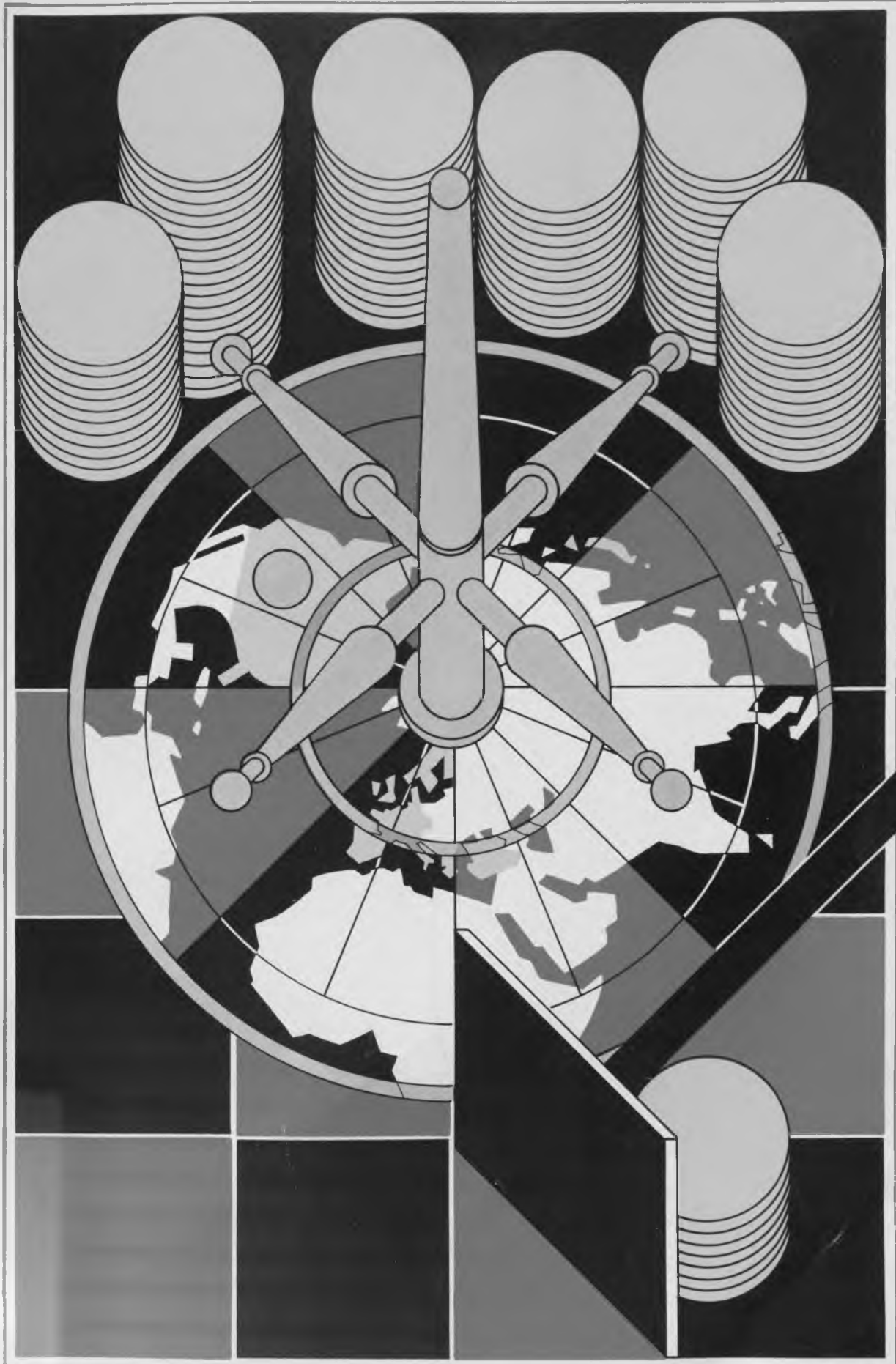


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LD CRISIS THE WORLD

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Living with the world crisis ... in Bombay



Weapons captured from counter-revolutionaries in Mozambique – December 1981

The Long Revolution

'The first day of our independence will be the first day of the longer and harder struggle for economic liberation' – Samora Machel, President of Mozambique. **Reginald Green** examines Mozambique and Angola in their first decade of political independence.

'A luta continua, victoria e certa, poder povo...' – the struggle continues, victory is certain, people's power – are not in Angola and Mozambique mere rhetorical flourishes or flashy slogans to cover a basically unchanged reality. Maputo and Luanda today are very different from 1974. In parts of rural Mozambique and Angola the difference is even sharper.

The end of colonialism – especially settler colonialism evicted by armed struggle – is in itself a substantial change, but the political reconstruction goes further than that. Both the governing parties – MPLA in Angola, FRELIMO in Mozambique – are committed to people's power in the sense of broad popular involvement and initiative. Both have sought to build participation and people's power to discipline leaders. Neither has had full success – economic constraints, the realities of permanent externally-based domestic wars, the heritage of non-education and non-participation guaranteed that. But neither has settled into a rigid, self-satisfied bureaucratic mould, nor ceased to educate, to involve and to examine its record critically. In Mozambique this is very evident even to the casual observer. In Angola the MPLA's different style and the socio-political price of resisting South African invasions, Western (especially US) hostility, and South African backed domestic insurrection make observation much harder, but have not reversed the reality of change.

With a commitment to people's power have come parallel commitments to people's social and economic welfare and

progress. Health, education, and to some extent housing, are more mass-oriented in design and more available in practice. The division between the concrete cities of the affluent Europeans and the shanty towns of the excluded and exploited Africans is blurring. Basic commodities receive priority in allocation of resources for production or importation and efforts are made to ensure availability at bearable prices.

But revolution has brought costs much deeper and more lasting than the physical damage of the armed struggle. Portuguese colonialism did not train Africans – the departure of 90% of the settlers and expatriates has starved the new states of middle and high-level personpower. Together with overt sabotage, this shortage of knowledge has led to severe losses in both agricultural and industrial output, which remain substantially below 1972-74 levels in both countries, and have only slowly recovered from the 1978-79 troughs. Given the curtailment of settler and external drains, most Africans are better off, but it is a stark fact that revolution has not yet won through to a forward economic dynamic in Angola or Mozambique.

Constraints

The colonial economies were constructed to serve colonial powers, settlers and foreign companies. Because Portugal was itself not a developed industrial country (nor a country with representative government, civil liberties, social welfare

guarantees, or universal education), Portuguese colonies were particularly repressive and exclusionary. Africans suffered from forced labour and the lack of education and health care facilities. The colonies were subservient to foreign companies and countries, notably South Africa as an employer of migrant labour and purchaser of transport and tourism.

The colonial structure was dependent on the settlers' role as purchasers, managers, and professional through to semi-skilled operators. Predictably, it does not work well today, with the exception of those sectors of little interest to, or repressed by, Portugal, eg some elements of peasant agriculture, and those export enclaves in which a 'new bargain' with a foreign company has been achieved, eg oil and diamonds in Angola.

Training citizens, reconstructing institutions, bargaining with foreign firms can – indeed since 1978-79 is beginning to – restore output and exports within the existing parameters of productive forces. But that is still not adequate for the purposes of people-oriented development. The mix of output as of the nearly 1970s was inadequate for the physical provision of basic consumer goods and basic public services to the majority of workers and peasants. Nor was it adequate for making substantial inputs into construction and capital goods. Similarly, the infrastructure was designed to serve the colonial economy, (or, in the case of Mozambican power and transport, the economies of Southern Rhodesia and South Africa), not broadly-based national or regional development.

The dominance of exports was more a symptom than a cause of under and maldevelopment. Mozambique, in particular, has too few exports and too unsound a market mix for those it has. South Africa is the main market for power, transport and migrant labour. Mozambique must raise export levels to be able to buy the imports needed to create a new domestic, 'need-oriented' production pattern and higher output per capita. The colonial economic system, from the perspective of Angolan and Mozambican workers and peasants, misused export proceeds, and failed to build a domestic economic base.

Opposition

By definition a revolution results in class, interest and individual losers. If able, they will seek to sabotage, contain or reverse it. Angola and Mozambique demonstrate that proposition and also the complexity of the pattern of enemies to the revolution and their reactions to it.

Ironically many major corporations have made their peace with Angola and Mozambique. Gulf Oil, Lonrho, Anglo America, Boeing, David Rockefeller (as a banker and a business spokesman), all see actual and potential mutual business interests. They deny any ideological impediment is sufficient to prevent growing economic relations and oppose attempts to isolate, destabilise or overturn the revolutionary party governments.

With a handful of exceptions, notably Sweden and recently Portugal, capitalist industrial state attitudes have ranged from caution, through rather grudging acceptance tied to conditions which virtually prevent response, to overt attempts to isolate and, at the least, encourage destabilisation (notably the US). Angola and Mozambique perceive themselves as isolated, not isolationist.

Settlers and expatriates have destabilised by leaving en masse. The small minority who stayed have been vital in keeping the economies and governments running, but they are at most 5%. Many left even when attractive contracts of service were offered. Some have busied themselves in counter-revolution, eg the settler revolt in 1975 in Mozambique, aimed at reacquiring local power in what would be South African sponsored neo-colonies.

The most bitter enemy is South Africa. Angola, Mozambique and Rhodesia were its geo-political buffer zone, and its

hopes for a Southern African 'constellation' of 'like-minded' states. Successful non-racial governments, prospering economies and increased self-reliance, individually or worse, collectively, by its neighbours would undermine South Africa's entire 'national security state'. For that reason Angola and Mozambique have never known a day of real peace. South African raids, invasions and build-up of pseudo-liberation movements (MRM in Mozambique, UNITA in Angola) have exacted a rising economic, social and political cost. Not merely are resources diverted, output lost; a state of war makes broadening participation and trusting people infinitely harder.

Garrison Societies

Mozambique and Angola are in varying degree garrison societies, polities unable to devote their full efforts to reconstruction, economies under siege. That is the price externally-backed armed resistance had imposed on revolution. The disruption of rural output and of transport, especially in Angola, has required massive food imports and often made rural production or distribution problematic.

The price of passive resistance to the regimes is seen in general falls in output over 1974-78 with the loss of skilled personnel leading to breakdown of many production and service units and loss of institutional memory. It is also reflected in the need to ensure middle-class loyalty by allocation of resources to amenity goods supplies (admittedly at prices above those for basic rationed allocations). The need continues for a security and inquiry system to identify the very real persons working to disrupt. That price is heightened by the externally-based armed resistance. Resources allocated to the army cannot be used to revive rural transport. Blocking spying and sabotage requires a pervasive security system and a high degree of wariness and suspicion.

The Future

Change has been won in Angola and Mozambique. The initial falls in production have been halted and in part reversed. The initial social and, especially in Mozambique, political gains have been maintained and extended. To date, South African-based banditry and invasions do not threaten the socio-political viability of the states nor their complete economic breakdown.

But 'Victoria e certa' is a commitment and a faith, not an assured reality. The global recession, the 1974-78 loss of productive forces and the external destabilisation have imposed terrible strains on weak economic and weaker person-power structures. Until South Africa is forced to stop invading and encouraging insurgency, economic reconstruction will be slow. This could be achieved by effective trade and investment sanctions on South Africa by the Western powers. Until reconstruction has proceeded substantially and/or the global recession turned to recovery, the balance of payments constraint will continue to prevent any significant increases in personal consumption.

The commitment of Mozambique and Angola to reducing external dependence (especially on South Africa) via the Southern African Development Coordination Conference (SADCC) is a major initiative with substantial potential. Dependence can be reduced more rapidly and at lower cost at a regional rather than a national level in transport and communication, industry, agriculture and energy. Further economic coordination both reduces the isolation of Angola and Mozambique, and increases the ability of each state to stand up to South Africa directly.

However, without more global pressure on South Africa to cease and desist, and more active understanding of, and cooperation with, Angola and Mozambique, the short-term future is not bright, and the medium-term problematic. 'The struggle continues' and is sustained by a commitment to victory which deserves far wider support in the West than it has received to date.

Has China ever sought to be self-reliant? John Gittings thinks not.



SALLY AND RICHARD GREENHILL

'It is very dangerous to depend on foreign countries...', Mao Zedong once said, arguing that China should 'not depend on others as a matter of principle'. His views on self-reliance prevailed until the last years of his life, when a fierce argument over the import of foreign technology featured largely in the power struggle of 1975-76. His successors now proclaim a policy of the Open Door, and this year have said that they will begin to use the extensive lines of credit – almost US\$20 billion – already offered by foreign governments and banks to help 'modernise' China.

But the reversal of policy is not so neatly linked to political change as appears at first sight. The policy of self-reliance developed in the context of necessity; the fact was that China had been excluded from the bulk of Western technology for nearly two decades not because Mao shut the door, but because of the US trade embargo and pressure upon its allies. Soviet aid to China primed the pump of economic rehabilitation in the 1950s, but in 1960 was cut off by Khrushchev.

Foreign admirers of the 'Chinese model' gave it more theoretical consistency than it ever possessed. Mao himself could speak temptingly of Western participation in Chinese economic development when he had the right audience. In 1945 he told an American diplomat that China could provide 'an outlet for (US) capital investment'.

What really broke down Western trade barriers was not Mao's death but the Nixon visit nearly five years earlier. This mended US-China relations, brought Peking into the UN and opened the world market to it. China then tried to pursue a half-way policy of economic Westernisation, buying large quantities of plant but refusing even the most limited credit line. In 1974 the Trade Minister insisted that 'China will never try to attract foreign capital, or exploit domestic or foreign natural resources in conjunction with other countries'.

But China's exports could not increase fast enough to satisfy the growing demand for Western technology, championed by the 'economist' group led by Vice-Premier Deng Xiaoping. In 1975-76 Deng urged that China mortgage its oil surplus and coal reserves in order to speed up the inflow of

new technology. The Maoist 'Gang of Four' accused Deng of inviting imperialism 'to plunder China's natural resources and bleed its people'. Deng lost that battle temporarily, but his views prevailed after Mao's death and the arrest of the Gang.

After Mao

Deng's approach is backed up by growing demands of the Chinese people for higher standards of living. A healthier and better educated population no longer compares the present situation with the pre-Liberation years of famine and deprivation. Foreign tourists, films and television heighten the demonstration effect of the outside world.

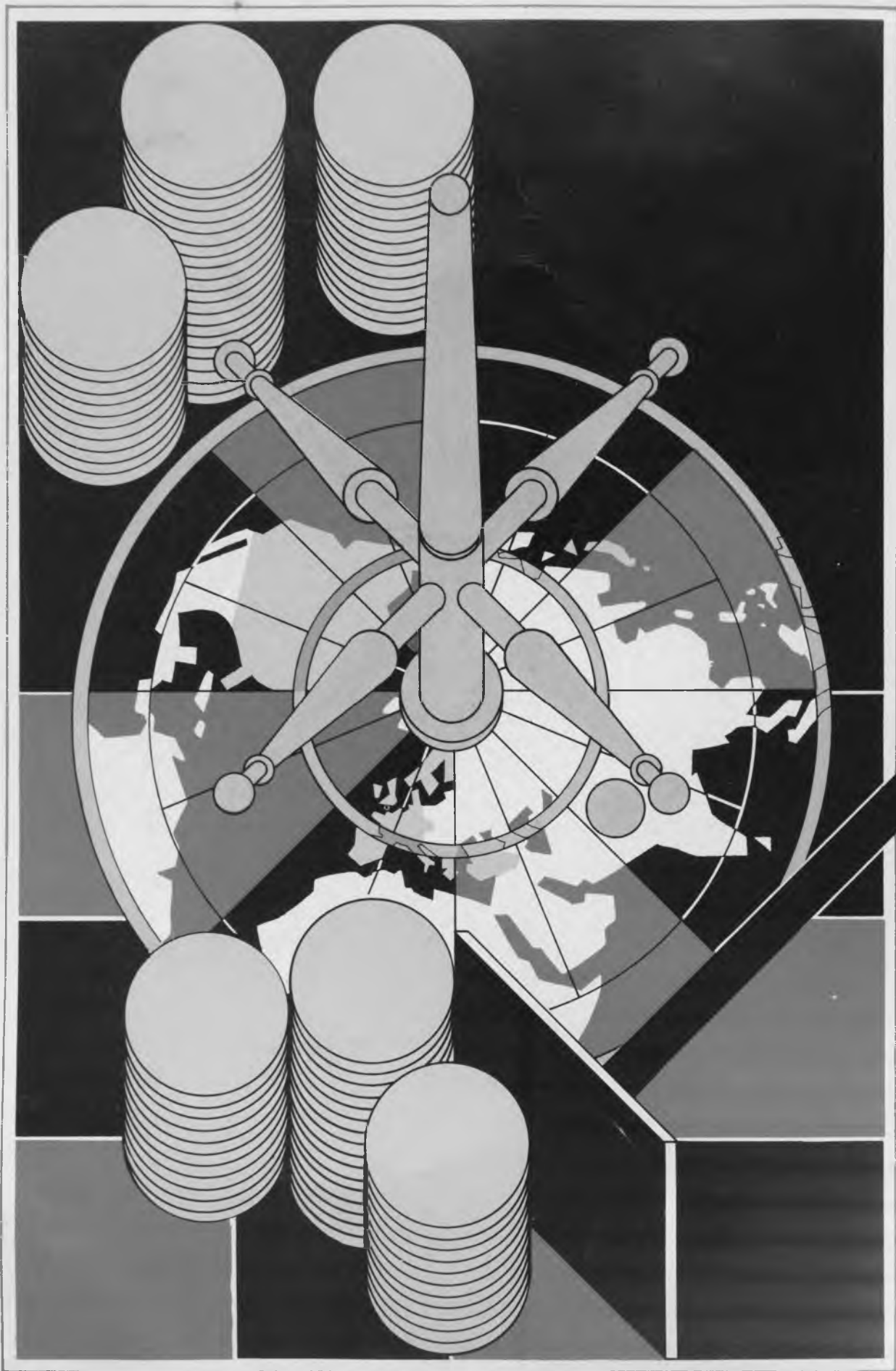
The rejection of the Cultural Revolution's ideology also reinforces consumer demands and legitimises a desire for the best and the most modern. Though Mao wanted China to become a leading world power, he set economic growth within a political context which in practice favoured a low wage, labour-intensive society and frowned on inequality and material ambition.

The new leaders, with a fair amount of popular support, have rejected Mao's emphasis upon strengthening the political framework for the 'transition to communism'. Now they proclaim the inevitability of the First Economic Law of Socialism – which is, 'to secure the maximum satisfaction of the constantly rising material and cultural requirements of the whole of society'.

Since 1979, China has already absorbed the equivalent of nearly \$1.8 billion in direct foreign investment, more than a quarter of which is in joint-venture projects mostly located in the new Special Economic Zones. Commercial foreign borrowing has started cautiously but could reach \$3 billion by 1985. Extravagant Western hopes of 'the market of a thousand million' may still be disappointed, but a fundamental shift has occurred in Chinese economic theory and practice which cannot easily be reversed. Marx and Engels themselves, argued the Chinese journal *Red Flag* in April this year, pointed out long ago that 'the closed-door and self-sufficient outlook was gradually becoming a thing of the past'.



The Cultural Revolution



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