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Article — Digitized Version

Peripheric capitalism?

Intereconomics

Suggested Citation: Mushkat, Marion (1975) : Peripheric capitalism?, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 10, Iss. 5, pp. 143-146, <https://doi.org/10.1007/BF02928767>

This Version is available at:

<https://hdl.handle.net/10419/139196>

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may be made through foreign combines instructing native inhabitants to invest money which forms part of the combine's capital. The profits are transferred abroad while the local figureheads are appropriately rewarded. The economic interests of the ruling class and the imperialists are safeguarded in both sectors by legislation as the government apparatus and parliament are as a rule acting as executive organs for the compradore class and imperial-

ism. There is no domestic economic power of any importance aside from the state power.

In regard to the function of the compradore bureaucracy it should be added that it does not only aim at conducting the administration of the state in the common interests of the compradore class and imperialism but also exercises an influence on the cultural life of the country. The policy of education in its widest sense and the communications media are subordi-

nated to economic interests. Public opinion is manipulated according to the demands of imperialist dominance. In a historic-social context the compradore class shows essential signs of general personal continuity flowing from family links. Political changes do not affect this continuity significantly. Elimination of the compradore system is the only means of eliminating the compradore class and thus the political continuity of the ruling class.

Peripheral Capitalism?

by Professor Dr Marion Mushkat, Tel Aviv *

Efforts continue to be made to find a definition for Third World countries which fits all of them. That such efforts are still being made is understandable, for "Third World" is a merely geographical term and the situation in individual developing countries shows great variations. There is no criterion by which "underdevelopment" can be defined in a scientifically unobjectionable and universally valid form.

The concept of "*peripheral capitalism*" has been accepted more and more widely of late. It allows for the fact that the economic systems in question are all based on the law of supply and demand, produce goods and use the surpluses in accordance with the principles of the capitalist economy and have an industry playing a major role as is the case in capitalist countries. These economic systems have nevertheless remained at the periphery of the capitalist world economy¹. The requirements and dynamics of the "centre" were the only in-

terests which were taken into consideration for their incorporation into the global capitalist economy. It must be stressed in this context that the choice of the term "peripheral capitalism" was influenced to some extent by the theory of imperialism. The urge of one community (usually a nation) to dominate another one is one of the crucial features of imperialism according to this theory. As Galtung in particular has pointed out, the apex of the imperialistic community in this case cooperates with the upper section of the dominated people, with which it is linked by common interests, and enriches itself at the expense of the dominated people².

According to Bairoch³ who in this respect follows Baran,

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¹ M. Ikonikoff, *Sous-Développement, Tiers-Monde ou Capitalisme Périphérique?* (Underdevelopment, Third World or Peripheral Capitalism?), in: *Revue "Tiers-Monde"*, Vol. XIII, No. 52 (1972), pp. 691 and 695.

² J. Galtung, A Structural Theory of Imperialism, in: *Journal of Peace Research*, No. 2, 1971.

³ Pierre Bairoch, *Le Tiers Monde dans l'Impasse* (Deadlock in the Third World), Paris 1971.

Sweezy and other authors who describe themselves as Marxists, as well as Amin in particular⁴), this interrelation between the centres explains the methods by means of which aggressive capitalism has brought about the stagnation, backwardness, restraint situations and other negative phenomena of the economies of the colonial territories. These authors however underrate or simply disregard the internal causes of underdevelopment. They ignore the fact that colonialism and imperialism "*sui modo*" existed in Africa, Asia and America long before the political and economic conquest of the overseas territories by the Europeans. They picture colonialism as the outcome of exclusively external, mainly European, forces⁵. Such a presentation of the problem is

⁴ S. Amin, *L'Afrique de l'Ouest Bloquée* (West Africa under Restraint), Paris 1971. See also the same author's article, Underdevelopment and Dependence in Black Africa, in: *Journal of Peace Research*, No. 2, 1972.

⁵ R. Bonnain-Moerdijk, *La Colonisation, Force Externe* (Colonisation — an External Force), in: *Revue "Tiers-Monde"*, Vol. XIII, No. 50 (1972), p. 409.

in my view, to say the least, one-sided, not only because it ignores the role which internal political, social and economic factors have played in this process but because it makes no allowance for the new economic and political tendencies in the industrial states.

In actual fact colonialism and underdevelopment have not necessarily a causal connection; and political independence is not always identical with development. When Ghana and several other colonial territories became independent states, they were undoubtedly at a higher development level than states like Afghanistan, Ethiopia or Liberia which have never been colonies. On the other hand, quite a few countries fell victim to colonialism because they were poor and underdeveloped. The introduction of new economic methods by the colonial powers paved the way to their development.

Portugal and Turkey are today among the poorest countries not only in Europe but in the world although they were never colonies. If the gross national product per head of population is selected as the criterion, a country like Libya — an ex-colonial territory which even now has not yet emerged from the stage of underdevelopment — stands at par with Italy, thanks to its large mineral oil exports. Kuwait, also an undeveloped country, has overtaken Great Britain according to this criterion: the average income of the inhabitants of this oil sheikdom is more than twice the figure for Great Britain.

Countries like Gabon, Turkey, Chile and Nicaragua have almost the same GNP although the first-mentioned country gained its independence only about ten years ago, the second one was never a colony and the other two have been enjoying

independence for over 150 years. These examples demonstrate that a state is not secure from the consequences of underdevelopment merely because it never had to surrender its independence or because it shook off the colonialist yoke many years ago⁶. Besides, we must not forget that Marx often stressed the need for dialectic analysis of colonialism and imperialism, bearing in mind the positive role which these factors have played in the disintegration of obsolete economic orders⁷.

Furthermore, the former colonial powers at a certain stage of their development and especially in the initial phase of the post-industrial age lose all interest in the physical domination of territories beyond their frontiers. Their interest in ordered economic relations with less developed states declines to a corresponding degree.

In the light of the recent revolutions in the spheres of technology and natural sciences the prosperity of the industrial countries depends increasingly upon the extension of their mutual relations. Not only Japan and the Federal Republic of Germany (which has shrunk in size to less than half its pre-World War II territory) but Great Britain, France, Belgium and the Netherlands as well are today, after the loss of their colonies, much richer and far more advanced than in bygone decades. Portugal, on the other hand, is the poorest country of the "old continent" and among the most backward states in the world.

The most important reason for the efforts of the Third World to attach itself to the capitalist economic system in particular is therefore to be found in the fact that the industrial states, while increasingly indifferent to the developing countries, derive the greatest advantages from the economic relations amongst

themselves. The Third World desires cooperation with them not only because of its interest in development aid: the Third World could not possibly develop its economy further without it and the Soviet bloc makes only a very small contribution to it. It also wants to avoid being isolated from the capitalistic world market. Although such links are not always entirely beneficial and advantageous, they offer the only hope for rescue from an otherwise desperate situation, on the one hand, and progress beyond the "peripheric" status, on the other.

The greatest dangers to the Third World are therefore

- ☐ the growing indifference of the industrial states towards Third World problems;
- ☐ the increasing probability of the developing countries being left to their fate and without a solution for the problem posed by their underdevelopment; and
- ☐ failure to take effective measures which are indispensable to counter the negative consequences of colonial rule, so as to offset in part at least the harm done by imperialist methods⁸.

Compared with these dangers the threat from neoimperialism and neocolonialism in all their forms fades into the background.

The leading personages of the Third World are increasingly aware of these dangers and therefore strive to establish new and more solid links with the industrial countries. In pursuit of

⁶ C. A. Cosgrove, *Colonial Legacies and Development Prospects in the Third World*, in: *International Relations*, Vol. IV, No. 1, 1972, pp. 53 and 56.

⁷ Sh. Avineri, *Marx and Modernization*, in: *The Review of Politics*, Vol. 31, No. 2, 1969, p. 188; see also M. Mushkat, *Observations sur le Colonialisme et les Nations-Etats de l'Afrique Post-Coloniale* (*Observations on Colonialism and the Nation States of Post-Colonial Africa*), in: *Res Publica*, Vol. XIV, No. 3, 1972.

⁸ For further details of this thesis see M. Mushkat, *The Small States and Research into Aspects of War and Peace* (I.P.R.A., *Studies in Peace Research*), p. 230, Part I, Assen 1970.

this objective they are exerting pressure on UNCTAD, GATT and other UN institutions and other international organisations. They will avail themselves of any international forum for the projection of their demands and put them forward at all bilateral and multilateral negotiations. These efforts militate against the increasing tendencies in the industrial states to curtail their relations with the developing countries. The countries of Africa and Asia and even socialist states are eager to obtain credits from the USA, West Germany, Japan and other industrial states and to acquire their know-how. Preferential systems, tariff preferences and privileges of all kinds are claimed by them in an effort to shake off their dependence and qualify as equal partners on a basis of reciprocity. All this suggests that they are not a periphery created by an industrial capitalism greedy for profits, desirous of conquests and intent on enriching itself by exploitation of dependent economic territories but a periphery in which many inhabitants are still in a pre-capitalistic stage of development. The population of these countries has not freed itself yet, not even in our own time, from quasifeudal, quasi-patriarchal or primitive early-

capitalistic methods of production. For this reason the growth rate in this periphery is much lower than in the modern industrial society.

In the first searching investigations into the situation of the developing countries and Africa in particular it was stressed that these countries had had a "bad start". In these studies the emphasis was laid on the grave errors committed by these countries and their responsibility for them; but the serious blunders and wrong decisions of the former colonial masters were also exposed⁹.

Recent research work by authors who live in Third World countries or have worked there, on the other hand, shows a tendency to extenuate the internal factors or to ignore the endemic conditions in the Third World which entrapped it in the past and still do. Again and again the point is made that these are solely negative consequences of the colonial regimes. Due to their investigations a normal development was prevented, not only by the conditions created by the colonial regimes alone, but also by the policies of the governments succeeding the colonial regimes as well, and by the present international eco-

nomie order which has hampered the development of the Third World and prolonged its dependence¹⁰.

The pseudomarxist analysis is based on Lenin's obsolete definition of imperialism¹¹, on the one hand, and a simplification of Baran's and Sweezy's theses concerning monopoly capitalism, on the other. Gunder Frank's theory of development and underdevelopment and Emmanuel's "unequal exchange" thesis (of which, incidentally, Samir Amin gave an excellent interpretation¹²) are also taken into consideration. This analysis, it seems to me, is misleading chiefly because it disregards the historic past and present reality in the Third World which was outlined so convincingly by Gunnar Myrdal¹³.

⁹ Cf., e.g., R. Dumont, *L'Afrique Noire est mal partie* (Black Africa has had a Bad Start), Paris 1962.

¹⁰ Cf. M. Ikonikoff, *ibid.*, and articles by C. Furtado, S. Amin, Y. Goussault and P. Goulène, in: *Revue "Tiers-Monde"*, Vol. XIII, No. 52, October-December 1972, on peripheral capitalism; S. Amin, *ibid.*; and articles on the first decade of Black African independence in *"Présence Africaine"*, Paris 1972.

¹¹ M. Mushkat, *African Nationalism*, in: I.P.R.A., *Studies in Peace Research*, Oslo 1972, p. 239.

¹² S. Amin, *L'Accumulation à l'Echelle Mondiale* (Accumulation on a World Scale), Paris 1972.

¹³ G. Myrdal, *Le Défi du Monde Pauvre: Un Programme de Lutte sur le Plan Mondial* (The Challenge of the Poor World: A Programme for a Worldwide Fight), Paris 1972.

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(Raw Material Dependence of the Federal Republic of Germany)

Large octavo, 201 pages, 1975, price paperbound DM 34,-

ISBN 3-87895-128-0

VERLAG WELTARCHIV GMBH - HAMBURG

There is no doubt that

□ the results of the First Development Decade under UN auspices were very disappointing¹⁴;

□ bilateral aid has aggravated the economic as well as political dependence of the Third World¹⁵; and

□ technical assistance, in both its forms, has promoted neo-colonialism and there are therefore no grounds for taking a more optimistic view of the future¹⁶.

These negative aspects notwithstanding the pessimists should not just ignore the conclusions reached by the international organisations and the prospects opened up by the strategy for the Second Development Decade. Although their scope may be limited today, there have been promising signs ever since 1970¹⁷.

A development which is also overlooked in the studies mentioned above, but can already been foreseen today, is that quite a number of underdeveloped countries will be enabled by efforts of their own, flanked by external factors, to free themselves from their dependence and peripheric status in the world in the next ten or fifteen years¹⁸. These facts should cause us to look back on the way which the most highly developed industrial states of today have covered in the past. It took them a very long time to free themselves from the abuses and shackles of the precapitalist

rule. Modern society also had to undergo a prolonged arduous process of development.

Bearing this historic process in mind and remembering that the economic structure of the Third World — and Africa in particular — is essentially precapitalistic, we can venture to assert that despite the bitter experience of the past and painful disappointments in recent years there is no justification for utter pessimism¹⁹. Such pessimism is unwarranted, especially if it is founded on the theses of the "Club of Rome" that the reserves on our planet would not suffice to satisfy a universal growth of human needs and the Third World was therefore doomed to continuing deadlock²⁰. Like similar theses before, this postulation has come in for fierce criticism²¹.

It may also be pointed out that the adherents of the pessimistic school ignore the fact that the difficulties ensuing from economic decolonization and modernization are incomparably greater than the problems raised by political sovereignty and that their removal will take far longer than the solution of the latter. They make no allowance for the possible results of all the efforts which are made to achieve a greater measure of unity and uniformity in at least some regions and sub-regions²². The federations which

already exist and the moves to join up with states of the civilised world planned for the future must also be taken into account²³. In this context it must not be forgotten that the Balkanisation of Africa is not entirely the work of the colonial powers. In more recent times the latter have given vigorous support to tendencies for the reunification of various regions²⁴. That the mentioned authors pass the results of "socialist" experiments over in silence is bound to give umbrage. On the one hand, Amin let it be understood that a socialist experiment may possibly provide an escape route²⁵; on the other, he abandons all hopes for a solution when he asserts that the problem of underdevelopment can be brought closer to a solution only in the framework of a society such as would emerge from a radical socialist process of regeneration *embracing the whole world*. He thereby admits that his study ends in a utopia.

Marx was proud to have turned utopian socialism into a tool for the inevitable progress of mankind and an intermediate stage in the establishment of scientific socialism. His protagonists in the pessimistic school may claim the credit for having used his methodology for a prognosis which denies to an entire continent and thus to the whole of mankind any escape from the existing misery. However, the prophets of doom who are ever ready to prove that Africa and all other developing regions are irremediably condemned to hunger and stagnation and ultimately ordained to decay physically and mentally will share the fate of Spengler and his successors in the atomic age who have lost all contact with reality.

¹⁴ Cf., e.g., M. Mushkat, *Afrika — Der Kampf für Unabhängigkeit und Entwicklung* (Africa — the Struggle for Independence and Development), Tel Aviv 1971, p. 267.

¹⁵ Cf. H. Feldman, *Aid as Imperialism*, in: *International Affairs*, No. 2/1967, p. 219.

¹⁶ Cf., e.g., P. Fougères, *Où va le Sénégal? (Where does Senegal go?)* I.F.A.N. — D.M.C.U., Anthopos, Paris 1970.

¹⁷ M. Mushkat, *ibid.*, p. 290.

¹⁸ A. Broches, *Le Financement du Développement Economique* (Finance for Economic Development), in: *Chronique de Politique Etrangère*, No. 3/1966, pp. 403 and 405.

¹⁹ M. Mushkat, *Le Pessimisme dans l'Etude des Problèmes Africains est-il Justifié? (Is Pessimism in the Study of African Problems Justified?)*, in: *Civilisations*, Vol. 22 (1972), No. 2, p. 285.

²⁰ Y. Laulan, *Le Développement du Tiers-Monde est-il encore possible? (Can the Third World still Develop?)*, in: *Revue "Tiers-Monde"*, Vol. XIII, No. 52, October-December 1972, especially pp. 804 and 808.

²¹ Cf. J. Maddox, *The Domsday Syndrome*, in: *Current Affairs*, No. 146 (Dec. 1972), p. 14.

²² M. Mushkat, *Problems of Political and Organizational Unity in Africa*, in: *African Studies Review*, No. 2/1970; P. Diagne, *Pour l'Unité Ouest-Africaine (For West African Unity)*, Paris 1970; and M. Mushkat, *Zur Evolution und Rolle der Einheitsbewegungen auf dem Afrikanischen Kontinent (On the Evolution and Role of the Unity Movements in the African Continent)*, in: *Politische Studien*, No. 200 and No. 201, Nov.-Dec. 1971, and Jan.-Feb. 1972.

²³ Cf. J. Kicerbo, *L'Histoire de l'Afrique Noire (The History of Black Africa)*, Paris 1973.

²⁴ C. A. Cosgrove, *ibid.*, p. 58.

²⁵ S. Amin, *L'Afrique de l'Ouest Bloquée (West Africa under Restraint)*, in: *Africasia*, No. 42 of June 20, 1962, p. 26.