how it was produced, the prices paid, and the marketing arrangements. They left the immediate organization of production in the hands of the producers, although this became increasingly determined by commodity

relations and measures such as cultivation laws, credit, and extension services – all of which tied the producer to a very particular type of production (Bernstein, 1979a:427). The effect of these controls has been to reinforce the negative effects of the context of underdevelopment on the development of simple commodity production. Far from developing towards the CMP, simple commodity production has not even been successful in consolidating and developing itself and its own productivity (Kahn, 1978:124; Amin, 1974:147). Instead, its development has been constrained and it has therefore not provided an answer to the Agrarian Question.

5. THE QUESTION OF ENDOGAMOUS CAPITALIST AGRICULTURE.

If simple commodity production has been limited in the periphery, what about the development of a class of kulaks and, out of this, a class of farmer capitalists?

While African co-operatives and marketing boards have channelled surplus away from peasant producers, this has been not only to the state and bureaucracy, but also to an extent to kulaks who have dominated these bodies (see Raikes, 1978:297; Seidman, 1978:324-5; Cliffe, 1977:213/5; Harris, 1980:344). Kulaks are often merged with the local bureaucracy and interpret national policy and programmes in their own interests (Feldman, 1975:176; Raikes, 1978:302; Kitching, 1972:345; Brietzke, 1976:658; see chapter thirty).

An example of what tends to happen may be seen in the Ugandan co-operatives, described by one writer as the "organizational vehicle" of an advancing bourgeoisie (Mamdani, 1977:199). They served as a means of accumulation for the rich who controlled the committees and the use of surplus funds (ibid:236). The post-colonial state not only gave the co-ops control of allocation of 75 percent of all crops, but continually channelled funds into them (ibid:231, 236). These funds ultimately came from the marketing boards – in other words, surplus was transferred to the

kulaks from the middle and poor peasants (ibid). The state tractor-hire service, which ran at a loss (i.e. subsidizing its users) was only available for large lands (ibid:230). In a sense, then, "progressive farmer" development strategies may assist the rise of a kulak class.

And yet, despite this "aid", African kulaks by and large have neither developed themselves into a class of farmer capitalists, nor developed productive capacity. A noticeable feature of the progressive farmer strategy has been its inability to change the obstacles facing the development of capitalist farming: the cost of labour power and the lack of full command over it (due to incomplete proletarianization) (for Kenya, see Ruthenberg, 1966:27), the international determination of price and quality of produce, and the exclusion of private producers from the processing of crops (Cowen, 1981b:140). In Ghana, government subsidization became vital for capitalist rice farming to continue in the face of the disappearance of cheap labour and land (Williams 1984:11). Likewise Nigerian capitalist grain farmers require government subsidies to survive (Dutkiewicz and Williams, 1987:652). In Kenya, the one strategy which did develop an African capitalist farming class involved state credits that enabled well-off African state employees to simply replace white capitalists with black ones. This hardly amounts to an expansion of capitalist farming or to a revolutionizing of production (Carlsen, 1980:80; Williams, 1984:9). On the contrary, a reduction of productive capacity by a third was estimated by the Department of Agriculture at the time (Ruthenberg, 1966:96).

The obvious question is why, despite their access to the state, kulaks have failed to develop either productive capacity or themselves as farmer-capitalists. The answer to this lies partially in the character of the post-colonial state, and the associated planning process (see section two above). The answer also lies partially in the fact that the benefits available to kulaks may not necessarily compensate for the losses they sustain in surplus appropriated from them. Their privileges are often only

relative to middle and poor peasants, and do not change their overall status as losers.⁽¹⁰⁾

However, to complete the picture of why kulaks have failed to develop, one can also point to their class character and practices. In the face of the obstacles to capitalist farming, especially in the periphery, kulaks have tended to invest outside of agriculture.

6. THE CLASS CHARACTER OF KULAKS.

It appears from experience in the capitalist periphery that while kulaks (and farmer capitalists) may accumulate, this is in a manner that does not develop productive capacity in agriculture, and nor does it contribute to the development of the whole (Raikes, 1978:319/20, footnote 7). For example, there is a tendency among kulaks to amass wealth rather than capital (Mamdani, 1977:307). Thus in the Sukuma area of Tanzania, kulaks accumulated wealth in the form of enlarging cattle stocks, rather than qualitative development of means of production. Instead of development, the outcome was underdevelopment resulting from overgrazing (Cliffe, 1977:213). In other cases, consumption took precedence over saving – so that even in Ghana, Polly Hill's productive farmer "capitalists" (sic) used their income for funerals, celebrations and housing (Hill, 1963:111).⁽¹¹⁾ There is also sometimes usury (Howard, 1980:76). In colonial Ghana, the incomplete institution of private property dissuaded rich peasants from becoming rural capitalists and their class relations were constrained into money-lending (Howard, 1980:72). The same occurred in Tanzania (Awiti, 1973:231). Accumulation is also channelled into bribery, use of licences and local trading monopolies (Raikes, 1978:317).

In some cases, kulaks have invested surpluses in enlarging their land (Hill, 1963:110). But in other places, such as the Tanzanian highlands, high population density and customary limits on the transfer of land have limited this (Raikes, 1978:300).⁽¹²⁾ The general consequence has been that

surplus has been invested in other channels such as trade (ibid). These, plus transport activities, often yield better returns than reinvestment in farming (Bernstein, 1979a:442). In Senegal, better-off cultivators gave up farming to become pure traders (Woddis, 1977:267). Although trading may be a stepping-stone to investment in agriculture (ibid:268), both trade and farming have more often served as a temporary further stepping-stone for speculation in commerce and transport (Hill, 1963:111). In Kenya, much rural income (from farms and from wage-labour) has gone on investment in circulation rather than production (Kitching, 1980:27). These activities may well enhance the national economic system, yet if they occur at the expense of developing production, their contribution to development becomes questionable.

In Kenya, kulaks have also not generally invested in agriculture. This has been partly explained by the relatively easier, less risky and more profitable investment opportunities opened up with Kenyanization policies after independence (Carlsen, 1980:83). In addition, their off-farm investment behaviour was a result of restrictions on land transfer and crop quotas in the 1960s (ibid:90). By the late 1970s, some kulaks were buying and renting more land, as well as improving it and investing in long-term crops. But there was still very little investment in farm equipment, and most savings still went into non-farm business (ibid:188,191).

Kenyan kulaks have also found that bureaucratic jobs have been more remunerative than small-scale farming, and one-third of them have moved into these spheres, becoming absentee landlords (Leo, 1979:635/6). On some of the low-density settlement schemes, just under half are part-time settlers, hiring others to work their farms (Ruthenberg, 1966:73). But many of these do not have enough capital to invest on their farms, and for some the plot is reduced to a land insurance policy (ibid). To acquire bureaucratic jobs, Kenyan kulaks - like their counterparts in Ghana and Tanzania - have invested in education (Howard, 1980:196/7; Hill, 1963:111;

Raikes, 1978:300; Williams, 1984:15).

Generally speaking, kulak investment in small businesses is, however, often unviable because of competition from imported goods. As in Ghana, this confines indigenous kulaks to investment in commerce and finance, rather than industry (Howard, 1980:76). Similarly in Zambia, industry is dominated by foreign capital, and local entrepreneurs had to remain in trade (Muntemba, 1978:75). State marketing board monopolies have blocked private bourgeois development in the area of marketing and processing (Heyer, 1981:104). All this squares with Mamdani's comment (1977:145,166) that underdeveloped capitalism means the primacy of commerce, and the investment of agricultural surpluses in exchange rather than production.

Summing up, then, one can note that kulaks, while often aspirant capitalists, have generally failed to become actual capitalists, and in particular farmer capitalists. Their capacity to participate in one relation of production rather than two is distorted and frustrated in the periphery. Their propensity to participate in a single relation is also questionable. One reason why small entrepreneurs expand out of agriculture is to avoid the risks of specialization in an extroverted and disarticulated market (see Long and Richardson, 1978:191, 205 footnote 7).

As a result, kulaks often become not "pure" farmer capitalists developing one primary relation of production, but a hybrid group in many production relations (both heterogeneous and homogeneous). Accordingly, they serve as "all-round" agents of extending commercial relations, who not only operate as semi-capitalist farmers exploiting labour-power, but who also rent out machines, serve as local merchants and money-lenders, and deal in crops, retail business, and transport (Bernstein 1979a:431). The roles of landlords, merchants and users have been discussed in earlier chapters and it is clear that such modes of utilizing surplus do not develop productive capacity (at least not directly). Capitalist agriculture in the periphery has been stunted: kulaks emerging from middle peasant and

simple commodity production proceeded no further (ibid:152).

7. CONCLUSION.

It would appear from the above review, that the "progressive farmer" development route, with associated possibilities of simple commodity production, rich peasant and capitalist outcomes has not been a solution to the Agrarian Question in the Third World. On the contrary, the structures and processes of underdevelopment have interacted with the formation of these classes in such a way as to inhibit them from fulfilling any such historical role, and to divert them away from agriculture as a potential base for national development.

According to Stavenhagen (1964:92), despite attempts by the most diverse governments at different periods, nowhere in the underdeveloped areas has there arisen a workable system of medium-sized family farms devoted to a rational diversified agriculture supplying the internal market. Malawi's experience of "progressive farmer" policies is interesting in this regard. Promoting this strategy in 1969, the Malawian government gave a select group of farmers the bulk of extension, credit and subsidies. But only 260 "progressive farmers" - not the 3000 targeted - actually emerged. Evidently, the particular mixture of social and technical reform in the context of Malawi's underdevelopment and articulation to the CMP was not suitable. Consequently, by 1972, the state itself was forced to intervene directly with a different development strategy, and large state farms began to be developed instead (Thomas, 1975:38).⁽¹³⁾ Evaluating such state strategy in the form of settlement and outgrower schemes is the subject matter of the next chapter.

ENDNOTES

1. Planners also have to contend with vague guidelines. For example, in one African country, "the sort of plan - epiphenomenal or directive, longterm or short, specific or general, public sector shopping list or detailed statement of economic linkages - lay in the planners' discretion" (Seidman, 1978:296).
2. The biggest problem facing Korean agriculture today is that while export-led industrial growth was previously able to pay for rural development, the instability of this growth in the early 1980s jeopardized future agricultural development (Douglass, 1983:208).
3. Agribusiness has few links with local agriculture and often increases dependency on imports of raw materials, machinery, etc. (Dinham and Hines, 1983:50). For example, a pineapple production and export plantation in Kenya earns foreign exchange, but it also involves imports of machinery, fertilizers and much else - including even sugar (despite the fact that Kenya grows sugar). The Del Monte company running the enterprise has the right to remit profits abroad (ibid:107).
4. For example, in 1957 smallholders produced only 9 percent of marketed coffee, by late 1960s, they were growing over 50 percent, and their numbers also rose from 3 000 to 133 000 in central province over this period (Kitching, 1980:317/8, Blume 1971:83; Carlsen, 1980:11,37; Ruthenberg, 1966:12).
5. This articulation contributed to the failure of a state credit policy aimed at smallholders - it seems that households preferred the available option of remittances to the debt associated with the state scheme (Heyer, 1981:113/4). (Other reasons for the failure of credit policies are discussed shortly in the text).
6. In Tanzania in the 1950s, the progressive farmer experience while producing a rise in output in some cases, saw only very large capitalist farmers mechanizing, while the bulk of producers simply extended the land area under cultivation (Coulson, 1981:63).
7. For example, they describe how the Mbere cotton blocks project was implemented (ibid:26/7):
 - "1. Cotton blocks started in the absence of information on environmental suitability for cotton, and in face of expert advice against the project.
 2. Target acreage reduced from 500 acres to 280 acres due to unwillingness of the clans to lease land for the project.
 3. 178 acres cleared, 169 ploughed, and only about 48 acres planted. Despite lateness of the rains the 'optimal' planting date was rigidly applied so (a) what was planted failed to germinate, and (b) clearing and ploughing stopped before it was really necessary.
 4. The project was declared a failure, and the land was left unused." The "Special 4K" project at Tetu aimed to attract youths to farming and increase output through the demonstration effect on parents and neighbours, using hybrid maize. An earlier survey of the region, had it been consulted, would have shown that 60 percent of 4K members' families already grew hybrid maize (ibid:29-30).
8. "In Vihiga, pigs were fed maize which was needed to feed the local population. Coordinated planning would have indicated that a livestock

project dependent on the generation of local crop surpluses was premature. In Mbere, hybrid maize and cotton production were introduced before adequate experimentation had been carried out on a spectrum of crops appropriate for dry areas, and the results were not successful." (IDS, 1975:20-9).

9. This restricted peripheral simple commodity production has also been different from the new centres in Canada and Australia. The latter were dominated by simple commodity production and therefore had the capacity to evolve independently into a fully developed capitalist mode of production (Amin, 1974:393, also Barratt-Brown, 1976:259).

10. I thank Gavin Williams for this point (made in a personal communication, January 1988).

11. In Ceylon, some of the wealthy peasants became petty rentiers through subletting rather than turning to productive capitalism (Herring, 1981:169, footnote 56).

12. In Iran, middle peasants did not pass through the rich-peasant stage of continuing to take part in the labour process at the same time as hiring labour: instead they ceased work entirely because of the cultural value of non-labour, and also because of social pressures to provide employment. The overall effect was to reduce their incomes and therefore their potential to expand production (Keddie, 1968:160/1). A further reason why they ceased working was because of the lack of alternative investment opportunities in the face of monopoly competition (ibid). This has also been the situation in Ismani, Tanzania (Feldman, 1975:165).

13. Similarly in Iran, land was distributed to richer peasants, and there was also the creation of moishavs and co-operatives (Halliday, 1979:113). Yet none of this was economically successful: the richer peasants' incomes rose - but these were used for consumption rather than reinvestment (ibid:-129). Thus the state had to intervene at the point of production by becoming directly involved in co-operatives, farm corporations, and joint ventures with "agribusiness" (ibid:113).

CHAPTER THIRTY-FOUR
THE RECORD OF SETTLEMENT AND OUTGROWER SCHEMES

1. Introduction.
2. Settlement schemes: a catalogue of failure.
3. Reasons behind the unviability.
4. Class structure and development: settlers' capitalist characteristics.
5. Settlers' proletarian characteristics.
6. Outgrower schemes: continued underdevelopment?
7. Conclusion.

1. INTRODUCTION

Chapter thirty-one argued that settlement and outgrower schemes – as with “progressive farmer” development strategies – are aimed at developing rural commodity producers generating surplus for the state and capital. In this chapter, I argue that while this may be the intention, many schemes often do not realize the planned economic goals. In addition to the effect of the backwardness of planning, the structures and dynamics of a peripheral economic system, and the character of the state, the specific social structure of settler tenants also plays a part in the failure of settlement schemes. Outgrower schemes have been far less negative in narrow economic terms, but of ambiguous significance for national development.

2. SETTLEMENT SCHEMES: A CATALOGUE OF FAILURE.

Among African settlement schemes, the economic record is typically one of failure – perhaps most notably the massive Tanzanian Groundnut Scheme and the Niger Agricultural Project (Heyer et al, 1980:8; Williams, 1985:–152/3; Forrest, 1981:233). Even the much-praised Gezira scheme made no profits between 1971-76 (Bates, 1981:48).⁽¹⁾ Listing the failures of development schemes in Africa could occupy several theses, and I do not intend to do this here. Rather, what follows is an attempt to show the extent of the failure, as well as highlight certain features within this.

Characteristic of the failure of settlement schemes is the way in which they constitute a seemingly infinite drain on resources. In Mali, a

40 000 acre irrigation scheme continues to rely on state subsidies – the finance for which might be more profitably invested in smaller projects (Grove, 1979:156). Even the Salimi Lakeshore Project in Malawi which met the objectives of growth and an above-average rise in production, still absorbs development funding (Thomas, 1975:38). The Kenyan Tana River irrigation scheme has run at a loss due to long transport routes and high cost of irrigation, and has depended on a government subsidy for its survival (Blume, 1971:147). The large Richard Tull development scheme in Senegal – like many other West African examples – has also not justified its high development costs (ibid:162). The cost of the Nigerian Chad Basin Development Authority in the 1970s was enormously expensive, and the amount is not being recovered (Bates, 1981:47).

The Western Nigeria Farm Settlement Scheme absorbed fifty percent of total capital spending on agriculture between 1962-68, but “by any criterion, these schemes failed” (Bates, 1981:47). They produced too little and at exorbitant cost, and earned too little to repay initial financing (ibid). After six years, there were 20 such settlements with 1200 settlers (Hill, 1977:28). The cost, however, had been 75 percent of the total regional agriculture budget. This cash could have gone on extension services for the non-settlement producers. The settlements were “not merely self-contained failures, but also had a deleterious effect on the larger economic picture” (ibid:30).

Another feature of settlement schemes is the way that – while losing money – they may serve to subsidize settler tenants. In Zambia, many schemes were so unviable that they were eventually closed down. But even with those remaining “the returns to state agencies are such that the schemes are more a form of subsidization to selected settlers rather than a form of surplus extraction” (Cliffe, 1978:336/7). Similarly in Tanzania, the majority of schemes were unviable, and a number of pilot schemes were dropped in 1965 (Raikes, 1978:308). Those remaining still provide settlers

a higher standard of living than the average peasant — thanks to government subsidization — and they continue as a drain on public funds (ibid). Settlers on the West Nigerian development schemes were not intended to be wage-earners, but rather to develop into a rural bourgeoisie. They were expected to buy their enterprises over fifteen years (Hill, 1977:28). In fact, however, productivity was so low that settlers could not hope to become viable, let alone independent (ibid:30). They became a public sector salariat supported by the government — a privileged stratum in the public sector with better income and benefits than the government's agricultural field staff. The schemes also failed to either increase agricultural production or reduce urban unemployment (ibid). (For Kenya, see Ruthenberg, 1966:74,148).

Irrigation schemes may actually reduce the productive capacity of the whole, as in Nigeria where people downstream from the Kano River project lost their dry season farms due to the project's ending of river flooding (Wallace, 1980:65). Thus, by 1980 there had been a loss of 20 000 hectares of *fadama* (land flooded by river and often farmed all year round) and a gain of only 1000 hectares newly irrigated land.

3. REASONS BEHIND THE UNVIABILITY OF SETTLEMENT SCHEMES.

The reasons for commercial failure are several. The context of an underdeveloped economy in the international capitalist system is important. For example, in Uganda in 1966, there were 37 group farm schemes involving 3500 members, but a slump in the cotton market cut the number to 30 farms with 1800 members (Seidman, 1977:164). Although the Gezira scheme is financially successful, it too is exposed to the instability of the world market (Barnett, 1977:15). Typically, the schemes are also overcapitalized, badly under-planned, and poorly managed (Hill, 1977:25, 32). I will examine these features in turn.

In terms of **over-capitalization**, the Ugandan Mubuku Pilot Irrigation

project and its replicas, are a good example of heavy overheads preventing commercial viability (Seidman, 1977:163). In some cases, donors have supplied finance for the capital costs of the projects, and have "undoubtedly also favoured relatively capital-intensive projects which might involve the import of plant or machinery from the donor country" (Peel, 1982:21). Further, they have left the host government to pay for the running costs (ibid). In general, nearly all so-called "transformation" programmes require large-scale capital expenditure (Heyer et al, 1980:8). It is, in consequence,

frequently the case that high investment and administrative costs of irrigation and settlement schemes, as well as other forms of intervention, have had the effect of making peasant production more expensive without bringing significant improvements in the peasants' standard of living (or in their productivity - GB) (Heyer et al, 1980:8).

Settler tenant schemes (like state and capitalist farms) incur costs for equipment, spares, repairs, housing and social facilities and salaries of officials, managers, and technicians (see Williams, 1976a:168).⁽²⁾ Irrigation schemes are hugely expensive (Williams, 1986b:15; Peel, 1982:—21). The outlay simply cannot be matched by the value of the crops grown (Ruthenberg, 1966:101; Williams, 1984:44). In Ghana, 30 million dollars was spent on the 135 public-sector peasantry state farms that existed in 1966 — but with little tangible result (Hill, 1977:32).

In terms of **underplanning**, many Tanzanian schemes were planned to have modern cultivation methods stressing maximum yields per acre. But yields per acre is not the most relevant measure of improved farming in (relatively) land-abundant Tanzania (Raikes, 1978:298; Coulson, 1981:53/4; 82). Consultants and project managements assume that family labour can meet new style farming demands. But in the Niger Agriculture Project, this would have meant that each settler would have had to do 408 days work in a six

week period (Forrest, 1981:233). At the Kano river project, the expense of labour, seeds, water, tractors, and fertilizers has raised the cost of farming so dramatically that many farmers cannot meet their financial or labour demands, and are forced to leave land fallow or rent it to others with a larger land and labour base (Wallace, 1980:67).

Planning is also often based on flawed economic and political assumptions which contribute to unviability. The Kenyan Million Acre settlement scheme gave special favours to low-density settlers who were expected to be "progressive farmers" able to pay off the loans for the land. Indeed, loan repayment was treated by the Kenyan government (pre- and post-independence) as more important than the the successful long-term development of the scheme (Harbeson, 1971:248).

In terms of **management and administration**, irrigation schemes are "appallingly inefficient" (Williams, 1984:46). Uganda demonstrates how inadequate management of schemes, beginning with the British managers' inability to establish an effective working relationship with scheme participants, can set schemes into decline (Seidman, 1977:164/5). The Ugandan schemes also exhibit wastage: tractors are idle except when planting and the charge to settlers hardly covers half of the recurrent costs (ibid:165).

4. CLASS STRUCTURE AND DEVELOPMENT: SETTLERS' CAPITALIST CHARACTERISTICS.

The consequences of the social structure of planned development settlement and outgrower schemes are ambiguous. With regard to the settlers' "capitalist" characteristics, these have not led to development. Settlers' articulation with proletarians is such that they may be in a position to set production in motion and extract surplus labour from these employees. Indeed, this may be made necessary by their articulation with capital - in which they themselves are exploited. While all this may serve to keep some production in motion, it is not in itself a phenomenon that

can exponentially develop productive capacity. This becomes evident when one looks at the situation in more detail.

Settler tenants' potential to develop productive capacity by capitalist expansion seems to be almost inevitably low. For example, Tanzanian schemes have been of fixed land size and they have not provided for expanding production on the part of their members (Raikes, 1978:308). Diversification of accumulation into other sectors and activities has often been precluded while other relations of production have been more appealing (ibid:286). Thus, some scheme participants have sometimes used scheme resources to develop their own private farms located outside the schemes (ibid:308). In cases where tenants have a home plot — as in the Ugandan group farms after independence — this tends to get their attention (Seidman, 1977:164). The same occurs on the Gezira scheme where tenants concentrate on their food plots rather than the cotton which they have to cultivate in order to occupy the tenancy (Barnett, 1977:107,113).

The limits on monetary accumulation may limit settler's motivation to "satisficing", rather than maximizing incomes and therefore output on the schemes (Barnett, 1977:71). "Satisficing" behaviour at Gezira is, according to Barnett, because tenants had a finite realm for expansion, and could only vary the type of labour input and the cropping input on a fixed size of land. Also, tenants lacked a clear appreciation of the relation between effort and reward because of the system of arrears payment and fluctuations of income caused by the world market (1977:75,171).

Because capitalist development is blocked by the size of the tenancy, and because crop choice is restricted, some maximizing tenants develop their interests outside of agriculture. While retaining their tenancy, they no longer work it personally (Barnett, 1977:174). Thus a rich stratum of tenants has existed at Gezira which had shops and lorries, and which sometimes engaged in usury (1975:196). In some cases where scheme incomes are below those of rich peasants, participants use the schemes as stepping

stones to becoming a private rich peasantry (Raikes, 1978:308, 314).

Although this is not conducive to the development of the schemes, it may have some positive effect on production in the social formation as a whole,

5. SETTLERS' PROLETARIAN CHARACTERISTICS.

With regard to the "proletarian" characteristics, an important factor influencing development is their position at Moment A. At Kano River project, farmers do not own the land or the means of production. As a result, they have little commitment to the project - preferring to invest money outside it, displaying little initiative on it, and even acting as absentee landlords as well (Wallace, 1981:289). Given the lack of control, it is small wonder, comments Seidman (1978:325), that the attitudes of many settlers correspond to those of paid labourers. "Peasants regard state-managed settlements and cooperatives as 'government farms' and consider work on these schemes as work for the government and subsistence allowances to settlers as low wages" (Williams, 1976a:168).⁽³⁾

Settlers' position at Moment A has direct effects on their performance at B. It gives rise to an ideology that is counterproductive to development. For example, on many Ghanaian schemes in the 1960s, the "public sector peasantry" with public sector employee status worked "civil service hours" - which meant that their productivity in relation to capital investment was below that of private peasants (Hill, 1977:33). On the Niger Agriculture Project, settlers resented the authoritarian management and lacked incentives under the share-cropping arrangements (Forrest, 1981:233). While this particular attitude has not stopped capital in other places from developing productive capacity, it does not serve to stimulate labour to do this on many development schemes. It does, however, permit control of settlers, and this may maintain a level of productivity. For example, at Kenya's irrigated rice settlement scheme at Mwea, high output is linked to the fact that "(t)enants are willing to follow the orders of

the Settlement Officers because their income is high and disobedience leads to eviction" (Ruthenberg, 1966:61).

Settlers at Moment B are also frequently under real subsumption to the state or private capital controlling the schemes. This control may also increase productivity. The socialized labour process imposes, over and above that of the formal rules and regulations on the schemes, a form of production discipline.⁽⁴⁾ For example, at the Mwea scheme, "the introduction of mechanical cultivation has made possible a degree of planning and discipline and extension unthought of in the past. ... (M)echanisation of puddling has produced an atmosphere in which strict discipline can be enforced without opposition" (Giglioli, 1965, quoted by Ruthenberg, 1966:58). On top of this, "(m)onoculture facilitates supervision. The high level of yields are attributable largely to the high degree of control exercised on tenants" (Ruthenberg, *ibid*:61). With regard to Moment C at Mwea, the scheme's control of rice marketing makes it comparatively easy to collect payment for water (*ibid*).

Mwea's relative success, however, needs to be qualified: according to Ruthenberg (*ibid*:60), it has still not introduced sound farming practices nor significantly increased marketed production. It appears that proletarian characteristics on such settlement schemes, in the absence of other capitalist features such as productive accumulation by the scheme owners (state or private capital) - are not enough for exponential development.

6. OUTGROWER SCHEMES: QUALIFIED SUCCESS.

In contrast to the failure of most settlement schemes, outgrower schemes seem to have achieved a degree of economic success (Heyer et al, 1981:8). They appear to be both able to be profitable and to provide smallholders with means of production (Buch-Hansen and Marcussen, 1982:17). But their success must be qualified when evaluated in terms of the Agrarian Question and the development of productive capacity in the social

formation. To a large extent, they exhibit the classic features of extroversion and disarticulation. Thus, even where they are operated by state institutions, they still tend to integrate vertically with the international capitalist economy, supplying its processing plants and markets (Goodman et al, 1984:209). There are typically few links with local agriculture, although at the same time, there is often an increase in dependence on imports of materials (Dinham and Hines, 1983:50). Planting programmes are often dependent on credits from foreign capital and the state (Blume, 1971:101). For example, as noted in chapter thirty-one, the parastatal Kenyan Tea Development Authority (KTDA) depends on funds from international capitalist institutions (Buch-Hansen and Marcussen, 1982:23). State-run outgrower schemes are usually inefficient: the KTDA is specifically noted as an exception to this (Blume, 1971:200).

The strategy also needs to be evaluated in terms of its effect on and potential for producers. O' Keefe claims that the conditions of contract farming cause many outgrowers to go to the wall (1984:162). The tight control at Mumias facilitates efficient centralized management, but by the same token, it restricts the development of rural capitalists because all major activities are carried out by the company (Mulaa, 1981:92/3). And many schemes also compete adversely with small non-scheme producers.

7. CONCLUSION.

In many cases, settlement schemes have not only failed to meet putative goals as growth-centres for rural development, but also their own immediate production and commercial goals. They have either collapsed or remained as a drain on economic resources (Raikes, 1978:308). What begins as development, changes into underdevelopment. Because projects are often unviable, they may function more as a subsidization of settlers (and other interests - see chapter thirty-six), rather than as a means of direct surplus extraction by the state.

Outgrower schemes are much less of a failure, but their success needs to be qualified by their location in the broader economic system, and their dubious contribution to resolving the Agrarian Question. It would seem that contract farming is less than an ideal development strategy.

However, governments continue to persist in promoting both settlement and outgrower strategies. This is not so much because of their need to respond to the Agrarian Question through rural development, nor because of ineptitude (Hill, 1977:25). Development planning continues partially because of the strength of the ideology of development which sees progress as advanced technology, commodity production and bureaucratic control, all introduced from the outside (Williams, 1986b:19). But a further factor in all this is that if economic control over a section of the peasantry does not always yield income for the state, there are still certainly **political** pay-offs. In addition, the drain that this "development" puts on state funds may constitute a surplus gain for capital in its capacity as management/marketing agent and input supplier of unviable public projects. I investigate these issues in the next two chapters.

ENDNOTES

1. In South Africa, according to De Villiers (1977:108), the results on 102 state irrigation settlement schemes "have been unsatisfactory".
2. In comparison, outgrower and contract farmer schemes absorb fewer inputs. In the case of Kenyan coffee, small producers are only half as productive as estates, but they also have far fewer expensive inputs (Dinham and Hines, 1983:54). Likewise with outgrower tea farmers who plant about two thirds of the total tea area, although they produce only a third of the total output (tea plantations growing most of the remainder) (Buch-Hansen and Marcussen, 1982:22/3, 26).
3. On the Keiskammahoek Irrigation Scheme, it is held to be "conceivable that one day the management staff will work not for the Department of Agriculture and Forestry, but for a Keiskamma Farmers Cooperative" (Proctor-Simms, 1978:138). For this reason, "it is intended that settlers be involved in decision making from the beginning and that increasing responsibility for the project affairs be delegated ..." (ibid). However, as the scheme's management admits, there is no formal training to this end, and weekly meetings between management and settlers concern only immediate

production issues (ibid:93). As one writer notes: "decision-making is largely based with managers at central unit. ... [The settlers'] 'wage' is dependent upon their co-operation with the central unit (management) in producing as they are told to do" (Padri, 1979:12).

4. As Barnett (1977:175) notes about the Gezira scheme:

The tenant has to operate in terms of the superior rationality of the total system. The organization, based on the elaborate irrigation scheme, is elaborately interdependent and ponderously "other" than the tenant. It is as independent of him as is the factory for a motor car assembler.

CHAPTER THIRTY-FIVE
RURAL POLITICS AND DEVELOPMENT

1. Introduction.
2. The politics of rural class struggles.
3. Rural classes as political forces.
4. The politics of planned rural development.
5. Rural stability and the Agrarian Question.
6. The development of a stable rural "middle class" in Africa.
7. Conclusion.

1. INTRODUCTION.

Agricultural schemes and peripheral rural development often reveal more about political control, than about the economics of agricultural development (Hill, 1977:38). For example, in the view of one consultant,

there is a tendency to decide on or evaluate rural programmes or projects on purely economic grounds. This is invalid, especially in southern Africa where one of the most urgent requirements is to win the support of rural communities. ... (P)ositive rural development is one of the best bulwarks against communism and one of the best means of border defence (Venn, in Proctor-Simms, 1978:57).

This is the view of a development consultant whose company is involved in rural development projects in South Africa's bantustans. In his opinion, "the flashpoint for instability in South Africa may lie in the towns, but the slow wick is in the rural areas" (ibid). In such statements, a number of assumptions are evident concerning the character and significance of rural class politics and the significance of rural development in relation to them. This chapter investigates these issues, focussing on the political considerations that influence development planning.

2. THE POLITICS OF RURAL CLASS STRUGGLES.

According to one writer, "in all ages in all countries, reactionaries, liberals and radicals have painted their own portraits of small rural folk to suit their own theories" (Moore, 1969:117). Some have characterized the

middle peasantry as involved in a defensive struggle, others see it as offensive (Liebersohn, 1981:37). While one writer holds that peasants are both radical and conservative – depending on the principle of their security (Joshi, 1981:69), another argues that radicalism is less likely than reaction (Charlesworth, 1980:261). Such generalizations are of contestable worth; what is clear is that rural class struggles can often take on national political significance. History has sometimes even put rural class struggles at the locus of broader political movements – such as in the Mexican and Cuban revolutions, and the Algerian, Mozambican and Vietnamese independence struggles (Stavenhagen, 1964:95). The agricultural situation has been described as the most explosive issue in Latin America (Harrison, 1981:116). In Africa, writers like Fanon (see Cauter, 1975), and to a lesser extent Arrighi and Saul (1970), have dismissed the urban proletariat as a labour aristocracy and focussed their political attention on rural classes. Even through a refusal to act in certain cases, rural classes have an enormous veto-power (Hobsbawm, 1973:20).

While the entire rural community can act as a social force, sometimes its internal differentiation needs to be given priority of account (Galeski, 1972:118). Overarching peasant consciousness is conceivable primarily insofar as differentiation within the peasantry is secondary to the common characteristics of all peasants, and to their common interests against other groups including the state (Hobsbawm, 1973:7). Even a single rural class can have national political significance independently of other rural classes (see Marx, 1977b; Duggett, 1975:169). Though it may not always be the primary focus of contradiction, rural class politics may involve conflict between rural classes, such as between tenants and landlords, or between kulaks and poor peasants.⁽¹⁾

3. RURAL CLASSES AS POLITICAL FORCES.

The potency of rural classes as political forces varies somewhat

between each class. Historically, non-capitalist rural classes have experienced – albeit unequally – the organisationally backward nature of rural life. Factors like illiteracy and ties to seasons mean that peasant movements are usually only conglomerations of local and regional revolts into a momentary unity ((Hobsbawm, 1973:12,9). “The great risings of the Middle Ages all radiated from the country, but equally remained totally ineffective because of the isolation and consequent crudity of the peasants” (Marx, *German Ideology*, 1965:66, cited by Duggett, 1975:171).

Regarding the political potency of the middle peasantry, Marx’s *Eighteenth Brumaire* (1977b) argues that small-holding peasants live in similar conditions, but without manifold relations with one another. Unlike simple commodity producers, each individual middle peasant family has a degree of self-sufficiency in that it gets its subsistence from intercourse with nature rather than society. Middle peasants have a low “classness” (Shaun, 1966) because what they have in common is paradoxically a way of life that divides rather than unites them (Duggett, 1975:172). They are a class by virtue of negative status rather than positively through co-ordination of aspirations (Gallisot, 1975:427). Marx points out how they are consequently “incapable of enforcing their class interests in their own name, whether through a parliament or through a convention. They cannot represent themselves, they must be represented” (Marx, 1977b:–170–1).

It can be argued that the relative economic independence of the middle peasantry enables this class to be the most militant of the whole peasantry (Alavi, 1973, Charlesworth, 1980:261). However, the autonomy of this class is only relative to the rich and poor peasantry, and its ties to the land in fact allow it only minimal tactical freedom (Wolf, 1971, cited by Charlesworth, *ibid*). And in many instances, the middle peasant does not even have an autonomy – but is rather caught up in economic articulations and obligations with other classes (Charlesworth, *ibid*:265).

The potency of rural classes does not depend on numerical size. A kulak class may be tiny, but as in Guinea Bissau, it still has a certain economic and political importance (Cabral, 1969:47). In Ismani, Tanzania, a minority of small farmer capitalists and kulaks controlled local socio-economic relations, and "moulded the general political thought of the entire rural community" (Awiti, 1973:231). Clearly, the political potency of kulaks is linked to their economic position, and in particular to their ability to dominate specific levels of government — especially local government. (Lamb's book on Kenyan peasant politics (1974) is a classic study here).

Many of the above generalizations derive from Western history and have to be modified in the case of the Third World today. As Cliffe (1977:197) reminds us, the African peasantry exists in a different historical juncture. It has arisen as part of an articulation with a fully-fledged capitalist domination imposed from outside, and which extends (in various forms) over the entire gamut of rural class relations. Unlike their historical counterparts in the West, African peasants are linked to a world system via their varying forms of integration into a world market (which *inter alia* makes agricultural crises more national in scope), and via a centralized state in many cases (Friedmann, 1979:178).

This new situation makes rural class politics a factor in the politics of any Third World social formation today, and it is therefore to be expected that development planning should be affected by this consideration. This point was made in chapter twenty-seven at a fairly general level, and it is now possible to analyse it with greater reference to rural class politics, in particular to planned rural development.

4. THE POLITICS OF PLANNED RURAL DEVELOPMENT.

In the light of the discussions above, it is not surprising that almost every regime, of whatever class nature, has a distinct interest in

rural stability and production (Herring, 1981:132).⁽²⁾ This is especially the case in the periphery where régimes often represent an ambitious, though weak and frustrated, bourgeoisie and petty bourgeoisie trying to use the state for their own development. What is remarkable, however, is that the political interest in stability seems to take prominence over the economic interest in production in so many cases. It is not too much of an overstatement to say that it seems that hardly a single rural development plan is drawn up without political aims being paramount — even though this is not always explicit.⁽³⁾ The Agrarian Question, to the extent that a plan is even constructed with an eye to it, is treated mainly as an economic means to a political end. One consequence of this is that in practice the economic sense of “development” is lost sight of, and the concept **really** does come to have a primarily political meaning (see chapter two).

The politics of planned rural development are most evident in the case of land reform. This development strategy is often justified in terms of eliminating pre-capitalist structural obstacles to development. At the same time, however, it is also “typically the model utilized by governments seeking to defuse rural unrest and rationalize agricultural production, but unwilling or unable to mount a full-scale confrontation with the landlord (or peasantry classes — GB)” (Herring, 1981:134). Land reform has thus aimed at eliminating real or possible revolutionary threats from discontented rural classes, and at creating new groupings in the rural areas that will support the government in power (Halliday, 1979:134).

For example, the United States has promoted land reform in countries under its influence. The initial thinking behind this was derived from post-war Japan where American sociologists concluded that stability required a contented peasantry. Subsequently, US advisors helped supervise land-reform in China (pre-1949), Korea, Taiwan, the Phillipines and Iran. All these attempts had an explicitly conservative aim, even where there was no immediate peasant threat (Halliday, *ibid*). The effect of land reform in

Japan, South Korea and Taiwan was to create a "politically conservative class of peasant proprietors" as well as to raise food output (Buckley, 1981:54). The US tried to replicate this in South Vietnam from 1955 on in order to defuse the war (ibid) – but as in China, the effort was too small and too late. These two cases showed that the failure to achieve proper land reform could produce an explosion (Halliday, 1979:123). After the 1961 Cuban revolution, the US-backed "Alliance for Progress" pushed for land reform to counter agrarian unrest in Latin America (Harrison, 1981:117). This was part of a general economic development package designed as "an antitoxin to halt the spread of communism" (Buckley, 1981:78).⁽⁴⁾⁽⁵⁾

The role of political considerations in planned rural development is also evident in regard to sensitivities over the use of land by plantations. For the Third World state as entrepreneur, plantations are an obvious form of development, but they are often precluded for political reasons (Blume, 1971:35; O' Brien, 1984:122). Similarly, for agribusiness capital, plantations have become risky in the context of possible nationalization and land shortage – and it increasingly defines its strategies in terms of leaving land ownership and production in the hands of the direct producers, and exercising control through contracts, managing state settlement schemes or monopsonistic purchasing arrangements (Buch Hansen and Marcussen, 1982:–16). As George puts it, "if you get rid of landownership, you can also eliminate a lot of fiscal, labour and political problems in one fell swoop – as well as the fear of nationalization" (1976:70).

5. RURAL STABILITY AND THE AGRARIAN QUESTION.

Conventional wisdom holds that "a stable society thrives – as Aristotle, on the evidence of the Greek city states, was the first to notice – on a large, participating middle class acting as a buffer between the rich and poor" (Harrison, 1981:389). The reasoning underlying this

view is that "where states are polarized into a rich elite and a mass of poor, the poor have nothing to lose from rebellion, while the rich have much to lose from reform" (ibid).

These themes are echoed by American political scientists who lament the absence of a middle class in underdeveloped societies, on the grounds that its presence would enhance stability (Kitching, 1972:334, footnote 15). Robert MacNamara (formerly of the World Bank) believes that ruling classes will realize the danger of instability deriving from inequalities, and will consequently institute land reform for their own political survival (Markovitz, 1976:185).

The middle peasantry is often lauded as the rural form of a middle class that is conducive to political stability. For example, the World Bank favours the creation of a stable and conservative class of small producers in the Third World (see Hayter, 1981). This represents a shift away from a focus on a high rate of industrial development, and was initially based on *inter alia* the resistance by Vietnamese peasants to American involvement in their country (Williams, 1981a:37/8).

Certainly the middle peasantry does lie between rich and poor peasants, and it is not wholly caught up in exploitative relations between the two. The middle peasantry is also structurally placed to act as a buffer in that it shares simultaneously some of the interests of these two class relations that traverse it. On the other hand, because rich and poor peasant interrelate independently of the middle peasantry, this buffer role is not as great as it might initially appear. Another point to note is that the pressures on the middle peasantry to disintegrate give it an unstable class character. In the light of this, the reason for any politically stabilizing role may well lie more in the inability of the class to represent itself (see above), rather than any inherent stable character.

In the politics of development planning, there is little distinction

made between the middle peasantry and simple commodity producers. Both are lumped together as a "rural middle class" - and kulaks sometimes are assumed to be part of this as well.⁽⁶⁾ While all may have the potential to play certain political roles, clearly their economic roles vary greatly. However, because of the priority that much planning gives to the political role, too little attention is bestowed on this issue. Yet the political role cannot in fact be divorced from the economic. Not surprisingly in consequence, a focus on the political without the economic not only creates unpredictable political "frankensteins": it also has no necessary connection to the development of productive capacity.

6. THE DEVELOPMENT OF A STABLE RURAL "MIDDLE CLASS" IN AFRICA.

While development strategies in Africa are usually motivated in economic terms, there have generally been strong political aims as well, given the background of increasing landlessness and unemployment.⁽⁷⁾

Colonial governments in Africa have also sometimes tried to stratify rural society through creating a middle peasantry, precisely because of their dislike of pre-existing egalitarian systems. In East and West Africa, for example, there has been a historical levelling tendency which has led to subdivision and fragmentation of holdings of wealthy farmers. The end result was "fewer and fewer economically viable plots, thereby frustrating hopes for the creation of a rural "middle class" of "sturdy yeoman farmers" (a vision particularly beloved of various colonial administrations)" (Kitching, 1972:343).

In pre-independence Kenya,

the colonial administration saw in land consolidation a means of rewarding those Africans who had supported the Government in putting down Mau-Mau, and of encouraging the growth of a productive rural middle class which would be immune to the cries of militant nationalists and perhaps challenge their leadership in the rural areas after Mau-Mau. Administrative officers in the

field recognized that some such progress was needed to persuade rural Africans to abjure the insurgent nationalists (Harbeson, 1971:236; see also Heyer, 1981:101).

The 1950s colonial Swynnerton Plan strategy in Kenya was to develop an economic base to sustain the political purpose of rural stabilization. It aimed to promote small farms through individual registration of tenure, and consolidation and enclosure of land (Heyer, 1981:101). (In this it mirrored the economic and political thinking in South Africa's Tomlinson Commission recommendations about "betterment schemes" — see Williams, 1982:118). Swynnerton also advocated a change of emphasis in African farming from subsistence to cash crops (Ruthenberg, 1966:9/10). The provision of extension, inputs, credit, and processing and marketing facilities, was another part of the strategy. This was all to be concentrated on the development of an elite of "progressive farmers" as a solid conservative bulwark against Mau Mau (Heyer, 1981:102).⁽⁸⁾

The colonial government recognized that a political solution to Mau-Mau would depend on a major change in the three-tier class structure of big farmer, small peasant, and landless poor peasant (Cliffe, 1977:198). Some administrators urged an English two-tier class structure through some kind of enclosure act, in order to create a class of yeomen farmers "too busy on their land to worry about political agitators" (Sorenson, 1963, 1967). The final solution was a modified three-tier one where small middle peasants retained their land, rather than being dispossessed by a totally free market in land (Cliffe, 1977:208). The consequence was that many of the landed peasants came to support the status quo — leaving the land hungry poor peasants isolated (ibid:209).

A major attempt to change rural class relations in Kenya was the mass resettlement programme from 1962-6 in the former White highlands. These settlement schemes were aimed to entice moderate tribes away from radical leaders and to pre-empt uncontrolled seizures of land in the context of

independence (Wilkinson, 1979:71/2; Kitching, 1980:326; Ruthenberg, 1966:—64).⁽⁹⁾ Indeed, an accelerated programme (the Million Acre Scheme) did ease the thrust of rural insurgency (ibid).

In Tanzania after 1955, colonial limits on African commodity production were lifted as a result of an upsurge in political consciousness (Raikes, 1978:295). In doing this, the colonial authorities hoped to create a relatively wealthy rural class, rooted in property ownership, in order to provide a basis for moderate politics post-independence (ibid:—296). As one writer puts it, the aim was to develop "a class of African farmers rooted in capitalized agriculture who would serve to stabilize the rural areas" (Bryceson, 1980:306). To this end, settlement schemes where Africans worked with modern technology, under supervision, were also launched (ibid:307).

In Uganda, the creation of a propertied middle peasantry was advocated by the colonial secretary at an early stage (Mamdani, 1977:189). After an outburst of violence against colonialism in the 1940s, the administration began to move towards implementing this with a view to creating a class interested in maintaining the status quo, stability and property rights (ibid:192). A 1953-4 commission advocated an increase in individual land tenure and encouragement of the "progressive farmer" (ibid:195). The purpose of this tenure was to stimulate a political and economic sense of responsibility (ibid). In pre-independence Zambia, the colonial government set up a scheme modelled on "the sturdy British yeoman, a type to be created in Central Africa to give political stability to that country" (Foster, 1969:10). The colonial peasant and "improved farmer" schemes received special favours such as technical education, loans, and superior marketing facilities. The intention was to augment settler production and to blunt political agitation (Muntemba, 1978:61).⁽¹⁰⁾

7. CONCLUSION.

This chapter has discussed the politics of rural classes and analysed their relevance to development programmes in the Third World. I show the political importance that attaches to many such programmes, particularly as regards the issue of rural stability. Like chiefs in many African colonies (see Terray, 1974:319), classes formed under the auspices of development programmes have been intended as not only the creation – but also as the creatures – of the government. But things have not always worked out like this, as I argue in the next chapter.

ENDNOTES

1. Rural-urban class relations are also significant for political conflict. For example, where poor peasants have the option of migrancy, conflict between them and rich peasants may not come to a head since poor peasants can find economic alternatives outside the village (Galeski, 1972:126). Middle peasants may also resort to migrancy rather than confront the adverse trade terms facing them (Cliffe, 1978:343). Urban-based petty producers and wage-labourers who retain ties to the village may support small farmers against other rural classes (see Smith, 1979:308, footnote 6).
2. Even in the USA, it is noteworthy that the Tennessee Valley Authority "was created in April 1933, at the crest of the wave of Roosevelt's New Deal – the nearest the USA has ever been to a social revolution" (Sohn-Rethal, 1979:187).
3. This is evident in the case of the World Bank which despite its denials shows a strong political bias to pro-Western countries (George, 1976:259-264; Williams, 1981a:27).
4. In US ideology, the "family labour farm" is used with overtones of "democracy versus communism" (Friedmann, 1978:97, footnote 3).
5. More recently, the US has promoted land reform in Thailand as a counter to insurgency (*Time*, 1981:27). "Aggressive rural-development programs are being launched. To win peasants to its side, Bangkok provided new varieties of rice, and imported silkworms ..." (ibid). The US has been pressurizing El Salvador's landowner government to institute land reform as a means of reducing peasant support for the Left (Buckley, 1981:43) – with successful results according to the government (ibid:50). The CIA has promoted land reform in the Phillipines (Krink, 1983:108/9).
6. It is extremely difficult to give an accurate class character and location within relations of production to rural producers where the only information at hand designates them as a rural middle class.
7. This context has been characterized by "a growing class of men without property, without even a stable source of income, and therefore with no

interest in supporting the status quo. ... People become more susceptible to the appeal of millenarianism, nationalistic, ethnic or extremist movements" (Harrison, 1981:392).

8. From 1952-65, Kenya's entire rural development practice (i.e. including extension, settlement, etc.) was strongly motivated by political considerations. "A prosperous middle class society of farmers, firmly established on the land, was expected to exercise a stabilising influence on politics in Kenya" (Ruthenberg, 1966:14).

9. Interestingly, large-scale irrigated farming was initiated in Kenya to resettle political detainees (Williams, 1986a:3).

10. Other examples where political motives have played a part in formulating rural development plans have been colonial Mozambique (Harris, 1980:344) and Senegal (Kom, 1977:161).

CHAPTER THIRTY-SIX
THE LIMITS OF POLITICAL DEVELOPMENT

1. Introduction.
2. The political uses of rural development.
3. The politics of who benefits economically.
4. Rural class creation – political success or failure?
5. Contradictions between politics and economics.
6. Resistance to planned development.
7. Conflict around the inequality of development.
8. Conclusion.

1. INTRODUCTION.

Rural development persists in Africa because, amongst other reasons, it has its political uses and its beneficiaries. But many of the grandiose political intentions behind rural development are not necessarily realized. Instead, they come up against the the failure of an economic base successful or wide enough for their political purpose, as well as resistance by the people affected. And, even where they achieve some economic and political goals, development strategies tend to generate new political conflicts and contradictions.

2. THE POLITICAL USES OF DEVELOPMENT.

Rural development planning has a number of political uses in post-colonial Africa – one of which is the attempt to resolve the food crisis.⁽¹⁾ In the face of the power and political importance of urban constituencies, African governments have used development policies to keep food cheap, and have given this precedence over increasing prices to the local food producers.⁽²⁾ According to Bates (1981:30), it is not that African governments only have to appease the demands of urban workers and employers – they themselves are major employers with a direct economic interest in cheap food (and raw materials). It is in this context that pricing strategies are adopted which fix food prices and outlaw marketing outside of state boards (Kenyan maize is an example here) (ibid:40). But

while such policies may be politically expedient in the short-term, they have not been able to resolve the food crisis in much of Africa. Consequently, governments faced with the political need to achieve results tend to turn to a different emphasis in development planning - viz. large-scale, highly capitalized and mechanized schemes (Dinham and Hines, 1983:143).⁽³⁾ These initiatives have also not resolved the crisis, yet the policies enable governments to claim they are doing their best.

In this regard, there are useful propaganda gains to be made from development. Governments characteristically use development projects as symbols of their commitment and action towards modernization.⁽⁴⁾ Agricultural schemes have been instituted as a "visible symbol" of a government's capacity to develop the country - as a "monument to modernity" (Hill, 1977:28). According to a South African development consultant:

an innovative rural success can have social, political and economic impact out of all proportion to the size of the area or the number of people involved. This impact is upon the local economy, upon traditional attitudes to agriculture, on the standing of the leaders, developers and backers, on the attitudes of the have nots to the developmental efforts of the haves, and last but not least, on the image of South Africa internationally.

... What South Africa so desperately needs, what black leaders need, is a number of dramatic success stories in rural development which will stand out as shining examples of how the land can provide acceptable incomes; ... that will be the pride of the sponsors, and of the homeland cabinets (Venn, 1979:7).

The political uses of development affect the particular type of programme that gets adopted. Governments can raise prices to encourage producers to expand output, but not only is this politically costly in terms of urban constituencies, the political benefits of winning rural support are low relative to what can be achieved with projects. As Bates argues, governments prefer project-based policies to price-based policies because the former are more politically useful even though the latter yield better economic results (Bates, 1981:5,114). Development projects are useful politically because they extend patronage, authority and control by

governments over rural people (Heyer et al, 1980:14). "Patronage politics is central to understanding how development projects do or do not work" (Williams, 1986a:4). Subsidy programmes are commonly used to build political support in the countryside for governments (Bates, 1981:109). Examples here are Ghanaian state farms favouring party activists for jobs, and Nigerian project allocations made on a political basis (ibid:115).

Another political use of development policy is the way that agricultural schemes have sometimes been seen as an answer not to agriculture, but to urban unemployment and the political threat posed by this (Hill, 1977:—27). This was the case in Western Nigeria with regard to unemployed school-leavers whom the ruling elite thought would not support it politically (ibid:28). A similar situation occurred in Nkrumah's Ghana (ibid:31) — which shows that a "public sector peasantry" has political appeal to regimes of varying persuasions (ibid:34).

3. THE POLITICS OF WHO BENEFITS ECONOMICALLY.

If rural development projects do not usually benefit the mass of rural producers (see chapter thirty), they still do benefit some groups. Bates (1981:121, 1983:133) has identified a "development coalition" of urban owners and workers, political elites, top bureaucrats, large farmers and tenants — all of whom reap benefits of development choices. Williams (1986a:6) excludes the urban workers from these beneficiaries, but the point still stands that there are strong vested interests in rural development policies. Many of these exist independently of the economic success or failure of these policies.

For example, development settlement schemes may end up subsidizing the tenants on them, and progressive farmer policies give advantages to kulaks and capitalist farmers (see chapters thirty and thirty-four). But in addition to such beneficiaries, there are also the fertilizer firms, construction companies, bureaucrats, international experts, and academics

who are provided with markets, management contracts and consultancies by rural development (Heyer et al, 1980:14).

Rural development programmes may in fact function to transfer surplus to entirely non-agricultural activities. Thus, "in the cases of irrigation projects and support for capitalist farming in northern Ghana and northern Nigeria, subsidies have simply drained money into the hands of contractors, military officers, politicians, civil servants and businessmen" (Williams, 1986a:3). The costs of rural development do not fall on its beneficiaries. World Bank loans for example are not repaid from net returns on projects, but from government revenues and more borrowing (Williams, 1981a:41). In other cases, aid agencies effectively guarantee payments and therefore eliminate the financial risks to agribusiness (Dinham and Hines, 1983:144).

Outgrower strategies which involve capital in upstream activities especially benefit international firms who can reap rewards of agricultural production without having to invest in it or take on the political and commercial risks involved (Williams 1986b).⁽⁵⁾

4. RURAL CLASS CREATION – POLITICAL SUCCESS OR FAILURE?

Measured politically, how successful has development planning through land reform and development projects been in defusing conflict and ensuring stability?

Once implemented, land reform can be successful in raising a few peasants above the many, and in co-opting the most militant leaders into the middle classes (Harrison, 1981:123).⁽⁶⁾ Progressive farmer strategies may also yield political rewards. For example, in Kenya, according to Currie and Ray (1987:93), the twelve percent of smallholders who cash crop are a politically loyal middle peasantry, and the possibility of mass land ownership gives legitimacy to the post-colonial state. In addition, the growth of smallholder production has reduced landlessness and urban drift, thereby diminishing the political threat of both (ibid:94).

Settlement schemes may also be politically successful. The Tyefu Irrigation Scheme in South Africa's Ciskei bantustan has been lauded by its planners. According to one, the local community had previously been "notoriously recalcitrant and opposed to authority", but its attitude had changed dramatically as a result of the scheme (see Proctor-Simms, 1978:58). The Ciskei government for its part says that the high costs of the project are acceptable because the scheme's "most important benefit has been the 'winning over' of the local community who are now collaborating with the authorities" (ibid:141).

In Kenya, Leys (1977b:355) has observed the effect on political consciousness of indebted settlement scheme farmers when each year saw the selective eviction of a few "persistent defaulters" on debt repayment. Some settlers tried unsuccessfully to organize a collective refusal to repay (ibid). Despite ongoing unrest in response to the loan-repayment issue, the political stability of the government was not threatened because no matter how great their distress, the settlers did not want to risk losing their plots (Harbeson, 1971:249).

5. THE CONTRADICTION BETWEEN POLITICS AND ECONOMICS.

The development policies of many governments lead to the conclusion that short-term political objectives frequently over-ride long-term development goals (Dinham and Hines, 1983:161). As such, the political usefulness of development in the long run tends to be less than what it appears to be initially: economic failure catches up with, and undermines, political success.

An example of this is land settlement in Kenya, where short-term political gains were made by settling large numbers of landless people on high-density schemes. However, low-density settlement, according to Ruthenberg (1966:132) provided a better chance for loans made to settlers to be repaid. Because high-density settlers' loan repayments remained

outstanding, they *de facto* absorbed a heavy element of subsidy, which could not continue to be carried by the remaining economy for very long (ibid:--149). In other words, the prospects for further political successes were limited by the longer-term economic problems of the strategy.

Another example of the contradiction between the politics and economics of development is development policies around the food crisis. The pressure of the crisis leads to African governments to resort to a development policy which entails, alongside rural development efforts, importing food in order to avoid political problems. But this in turn compounds the economic problem, and may lead to further political problems. Many governments now face the difficulty of rising costs of food imports at the same time as prices are declining for their countries' exports (Dinham and Hines, 1983:141). In addition, food imports keep prices down, and this is a disincentive to rural producers who continue to receive low returns on their produce.

The politics-economics relationship also lies behind the failure of Kenya's Special Rural Development Programme, SRDP. Here, political pressures meant that SRDP was planned in a hurry, without involving the people to be affected -- hence it was not only manipulative, but also misinformed (Oyugi, 1981:133).⁽⁷⁾

6. RESISTANCE TO PLANNED DEVELOPMENT.

The political uses of rural development may also run up against limits imposed by producer resistance to, and undermining of, the imposed strategies.

In Kenya there are conflictual relations between peasants and capital (both state and private) over the conditions of labour and the distribution and realization of the value of the product (Bernstein, 1979a:432). Peasants resist by rejecting or sabotaging new production practices, and by refusing to grow or cut back on specific crops. They may attempt to

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withdraw from commercial relations and find alternate income sources (as with coffee growers in Kenya), as well as evade crop-grading regulations and monopolistic terms of trade (Bernstein, 1979a:433; Bates, 1981:82). They use the labour market to defend themselves rather than produce crops with poor returns (ibid:84). Pricing and marketing policies go hand in hand with corruption, with the effect, according to Bates (1981:43), that peasants seek to be individual exceptions to the policies by means of bribery, rather than engage in collective protest. Where all these forms of resistance fail, individual or collective violence may be resorted to.

Rural producers also resist through political organization. In Kenya, a policy to control the number of coffee trees was not enforced because it would have provoked political conflict (Lamb, 1974:94). However, the situation worsened, and restrictions were tightened to the point that growers could no longer defy the controls. Their options were to submit, or to bring political pressure to bear on the government (ibid:96). They adopted the latter strategy, and mobilized through the co-operatives, party politics and lobbies, urging the government to rather uproot trees on white estates (ibid:102). Government response was to try to de-politicize the co-ops, but in fact it was only a combination of tree disease and collapsing world prices that cut back the number of trees under smallholder cultivation (ibid:111).

Development strategies involving land reform especially evoke resistance. In most countries intent on structural land reforms, there are beatings, evictions, burnings of houses and crops, and even murders (Herring, 1981:142).⁽⁸⁾ However, other means are also used to resist land reform. In Kenya, through Kenya National Farmers Union lobby, capitalist farmers ensured that most of the former white highlands land was left intact. The KNFU has also won government extension and credit programmes that benefit large farmers (Bates, 1981:94). However, as Bates argues, while elite farmers are often rural allies of governments, a conflict of

interests remains (1981:61). "Africa will clearly not remain immune to the political conflicts between agrarian and industrial interests that are an inherent part of the development process" (Bates, 1981:94).

Resistance to land reform does not only come from large landowners. Nigerian government schemes in some states gave officials and businessmen access to irrigated land, but evoked opposition from farmers expelled to make way without adequate compensation. While some went urban job seeking, others resisted by obstructing contractors and disrupting irrigation until police killed hundreds in 1980 (Williams, 1984:44; Wallace, 1980:65).

Even where land reform does not radically threaten social structure, it may well evoke antagonism. Small-holders have often violently resisted compulsory land rehabilitation and consolidation. In Malawi, the colonial government tried to enforce soil conservation, and produced political unrest that was the basis of the rural side of the nationalist movement (Thomas, 1975:36). Even after independence, riots broke out in response to enforced quotas for tobacco production (ibid:38). Finally, an attempt to introduce individual land tenure in Lilongwe produced popular resistance, and the government had to alter the ownership proposals from an individual to an extended family basis (ibid:39/40).

The effects of rural resistance can be seen in governments' responses. These typically involve a mixture of additional development and administrative measures. For example, in Kenya, the Institute for Development Studies (IDS) recommended that district level officers be allowed to flexibility in order to adjust to "ethnic, political agitation which tends to become a serious bottleneck" and to "create a visible success" (IDS, 1972:-B-2). In addition, it added, "given the political sensitivity of land holding, adjudication work needs positive political inputs from the M.Ps, D.C., P.C. and District Councillors". IDS also bemoaned the popular view of SRDP "as another Shimba-Hills scheme cooked-up so as to settle foreigners", and hoped that "with closer administration these programs will be explained to

(sic) their perspective" (ibid:B-5).

The successful implementation of development strategies may also generate new resistance by the very beneficiaries who are unhappy with the terms of their involvement. The special circumstances of subordination to institutional and agro-industrial capitals give rise to settler tenant and outgrower struggles around issues like the terms of incorporation in irrigation schemes, control of the immediate labour process, input costs, and monopsonistic marketing institutions (Goodman et al, 1984:205). There are struggles over cultivation rules, the suitability and timing of inputs, prices, and the scope for alternative production. "Far from there being a tendency towards more effective control of producers by capital, such control is always in danger of breaking down" (Williams, 1984:18).

Williams argues that conflict in peasant communities does not rise from internal differentiation, but from a contradiction between peasants and state (1985:173). Although this may often be so, state policies do lead to differentiation, at least at the level of distribution relations, and this may well generate increased conflict **within** rural communities (see below). The political success of development strategies needs to be evaluated in terms of the impact within rural communities as a whole.

7. CONFLICT AROUND THE INEQUALITIES OF DEVELOPMENT.

Development strategies aiming to create a "stable rural middle class" in specialized commodity production, are notably different from those intending to dispossess producers and convert their land and means of production into state or capitalist property (Bernstein, 1979a:434). But they both may ultimately have similar results in excluding certain classes or groups from development policy largesse. The question this raises is whether they are a new threat to the status quo.

The Malawi experience provides an interesting answer to this question. In that country, the colonial government tried introducing land settlement

to deflate unrest in 1946 and 1953 by landless peasants and tenants on estates. Its strategy was to resettle 40 000 people on unused estate land between 1946 and 1972 (Thomas, 1975:43). In response to similar unrest at independence, further land was bought and distributed. But this provided only two-acre size holdings that were only enough for subsistence. Pressure to break up the estates has continued, as has rural instability.

While land reform can win support where it ends landlord power (Halliday, 1979:136), in Iran popular hopes that all would get land were not met, and half the landless remained discontented (ibid). These people, and the small middle peasants who had their expectations raised, now constituted another centre of unrest (Greussing and Kippenburg, 1975/6:126). An upwardly mobile peasantry can turn sharply radical when frustrated, and it is an important factor in political agitation (see Charlesworth, 1980:261).

It is hardly surprising that land reform strategies have generated new conflicts between beneficiaries and non-beneficiaries of the project. This follows from the fact that many land reform policies – as in S.E. Asia, Egypt, Bolivia and Iran – are all deliberately unequal and have as their aim, encouraging a “rich farming class” at the expense of other classes (Halliday, 1979:135). Although relationships between the two are not always directly exploitative (cf Moment B), the visible inequalities in distribution (cf Moment C) may generate class tensions.

In the case of the Ciskei bantustan, it has been observed that

to juxtapose the settlers and the people with no land rights ... could build up problems for the future. The widening of the gap between rich and poor, even at the rural level, makes a conflict situation possible (McI.Daniel, 1980:14).

In a confidential memorandum, one Ciskei official has noted:

Is it that in Ciskei we are too obsessed with spectacular capital intensive projects to bother about the masses? Will the day not dawn when the voters of Ciskei will rebel and say “What is there for us in agricultural development?”? (Anonymous, 1979:4).

In the Mozambique Eduardo Mondlane co-operative, there was competition for land-use between co-op members and outsiders, while in the case of Chaimite, there has been violent conflict along the same lines (Harris, 1980:345,349). The Malawi Salimi Lakeshore Development Project benefits 750 people with incomes seven times higher than the 20 000 poor in the area - at the cost of "envy and violence, results strikingly similar to those experienced during the 'master farmer' schemes in the colonial days" (Thomas, 1975:38).

Where scheme participants hire outside labour, this may be an added source of conflict. At Mumias, workers hired by the company to service outgrower plots have sabotaged harvests on occasion (Mulaa, 1981:98). In some instances, conflict may even occur between participants (see the case of the Gezira scheme Barnett, 1977:96).

There has also been conflict at Kieskammahoek in Ciskei, where those excluded from the irrigation scheme, have killed settlers' dairy cattle as a form of protest. Workers on the Tyefu nucleus estate went on strike in 1979 over the issue of wages (field research, August 1979).

In the light of these examples, it is evident that political successes in rural development are by no means unqualified, and that the economic characteristics of these may well generate additional political problems.

8. CONCLUSION.

The relationship between rural development and political stability is contradiction-ridden. On the one hand there is a recognition that political stability requires at least some pay-off for all classes, but on the other hand, the short-term political uses of development policy plus an inegalitarian development policy inherently seem to lead to conflict in the longer-term. This contradiction reflects - in an exaggerated form - the distinction between political and economic goals of development as discussed in chapter two.

ENDNOTES

1. "No government can ignore the social and political disruption caused by food production failures on this scale. Virtually all African governments have intervened in the production and the marketing of food in order to improve availability and to control prices" (Dinham and Hines, 1983:137).
2. The price and availability of food in the urban areas is a sensitive political question. There were significant food riots in Liberia in 1979, and in Sudan 1979 and 1982 (Dinham and Hines, 1983:137).
3. Such decisions are made by bureaucrats who attribute shortages of food to inadequacies in peasant production rather than low prices and poor marketing, storage and distribution systems. The productivity of modern agriculture in the West, and the bias of aid policies against more modest schemes, add to the pressures to go for large scale. In addition, agribusiness is keen to research, supply and manage such schemes, especially when aid agencies guarantee payment (ibid:143-4).
4. The Ciskei's Keiskammahoek irrigation project has been visited by diplomatic personnel from at least fifteen countries, and has featured prominently in South African government propaganda media (Fieldwork observation, May 1979 - GB).
5. For example, in Kenya, BAT(K) contracts small producers to grow tobacco on terms that include conditions on quality and inputs (Curry and Ray, 1987:94). The farmers carry the losses when bad weather or market conditions yield adverse returns on production. As sole purchaser of leaf tobacco, BAT(K) has major bargaining power over the price it pays producers. In addition, BAT(K) is protected against labour disputes or sabotage, though it still exercises managerial control through an extension scheme. And since it does not own land, it is less threatened by nationalization (ibid).
6. The seven percent of the peasantry who got land in Chile's 1964-1973 agrarian reform became a privileged petty bourgeoisie under the tutelage of the state, and unlike the landlords and the other rural classes, they supported the Christian Democratic government (Kay, 1981:502).
7. Road building under the SRDP was supposed to be labour intensive, but the implementors "for obvious political reasons (need for quick programme visibility) chose to use heavy machinery as opposed to labour intensive methods as originally planned" (ibid:186/7).
8. In El Salvador, landowners killed over 50 land reform officials in one year (Buckley, 1981:55). Landlord violence has also accompanied the Ethiopian Dergue's land reform programme (Brietzke, 1976:656).

CONCLUSION

1. Introduction.
2. Structure of the thesis.
3. Relating two concerns: social structure and development.
4. The three Moments of production argument.
5. Meeting specific challenges.
6. Limitations.
7. Conclusion.

1. INTRODUCTION.

This conclusion tackles five broad areas. Firstly, it summarizes the structure of the thesis. Secondly, it shows how the relation between development and social structure has been dealt with in the work, and how this is linked to the structure of the thesis. The third area covers the significance of the key theoretical component of the work, viz. the three Moments of production model. Fourthly, I assess how the thesis meets the challenges outlined in the Introduction, and lastly, I note some of the limitations of the work.

2. STRUCTURE OF THE THESIS.

The wide range of issues covered in the preceding chapters makes it difficult to grasp the totality in any simple way. There is a danger of getting bogged down in the parts and missing the interconnections constituting the whole. To repeat an oft-used metaphor in the thesis, this would mean losing sight of the wood as one goes about scrutinizing each tree. In the light of this, it is clear that a simple summary of each discrete chapter would be inadequate. Instead, and as a precursor to pulling the overall argument together, it is worth recapping its structure.

I begin by setting out a "pragmatic" methodological position, in terms of which I proceed to theorize a definition of development and broad economic concepts. This enables me to then focus particularly on capitalist development, as well as the international capitalist system and the

factors underpinning underdevelopment in the periphery. Against this background, my attention turns to agriculture's role in development, the character of rural social structure, and the economics and politics of planned rural development. The arguments are thus cumulative, building on each other, as the analysis develops. Each consecutive part depends on those preceding it. This is not to imply that the thesis consists simply of stages teleologically building up to a single ultimate statement. Rather, each part is intended to be of value in its own right, and while later parts are founded on their predecessors, all of them contribute directly to the understanding of the topic, viz. the relationship between social structure and development. This will become more especially apparent in the section below.

2. RELATING TWO CONCERNS: DEVELOPMENT AND SOCIAL STRUCTURE.

It is evident that my argument moves from the general to the particular in the structure of the thesis. This is not fortuitous, but part of the way in which I have tackled the core issue of the relationship between social structure and development (and specifically rural development). My basic hypothesis has been that social structure, as a variable alongside environmental factors, is central to development. My aim has been not only to demonstrate this as a very broad proposition, but also to show the particular ways in which this is the case at varying levels of abstraction ranging from modes of production in general, through the capitalist mode of production and the international economy, to the agrarian social structure.

This objective required an elaboration of the two broad concepts: social structure on the one hand, and development on the other. "Social structure" is analysed in terms of various economic structures (relations of production, dependence-extraversion, etc.), political structures (the state) and social classes. "Development" is elaborated in terms of its economic significance concerning productive capacity, departments of

production, and the Agrarian Question. While both social structure and development are major issues on their own, my task has been to investigate how they relate to each other.

In doing so, I have worked with a crucial distinction between the course of a social structure on one hand, and the course of productive capacity on the other. This distinction is sorely lacking in much of the literature (see however Fröbel et al, 1981). For example, there is often assumed to be some identity between capitalism and development (be this identity positive or negative in character). The corresponding investigations have tended to confuse the two issues, frequently merging one into the other and then losing sight of it as a distinct object of analysis. Thus, the **development of capitalism** and **capitalist development** have been taken as meaning the same thing. Depending on the (changing) context, this meaning slides from one to the other. It is seldom explicitly or clearly recognized that distinct concerns are involved: the phrase "development of **capitalism**" reflects a vantage point concentrating on the course of a **social structure**, while "capitalist **development**" emphasizes the issue of **productive capacity**. The relation between these two concerns cannot simply be assumed: it must be problematized.

Part of the reason for the absence of this distinction in much of the literature is because in Marxism, the purpose of looking at social structure and/or productive capacity has not been aimed at explaining the relationship between the two. Instead, it has been with a view to assessing their implications for political transformation (see for example, Galeski, 1972:102). The problem has been touched on only in passing. Because the purpose in this thesis has been to investigate how the course of productive capacity relates to social structure, this has necessitated that a clear distinction be drawn between the two issues. More than this, it has meant disentangling and separating them precisely in order to discover the

terms of their interrelation. For this reason, my approach in this thesis has generally been to treat social structure separately from development, before looking at the relation between them. This pattern is evident throughout the structure of the work, as shown by the table below:

<u>Social structure</u>	<u>Development</u>
Moments of production. Relations and forces etc.	Productive capacity
Class structure, reproduction, Mode of production, articulation.	Economic surplus
Capitalist mode of production.	Positive and negative implications
Genesis and expansion of CMP, transformation, conservation- dissolution, new production relations. Extraversion, etc.	Dependent growth, growth without development, surplus transfer.
Class structure	Use of surplus
Agrarian social structure: capitalist, kulak and simple commodity producer classes.	Rural development. Agricultural productivity. Agrarian Question.
State	Planned development
Class structures of planned development. Politics.	Limits and failure

3. THE THREE MOMENTS OF PRODUCTION ARGUMENT.

Within the overall thrust of the thesis concerning social structure and development, my most central (and most original) concepts have been the three **Moments of production**. As theorized initially in chapter five, Moment A refers to relations of possession/separation from the means of production, Moment B to relations within the labour process, and Moment C to relations of distribution and utilization. By distinguishing each Moment, and by emphasizing the need to consider all three Moments, I have been able to cut through a great deal of confusion in the debates around social structure and development. It is largely on the foundation of these concepts, that my entire theory is built.

My argument is that to understand how social structure affects development, we need to analyse social relations of production in terms of the characteristics at Moments A, B and C, and the relationships between these Moments. This schema means that relations of production cannot be defined by any one Moment. Indeed, by reference to the whole, one can go further and distinguish between **homogenous relations** (where there is a class congruency between the three Moments), and **heterogeneous relations** (involving disparate relations at each Moment). These concepts provide the basis to theorize a mode of production and the articulation of its internal and external relations. The three Moments of a mode are linked together through **reproduction** of the whole, and through the **system dynamics** deriving from the structure. In this way, the three Moments may fruitfully underpin an explanation of development and rural development, in that they provide for a clear identification of social structure and an analysis of its significance for productive capacity.

Not only has much analysis confused the identification of social structure with the issue of development as described in section two above; it has also been unclear in its identification of the social structure. This is especially the case concerning **capitalist social structure** and **capitalist development**, where there has been confusion about the **identification of capitalist relations as such**. In development studies, the arguments have flown thick and fast about whether capitalism generates development or underdevelopment in the Third World, but without adequate attention to what is meant by capitalism. Those writers who have argued about whether the Third World is capitalist or not, have not advanced the debate substantially, because they have lacked adequate criteria for defining what constitutes capitalism.

There has been a simplistic attempt to label production relations as capitalist due to characteristics like production for exchange (Frank and the dependency school), or the existence of wage-labour (Laclau).

Alternatively, and equally simplistically, the appellation has been based on characteristics like reproduction within a capitalist context (some writers within the articulation approach), or commercialization of the whole process (Banaji). But these attempts concentrate respectively on Moment C, Moment B, reproduction and the system dynamic of the relations of production – and assume that one aspect suffices to describe the whole. Clearly, it is impossible to agree on the relationship between capitalism and development, when different things are meant by capitalism. Indeed, much of the debate says more about the different writers' conceptions of capitalism than about development.

It is clear that without a holistic view which can both distinguish and encompass the three Moments of production, any efforts to cut through the confusion about identifying capitalist relations will have limited success. My schema gets past many problems with its comprehensive concept of mode of production. This makes possible an analysis of the capitalist mode of production, and its articulation with non-capitalist structures, at all Moments of production (and in terms of reproduction within capitalist relations of distribution and the system dynamics of competition, commercialization and capital accumulation). Marx's concept of differing subsumption under capitalism is revised within this framework to refer to articulation **within** the capitalist relations of the CMP that varies according to the character of the forces of production especially at Moment B.

Applying this perspective to the international economy, I have distinguished between the CMP at the centre and the CMP at the periphery, on the basis of the different internal CMP articulation (at Moments A, B and C) and different external CMP articulation (again at all three Moments) in the two situations. This approach is superior to articulation theory which tends to ignore the internal articulation, and to dependency theory which fails to recognize the external. The different effects of articulation in centre and periphery go hand in hand with class differences in each

situation, and both underpin the differences between central and peripheral states and economic systems.

The phenomena of monopoly competition, extraversion-dependence, and disarticulation-unevenness, are all facets of this complex articulation of social relations regarding the periphery. Understanding them as such means that it is possible to see their differing contributions to development and underdevelopment. Similarly, the three-tier economic structure characteristic of the periphery is also a facet of this articulation, and conceived in these terms, it provides insight into informal/formal sector model. All these are fundamental to understanding the underdevelopment exhibited in dependent growth and growth without development. I also show how these factors relate to class structures and practices, and how classes also directly affect development and underdevelopment.

Analysing the role of agriculture in development is also illuminated by the perspective of the three Moments of production and the concepts built upon them. Factors affecting agricultural productivity (land-size, labour-input, and means of production) cannot be understood at the level of labour process alone (Moment B), but are part of a wider context of relations at Moments A and C. Agrarian social structure and its many classes can be characterized and distinguished in a comprehensive manner in terms of the three Moments, of reproduction and of system dynamics. Analysing the Agrarian Question in these terms, leads to locating it in the articulation between capitalist relations in agriculture and industry, and between both of these sets of relations and the diverse non-capitalist classes in agriculture (middle peasants, kulaks and simple commodity production). On this basis, the "conventional wisdom" about the need for agrarian capitalism to resolve the Agrarian Question is shown to be flawed.

Looking at the social structural implications of rural development policies in terms of their impact on the diverse Moments of production gives insight into the distinctions between progressive farmer, marketing

board, contract farming and settler-tenant strategies. While writers have been quick to label rural producers as proletarians, peasants, etc., my approach is to analyse the features at each Moment of production, and in terms of reproduction and system dynamics. This facilitates an assessment of whether the total relations of production involved are capitalist or not, and here my earlier theorization of the CMP and subsumption is useful. It shows that rather than being capitalist classes, progressive farmers, outgrowers and settler tenants exhibit several heterogeneous non-capitalist relations. Their articulation to the dominant CMP is crucial to understanding their dynamics and limitations regarding development.

I conclude that much rural social structure in the periphery evidences multi-class characteristics, rather than a primary relation of production. The recognition of this complexity is an advance on simplistic labelling and hasty conclusions about the significance of capitalist class relations for development. A more complex set of relations implies a more complex relation to development. This relation needs to be firmly located in the broader context of Moments A, B and C at the levels of the peripheral economy and the international economy as a whole, and furthermore in political context as well. The particular rural class situations in Tropical Africa, in conjunction with broader economic and political relations, do not bode well for productive capacity there.

4. MEETING SPECIFIC CHALLENGES.

My aim in this thesis has also been to meet certain more limited challenges facing students of development and specifically rural development. As outlined in the Introduction, these challenges are:

- (i). To use clear and explicit philosophical principles that will ensure a close relationship between theory and empirical study of development (and specifically rural development).
- (ii). To develop comprehensive units of analysis so as to fully understand the relations among the parts, and between these parts and the whole.

(iii). To elaborate an approach that keeps development firmly within its project as an economic phenomenon.

(iv). To synthesize insights from a range of analyses into an integrated and rigorous whole.

(i). All of these challenges are interrelated. For example, synthesizing insights involves the use of clear philosophical principles. However, it is also possible to point to certain areas in the thesis which are of particular relevance to a particular challenge.

Thus, in response to the first challenge concerning clear philosophical principles, the first part of this thesis is devoted to investigating what is required from such principles. In addition, the role of such principles in the production of knowledge is discussed, and an interpretation of Marxist methodology is presented. Throughout the thesis I have continually attempted to relate what is being said to these principles. It will be evident that concepts such as quantity-quality distinctions, interconnections, social process, history and contradiction inform the entire work. I believe that my interpretation, development and application of Marxism to economic development demonstrates some of the wider potential of this approach.

In terms of my methodological approach, I have also tried at all times to avoid reification and bear in mind the limits of theory. This is explicit in my chapters on the capitalist state, the generation and expansion of capitalism, agrarian transition and my analysis of rural development strategies. In none of these is the intention to reproduce a version of reality in thought. Instead, it is to draw on certain empirical cases to show both how my theory may illuminate them and *vice versa*. It has been a guiding principle throughout that my theorization deals in abstractions, and while these may help explain reality, by their nature they cannot approximate its particularity, historicity and multi-causal complexity. In this regard, however, it should be recognized that in its emphasis on social **structure**, my argument does not preclude any role for ideology and conscious human volition *vis-à-vis* development. The distinction between relations and relationships made early on in the work is an acknowledgment of the limits of a structuralist perspective.

(ii). In response to the second challenge of developing comprehensive units of analysis, the structure of this thesis with its different levels of abstraction and generality is relevant. All its parts have their place in the overall framework of studying development in the most general terms through to its character in the international capitalist system and ultimately to the specific case of individual rural development strategies. In addition, the thesis contains the specific concepts of economic system, and modes (and homogeneous/heterogeneous relations) of production to encompass the totality, its parts and the relation between them. It also criticises explanations and prescriptions for development/underdevelopment which ignore overarching units of analysis.

As touched on in the previous section, the concepts of three Moments of production, reproduction of the whole, and system dynamic also assist in theorizing the distinctions between units as well as the links between them. They enable one to distinguish between elements or features of capitalism, and the capitalist mode as such (and therefore their respective implications for development). They also enable one to avoid the pitfalls of concepts of international modes of production and unique modes in each social formation (see chapter fifteen), and instead to understand the articulation between the different levels of the whole. In addition, they help to analyse how articulation can lead to one unit internalizing an external relationship within it or being reproduced within another unit

(and what all this means for development).

(iii). Concerning the third challenge of maintaining "development" as an economic phenomenon, I have given substantial attention to a preliminary definition and understanding of development as designating exclusively economic processes and attributes concerning productive capacity. This understanding has been retained throughout the work. The criticism might be made that such an allegedly "economistic" focus does not properly belong to a thesis conducted under the discipline of Political Studies. I would counter, however, that my argument clearly shows that the study of development cannot be limited to the discourse of pure economics, and that development is integrally bound up with issues of social relations, social control and politics. I have thus continuously related development to political factors. This is evident in my discussion of the base-superstructure model, the issue of surplus, the capitalist state, articulation, planned rural development and the failure of development strategies. It will not escape the reader's attention that there is a certain irony in my conclusion that "despite" my economic definition, development in practice comes to have a meaning that is anything but purely economic. There is actually nothing contradictory about this: indeed, it is only by keeping one's eyes on development as an economic category that it is possible to see, in reality, how and why "planned development" departs from the analytical definition and may become, in effect, its opposite.

(iv). The fourth challenge of synthesizing insights from various other studies has been an important part of the entire thesis. It will be evident that I have tackled various debates in the field in the course of my argument, whether they be around the base-superstructure model, or defining what is internal to a mode of production, or the significance of dependence vis-a-vis other factors of underdevelopment. In all of these I have argued for or incorporated positions based on the theoretical points developed in this thesis. I have also specifically combined contributions from three different approaches: dependency theory, articulation of modes of production, and class struggle emphases. This has not been an easy task, and I have had to critically understand the limitations in each. Dependency theory is shown to work with (*inter alia*) inadequate units of analysis and concepts of capitalism (see chapters twelve and fifteen); articulation theory to miss the underdeveloped aspects of social structure like dependency and the three-tier structure of the economy (chapters eighteen to twenty). The class struggle approach is shown (*inter alia*) to underpin many of the various dependence and articulation factors, but these are not automatically given by classes, and neither can they be directly reduced to classes (chapter twenty-one). I have therefore tried to show how the different approaches draw attention to different phenomena. At the same time, I have argued that they complement and enrich each other by accounting for some of the blindspots in each other's approach.

The conflicting dimensions of these different approaches have not been glossed over. For example, I discuss the problem of the relative weight of each of the approaches, given that supporters of each have claimed primacy of account for the particular factors they stress (see chapter twenty-one). I have argued for the primacy but not exclusivity of class structure. Similarly, I have criticized as well as drawn from other insights, including elements of modernization theory, Baran's concept of surplus, and the theories of the informal sector and the Agrarian Question, integrating them within my overall framework.

The attempted synthesis of theoretical insights has been complemented by drawing from empirical data from a variety of sources and contexts. Both operations have been performed on the basis of the framework developed in the thesis. The key elements of this are my particular definition of relations and forces of production, Moments A, B and C of production,

reproduction and system dynamics. In addition to these concepts, there is also my particular understanding of the relationship between political, ideological and economic factors. All these elements have provided a basic framework in terms of which I have evaluated, accepted and rejected source material. The aim has been an integrated, coherent and consistent whole.

6. LIMITATIONS.

To the extent that I have successfully met all the challenges discussed above, this thesis constitutes a wide-ranging theory of the complexities of social structure and development. But, despite the length of this thesis, it is in a sense not long enough. Firstly, as pointed out in the Introduction, it lacks a discussion of development in relation to socialism. This lacuna may perhaps have resulted in a one-sidedness, and even in some misconceptions, about the relationship between capitalism and development. A comparative study may have avoided some of these problems. At the same time, my resulting three Moments schema may be of value in researching social relations for concerns other than development and rural development. It could be fruitfully applied to studies concerned with, for example, questions of patriarchy and domestic labour.

Secondly, the thesis lacks an analysis of development and specifically rural development in social formations that are more difficult to locate in terms of a centre and periphery model – for example, New Zealand and the Scandinavian countries. How their economic systems developed and provided answers to the Agrarian Question raises important issues for the study of Third World development. Any prognosis for the latter has to take these experiences into account. Further research is needed here.

Thirdly, in order to be fully developed, the arguments in this thesis need to be used in some empirical research – at macro or micro-levels (or, preferably, at both). As it stands, this thesis is limited to being an elaborated prolegomena to the study of development (and rural development specifically). It still needs to be tested in the field. In this it would be important to see how parts of this thesis relate to the whole – for example, how a specific development project relates to development plans,

to articulation with other relations and forces of production, to class dynamics, the state and the international capitalist system. It would also be valuable to see how this would in turn relate back to my definition of development and social structure, and even to my use of Marxism.

7. CONCLUSION.

Planned rural development continues despite its poor record in achieving either economic or political objectives. One reason for its persistence is because the ideology of "rural development" has become an entrenched part of the conventional wisdom about the role of the state in the periphery (see Williams, 1981a:17). Another reason lies in the vested interests that development programmes serve. In this light, it matters little whether rural development plans succeed or fail, because rural development planning as such may be expected to continue regardless. Unfortunately, the poor performance of such development will probably also persist. In my view, this is because there are not the political or social groups with the strength, vision and — dare I say it — the theoretical apparatus to come up with more effective alternatives. Although my theory concentrates on the problems of "what is", I would hope that it might also be of value in creating new development strategies. That, however, is the task of a different thesis.

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