

Guys: Some sections of this document have been deleted (to make life a little easier for you—smile). Yes. You must read the footnotes too! I didn't write them for my own amusement!

[.....]

In essence structural adjustment called for a drastic reduction of state participation in the economy and society, in consonance with the theme of the supremacy of market forces that underlay and unified these principles, and firmly eschewed any attention either to the history behind the rise of Western capital or to the inequities in domestic and international social relations of production in the present.<sup>1</sup> The strategy originally arose out of a misguided characterization of a number of PQD economies (e.g., some African economies) as, in not so many words, “socialist”—and therefore perceived as not only inherently inefficient but viewed ideologically as highly undesirable, especially in the context of the cold war—because of the large economic role accorded to state and *parastatal* corporations.<sup>2</sup> (Interestingly, South Africa appeared to be off their radar screens even though, as we have seen, its manufacturing sector was dominated by the state.)

The practical policies that ensued from this strategy included a wholesale move toward unconscionable privatization of as many traditional government functions as possible (to reduce the public wage, not withstanding that it directly contributes to the quality of life of the citizenry); devaluation of national currencies; elimination of barriers to currency convertibility; implementation of packages of deep austerity measures in an effort to balance national budgets; removal of state subsidies and price controls; renewed emphasis on agricultural production for export (in consonance with the theory of comparative advantage); removal of controls on trade and payments; the auctioning off of national resources to foreign capital at fire-sale prices; and a reduction and rationalization of bureaucracies (see Biersteker 1990). Most of these neoliberal measures when taken together came to be referred to as the “Washington Consensus” (on the solution to the economic woes of PQD countries).<sup>3</sup> In reality their net effect was to benefit the continued domination—as well as its further deepening—of the PQD countries by transnational monopolies (most of whom are domiciled in the West). While it is true that advocacy of *some* of these measures was certainly a step in the right direction, given the level of both corruption and technical

1. See, for example, World Bank (1981)—also known as the *Berg Report*—where the structural adjustment strategy received its first full airing (with Africa as the test-ground).

2. There was a complete failure here to understand that in reality these were still capitalist economies, except that while the major means of production was state-owned, the appropriation of surplus took place for the most part at the individual level (politicians and bureaucrats). At the same time, there was little appreciation of the roots of the development of state capitalism in Africa: colonialism had left the state as the only indigenous player with access to reasonable amounts of capital. The obsession with market-driven economic growth strategies, one must add here, however, went beyond echoes of cold war rhetoric. As Surin (2003) points out, even in circumstances where judicious state intervention in the economy had been the hallmark of capitalist economic success—as in East Asia—the World Bank did everything it could to downplay this fact even as it touted the so-called *East Asian Economic Miracle*. The fact is that no matter what the World Bank experts said, they were absolutely wrong on at least two counts if one examined the circumstances of such newly industrializing countries in Asia as Hong Kong, Singapore, South Korea, and Taiwan: state intervention in the economy was necessary, and higher education (though broadly defined) had an important role in their economic development. Now, to be sure, there were many other variables that accounted for the phenomenal success of these countries in registering average growth rates in the order of 7% per capita GNP, decade after decade, and in the process radically transforming their countries into relatively powerful economic players in the global market. However, it is also clear that the state had played a very crucial role in directing economic development by means of policies of judicious intervention in various economic sectors—in fact it would not be an exaggeration to say that in most of these countries dirigisme had been the order of the day. Notice also that an important difference, which somehow completely escapes the experts at the World Bank, is that in much of Africa, capital is foreign-owned. In Asia, in relative terms, this has not been the case; there for a long time much of capital was locally-owned and only later did they begin to allow foreign capital to come in and form partnerships with local capital. What the East Asian economic “miracle” appears to suggest is that in terms of successful economic growth (not necessarily development—for the jury is still out on whether all, or even simply the majority, in those countries have benefited from the miracle) three conjunctural factors (the key word here is conjunctural) are essential: political stability (though not necessarily accompanied by democracy one must admit—how else can one account for the growth-friendly wage/productivity ratios [“slave labor”?]), local ownership of capital, and judicious intervention by the state in the economy (which includes production of human capital, meaning development of the higher education sector—beyond just the universities). With respect to all these three factors the World Bank has traditionally been out of tune with reality in terms of its policy prescriptions and practice. Two other points need to be noted here: as the headline-grabbing financial crisis in East Asia a decade ago has demonstrated, there are limits to the economic miracle; however, what is even worse for them is that the policy prescriptions of the IMF and the World Bank have placed the economies of those who were persuaded to adopt them in even greater jeopardy over the long-run (see, for example, the discussion by Medley and Caroll [2003]). At the same time, in the absence of this tri-partite conjuncture, a strategy of structural adjustment could only be a policy prescription for economic disaster, as country after country in Africa has found out over the past decade and a half. Now, although the South African economy does not necessarily share all the debilitating features of economies in the rest of the continent, it is still a part of the PQD ecumene with all the attendant disabilities. For more on the so-called *East Asia Economic Miracle* see, for example, Dasgupta (1998); Burkett and Hart-Landsberg (2000), Hart-Landsberg and Burkett (2005); Ohnu and Ohnu (1998); Rao (2001); the World Bank's mea culpa: Yusuf and Stiglitz (2000); and Wade (1996).

3. The self-confessed father of the phrase “Washington Consensus” is one John Williamson, a senior fellow at the conservative (neoliberal) Washington-based think tank, the Institute for International Economics. See his summary and discussion of the term as he defined it, together with a critique by others in the work edited by Auty and Toye (1996). See also Stiglitz (2002), and Kuczynski and Williamson (2003). It should be noted that the neoliberal penchant for “less government” does not appear to extend to the military-industrial complex. Here, the neoliberal, quite hypocritically, is all for massive government expenditures on weapons production and allied industries.

mismanagement, when the package is taken as whole it has been a prescription for disaster (in other words, the prescribed cure has been worse than the disease). Why? A central component of the basis of the economic ills plaguing Africa was never addressed (and could not be addressed given the ideological underpinnings of the consensus): the web of Western-dominated international economic relations in which Africa has been enmeshed for centuries ever since it was forged in the wake of 1492—ranging from unnecessary heavy debt burdens to inequitable terms of trade; from unfair trade policies to resource squandering and environment degrading investment projects; from economically crippling extraction of investable surpluses to import-dependent investment enterprises. In other words, in the absence of other much-needed reforms—especially in the political realm domestically, and the economic realm, internationally—whatever benefits may have accrued to the structural adjustment strategy have, after more than twenty years, yet to materialize. As *The Economist* (a magazine that is *de rigueur* reading for Western conservatives) observed in a survey of Africa: “Sub-Saharan Africa... is the world’s poorest continent: half of its 700m[illion] people subsist on 65 U.S. cents or less a day. Even more worryingly, it is the only continent to have grown poorer in the past 25 years, despite the explosion of technology and trade that has boosted incomes in other regions” (2004: 3–4).<sup>4</sup> The case of Zambia is classic: it is among the most structurally adjusted countries in Africa; yet, it has failed to halt its descent from a country with among the highest per capita income in Africa at the time of independence, to one with among the lowest today—in fact, in terms of development indices, it ranks among the poorest in the world. In other words, to quote Leys (1996: 103), “it remains one of the bitterer ironies of the last two decades that so many of the poorest people in the world were forced to become even poorer, and in many cases to endure unspeakable suffering, through the imposition of Structural Adjustment Programs justified in terms of ‘rational choice.’”

As can be gathered from the foregoing, the crux of the structural adjustment thinking is that those who are deemed to need it are responsible for their economic predicament. It is, in other words, a classic blame-the-victim strategy much beloved by the West whenever issues of global economic injustice are raised by PQD countries. Schultheis, writing more than two decades ago (1984) described this approach, which has been a central theme of the numerous World Bank reports and documents on Africa, well: “Scapegoating the victims seems to be a popular pastime in the drawing rooms of the wealthy. These World Bank reports, supported by country and sectoral studies, of many African nations, manifest this same tendency of ‘blaming the victims.’ They are classical expositions of ‘horse and sparrow economics,’ patronizingly instructing the sparrows to improve their techniques so that they might more completely pick out the oats in the horses droppings. But they are deadly serious, as the geography of hunger and hunger-related deaths again expands” (p. 9).<sup>5</sup>

Running through our expose of the theoretical underpinnings of the ideology of globalization is a subtext that we must make explicit: that the belief by the Bush-Cheney Administration and its allies in the West that unbridled accumulation by the forces of transnational conglomerates would sweep away impediments to equitable and self-sustaining economic growth in both the West and in the PQD ecumene—leading to a global nirvana of peace, security, and well-being—is patently false. Instead, what we are witnessing today is an accelerated march toward deeply uneven and dependent economic growth against a backdrop of an ominously explosive increase in the power of the transnational corporation on one hand, and on the other, a massive assault on the quality of life of the majority across the planet (not to mention the unconscionable erosion of the planet’s capacity to support *all* life), symptomatic of which is the clearly upward spiral across the world, including the West (as a look at any evening news broadcast of any news agency will demonstrate) in all that is civilizationally regressive in human societies: wars; terrorism; massive violations of human rights (from torture to illegal detentions to extra-judicial killings); human trafficking and slavery; violence against women; political and economic corruption; drug-trafficking, the economic and military exploitation of children; racism; sexism; xenophobia; ever-widening wealth and income inequality; skyrocketing food prices; the unleashing of new diseases through environmental degradation; “medical experimentation,” in effect (if not intent), on human beings by pharmaceutical corporations beholden only to deliberately ineffective regulatory agencies; the unconscionable expansion in the production and sale of armaments; the rise of cynical, corrupt, and immensely greedy ruling elites; and so on.

Regarding South Africa specifically, it should be clear, then, that as long as U.S. economic relations with that country continues to remain in the direction of a steady march toward a reincarnation of the laissez-faire economics of the mercantilist Columbian era (which is what, in the final analysis, today’s globalization really is) the future of South Africa portends a grim scenario akin to the one in Zimbabwe today. But we cannot end on such a pessimistic note because it assumes a complete passivity on the part of the South African majority—which is simply unwarranted. It is not out of the realm of the possibility that forces may arise in South Africa (perhaps under the aegis of a new political party—even the SACP is now too compromised with its unquestioning alliance with the ANC) that can push toward neoradical economic change in support of true (corporeal) democracy and not simply procedural democracy, that while leaving capitalism intact in principle, would move South Africa toward a more balanced social structure by means of greater equali-

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4. Of course, in the typical Eurocentrist fashion it lays the blame for this circumstance squarely on Africa itself: “Why is Africa so poor?” it asks. “The short answer... is ‘bad government’” (2004: 4). It conveniently forgets that good government while highly desirable for its own sake, in of itself it can do little in a structurally inequitable global economic environment dominated by Western corporate capitalist interests.

5. One must also note here that the structural adjustment approach smacked of a considerable degree of blatant hypocrisy: social expenditures were legitimate for Western countries in order to provide their citizenries with economic “safety-nets” (measures ranging from health insurance to unemployment insurance to food-stamps), but they were deemed illegitimate for the PQD countries. For more on the structural adjustment strategy in the African context see also Mkandawire and Soludo (2003); Schatz (1994); Sender (2002); and Van de Walle, Ball, and Ramachandran (2003). Additionally, Biersteker (1990), Hutchful (1995); and Schatz (1996) are also relevant here because they demonstrate the weakness of the strategy on its own conceptual merits. For structural adjustment from a global comparative perspective see SAPRIN (2004)—a visit to their website, [www.saprin.org](http://www.saprin.org), is also helpful. For a more sympathetic view of the bank’s role in Africa see Kapur, Lewis, and Webb (1997).

tarianism across both race and class. Of course, it goes without saying that there also has to emerge within the United States enlightened thinking that would see such neoradical change as not only necessary in moral terms (the wealth of South Africa belongs to all its citizens, not just the elite), but in the long-term interest of the United States as well—because an economically vibrant, stable, and truly democratic South Africa spells good for all concerned, inside *and* outside South Africa.<sup>6</sup> (Moreover, as Leys (1996) reminds us, the citizenry in the West is not immune from the depredations of the forces of globalization either.)<sup>7</sup>

What kind of neoradical economic change one has in mind here? Most certainly it would not be a move toward socialism in the classic sense. Not only because Western capitalist hubris, especially that nurtured under the leadership of the United States, would not permit it (as we have already seen in the cases of Angola and Mozambique), but in reality socialism appears to be structurally incapable of unleashing the economic forces of production on a scale necessary to secure the long-term economic health of a country's entire citizenry.<sup>8</sup> Yes, it is true that in Southern Africa at least (and this holds true elsewhere too), the “socialist experiment” never really got off the ground given the internal and external forces arraigned against it. As the late Joe Slovo reminded us:

The opponents of socialism are very vocal about what they call the failure of socialism in Africa. (They conveniently ignore the fact that most of the countries which tried to create conditions for the building of socialism faced unending civil war, aggression and externally-inspired banditry; a situation in which it is hardly possible to build any kind of stable social formation—capitalist or socialist.) But they say little, if anything, about Africa's real failure; the failures of capitalism. Over 90% of our continent's people live out their wretched and repressed lives in stagnating and declining capitalist-oriented economies. International capital, to whom most of these countries are mortgaged, virtually regards cheap bread, free education and full employment as economic crimes.... (From extracts reprinted in *Africa News* 33, no. 3 [February 26, 1990]: 4, 11)

While capitalism has achieved the status of religion in the Occident, and there is no shortage of converts as millions clamor to join it in countries recently freed from the shackles of Stalinism (Poland, Bulgaria, Rumania, East Germany, and so on)—and even the rhetorically Communist China is firmly atop the bandwagon—we must be reminded that the development of capitalism at the global level has also meant unprecedented suffering for vast populations in the world via colonialism of yesteryear, and the neoimperialism of today. From the First Americans in the jungles of the Amazon to the native peoples of Borneo and Sumatra, from the First Americans in the Arctic to those living in Tierra del Fuego, from the peasants in Africa to the peasants in the Philippines, the advent of capitalism has brought the rape of their people, their freedom, their land and resources, and their culture, by foreigners *and* their domestic allies. What is more, tragically, this scenario continues to play out even as these words are being written. Capitalism has reduced two-thirds of humankind to bondage, where the shackles and whips of yesteryear have been replaced by the invisible but unbreakable forces of investment capital and world commodity markets that bind them in servitude to the remaining third in the West. For the blacks of South Africa specifically, the development of racism and later its juridical manifestation, apartheid, had been inextricably and dialectically linked with the development of the capitalist economic system. Therefore, no matter how wonderful capitalism may appear to those who became its first beneficiaries, that is those in the West, in places like South Africa it has been the cause of much misery for the vast majority. And even today as we move toward the end of the first decade of the twenty-first century, as freedom from apartheid has now become concrete reality, the vast majority of blacks, the peasants and the workers, can look forward to continued economic tyranny under an economic program based on unrepentant capitalism that ANC-GSA and its allies are presiding over.

Yet, despite all the ills we can associate with capitalism we are faced with one fundamental problem: the competing economic system, socialism, as just noted has severe structural limitations stemming from its overreliance on moral exhortation to guide political and economic behavior, on one hand, and on the other the reliance on state monopoly over the means of production; which in practice has meant degeneration to little more than state capitalism (where the ownership of the means of production is public, but the consumption of surplus is private—usually restricted to the bureaucratic bourgeoisie and its allies). The experiences of Communist Eastern Europe and Communist Asia have unequivocally demonstrated that industrialization and economic growth requires some form of capitalism. However, what they have also shown is that it cannot be state capitalism. The state can play an entrepreneurial role, but it must be a peripheral one and not a central one. That is, the greater portion of the economy must be privately-owned, not state-owned. To date, it would appear, nowhere in the world has a state-owned business enterprise managed by state appointed bureaucrats ever outdone its competition in terms of business success—with all other economic conditions being equal. The reason for this is very simple:

6. Though, at the moment, the current attitudes of opinion-makers in the United States do not leave one with much optimism in this regard; as an example, consider how they have treated a country that has been attempting to re-engineer its social structure toward greater egalitarianism, *but still within the confines of capitalism*. reference here is to oil-rich Venezuela which has been the target of the wrath of the Bush (Jr) administration because the country under the leadership of the bombastic but well-meaning Hugo Chávez has dared to offer to his people free education, low-cost housing, and health care as part of a broad package of policies aimed at redistributing the resources of the country from the rich to the poor (the rich include in this instance the “labor aristocracy”).

7. As he explains:

By the early 1990s these [OD] countries were adjusting to a world in which capital is free to move to wherever its total production costs are lowest, while at the same time rising productivity is continually reducing the demand for labor and lowering trade union bargaining power. The general result (most marked in the U.K. and the U.S. A.) has been declining real wages for the least skilled, dramatic increases in inequality of incomes and wealth, higher unemployment and declining levels of collective provision across a whole range of goals that only yesterday had defined the kind of societies people wanted to live in (such as support for gender and other kinds of equality, and the steady improvement of social services and social security) with corresponding increases in social distress, marginalization, racism, crime, violence and political alienation. (p. 194)

8. It is not without reason that even in the post-cold war era, the United States continues to maintain an overt military presence in numerous countries on almost every continent across the planet. No other country comes close to this level of military power projection (and we are not even talking about the activities of such other USG entities as the CIA). In other words, the termination of the cold war has finally revealed the true purpose of this projection: to ensure that the global dominance of U.S. capital remains unchallenged anywhere on the planet. (Note: the “war on terror” issue arose more than a decade after the end of the cold war.)

the state is a bureaucracy, and bureaucracies are not designed for optimum creativity, productivity, etc. necessary for success in the world of business. The criteria of success for participants in a bureaucracy has almost no relationship with productivity. Internal bureaucratic “politics” is the principal criterion of success. Therefore, when state capitalist enterprises come to dominate an economy then it essentially signifies the kiss of death for that economy.

In light of the foregoing, the crux of the problem that countries such as South Africa face today, is to develop and sustain, to put it some what crudely, a form of capitalism with a human face (or socialism with a capitalist face?). Both Stalinist and Maoist style “socialisms” unquestionably went as far as they could go at the economic level. (At the political and social level—in terms of human and civil rights—they had always been bankrupt.) But is capitalism with a human face, *democratic-capitalism* (demcap) for want of a better term, possible? Or is it a contradiction in terms? With proper planning coupled, of course, with political will it is possible. What would a demcap economic strategy look like in post-apartheid South Africa in dealing with the mass poverty, which encompasses both the urban and the rural, the country faces?

Noting at the outset that what follows should be viewed strictly as a guideline for provoking thought, on the basis of ideas extracted from both “dependency” and neoclassical development economics literature,<sup>9</sup> this is what it can look like:

- Implement a basic minimum-wage and benefits package for farm-workers coupled with provision of land-use rights on the farms where they work to grow their own food.
- Set a maximum ceiling for farm sizes because contrary to conventional agricultural economics, the larger the farm the less efficient it becomes, beyond a certain point, in PQD countries.<sup>10</sup>
- All unused agricultural land owned by absentee landlords must be expropriated (without compensation) and re-divided among landless peasants.
- Abolish the real estate sector altogether, with all land thereafter belonging to the state. Land owned by foreigners must be expropriated with minimal compensation. As for South African landowners they would be permitted to pass their land onto their heirs in perpetuity (as long as their heirs continue to use it), but they would not be permitted to sell it to others.
- Large farms producing non-food annual crops must be expropriated, but with compensation, for re-division among landless peasants.
- Develop high-level infrastructural facilities aimed at assisting peasant farmers to become small-holder commercial farmers.
- Develop a program for small-scale, rural, agrarian-based industries.
- Guarantee repatriation of profits without taxation by foreign-investors on the basis of differential percentage of total profits, linked to (i) the length of time they intend to stay in South Africa (ii) sectoral location (iii) geographical location and (iv) the nature of their economic enterprise. For example, a foreign investor setting up a machine-tool factory in an area of much unemployment and intending to be in South Africa for at least 50 years may be allowed to repatriate 100% of tax-free profits made in the first ten years. In subsequent years the percentage would be lowered until only profits on which taxes have been paid can be repatriated.
- Permit only joint-venture foreign-investment in which 51% share would belong to the foreign-investor, while the remaining 49% would belong to workers (not the state) employed in the venture.
- Prohibit foreigners from access to South African-generated credit.
- To ensure that the rate of return to foreign businesses is competitive with average world rates, tax and wage levels must be set appropriately.
- Domestic investors with a work-force of 100 or more employees must be asked to sell their businesses via shares to their workers on a 80% to 20% ratio, where the workers would own 80% of the shares and the owner 20%.
- Develop legislation aimed at ensuring that both the human and natural environments are fully protected against the negative consequences of industrialization. One such legislation would forbid, for example, the import of any products or services that are forbidden within their country of origin. Another would aim at the preservation and nurturance of ecosystems by means of self-sustainably viable wildlife sanctuaries.
- Eliminate entirely the consumer advertisement industry. This capitalist sector has no development value whatsoever other than to encourage bourgeois and petit bourgeois capitalist consumption patterns.
- Establish infrastructural facilities to assist small business enterprises.
- Enterprises in four sectors, banking, insurance, utilities, and land-transportation must be expropriated, but with compensation, and then resold to their workers on the basis of a 60% to 40% share ratio, in favor of the workers—the 40% would be owned by a state corporation. The compensation must be on the basis of current market value minus the difference between the wage of the individual white worker and the individual black worker calculated for the entire labor force for the entire life of the business operation. (In other words, the value of the enterprise derived from the practice of racist discrimination must be factored in when determining the final compensation figure.)
- All state enterprises (and all new domestic privately-owned businesses with 100 or more workers) must be organized on this same 60%-40% share-holder principle. (However, workers would not be permitted to own shares in businesses they do not work for.)
- Prohibit the import of absolutely nonessential goods and commodities either in whole or in part to conserve foreign exchange. (For example, frog legs and escargot are not essential food commodities.)
- Develop a massive public-works program, based on wages in kind (food and clothing) for the construction of new housing, schools, and hospitals in both the urban areas and the rural areas.
- Establish microcredit institutional structures *a la* Grameen Bank to assist the poor financially.<sup>11</sup>
- Establish appropriate value-added percentages for a given raw material before it can be exported.

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9. The literature on this subject is vast indeed; however these three books *considered together* should provide a quick overview of the key issues involved: Chilcote (2003), Peet with Hartwick (1999), and Thomas and Allen (2000). In addition, the reader will be well-served by also looking at these two books that contain within them the spirit of what is being advanced in this chapter: Richards and Swanger (2006) and Robbins (2008).

10. See, for example, Berry and Cline 1979.

11. See Yunus (1999) for a look at what one may label as the “Grameen Principle” of microcredit lending. Note: His advocacy of a socially responsible *alliance* between capital and the poor (an extension of the Grameen principle to the wider economy, with the cooperation of capital and which he terms “social business”), as explained in his most recent book (Yunus 2007), is also in line with the spirit of what is being advocated here and, like microcredit, must be championed too—with measures such as appropriate tax-breaks and the like.

- Establish a rainy-day *sovereign wealth fund* for the absolutely exclusive use of meeting *capital* account expenditures as an insurance against lapses in the development and maintenance of macroeconomic infrastructural facilities during economic downturns. The board of directors of the fund would be drawn from all sectors and across all major social groups. At the same time, the fund would only invest in socially responsible corporations.<sup>12</sup>
- Establish an “economic parliament” comprising elected representatives from private industry, local and foreign business, public and private professions, worker organizations, and representatives from commercial agriculture that would be in charge of drawing up five-year national economic plans, and suggesting economic legislation that it would then recommend to the national legislative body for adoption. That part of the economic plan applying to the commercial, agricultural and industrial sectors would not be mandatory, but would be implemented via incentives (such as tax relief).

The overall long-term goal of a demcap program would be, therefore, to strategically modify the social structure intrinsic to capitalist societies, without fundamentally attacking capitalism itself, so as to narrow the unconscionable and dangerous gap between the rich and the poor (and thereby provide true meaning to the word “democracy”) by means of these objectives: (a) Ensure as full employment with as little exploitation (understood in the conventional sense not in the Marxian sense) as possible for all.<sup>13</sup> (b) Encourage foreign-investment and technology, but only in key industrial and manufacturing sectors. (c) Prevent the disruption of the food-producing sector of agriculture. (d) Discourage the development of a parasitic bourgeoisie and petite bourgeoisie. (e) Prevent the development of monopoly capitalism by making individual capitalist enterprises worker-owned and managed through majority share-holding. (f) Encourage balanced economic growth that would minimize income gaps. (g) Develop avenues for forming nonexploitative economic alliances with neighboring countries in the region. (h) Work toward an economic future that emphasizes self-reliance, nonexploitation, and economic development against a backdrop of enlightened economic management.

In the final analysis then, the basic challenge is how to permit private (capitalist) enterprise that is so essential for economic progress without it becoming the basis for the development of a parasitic bourgeoisie that would then “hijack” this economic progress for its own ends, and thereby condemn the rest of the populace to lifelong economic misery. No economic strategy is value-free. Hence admittedly a demcap program would have to make some compromises regarding exploitation of one class by another.

But how realistically can the United States (together with its Western allies) be persuaded to support a demcap economic program in South Africa, and elsewhere for that matter? If a movement develops among them sufficiently powerful to advocate for a just world economic order on one hand, and on the other the attenuation of what appears today to be the limitless power of the transnational conglomerate to pollute the planet, exploit workers in near slave-conditions, corrupt democratic political processes, and to blackmail governments, then one can foresee the possibility of a future where the West will see sense in permitting (and perhaps even encouraging) economic reform across the planet on demcap principles (including within its own constituent countries). The ongoing reinvigoration of the environmental movement within the West, including the United States, in response to the human-induced climatic phenomenon that we now know as “climate change” (the failure of the United States, Russia and a few others to sign the modest *Kyoto Protocol* notwithstanding) suggests that enlightened movements for social change that would challenge the enormous power of globalized capital can arise. The important point here is that it has to be an alliance of grass-roots “people-power” movements in both the PQD and the OD countries across the planet, much in the same way that the antiapartheid movement was, to an appreciable extent, such a movement. The recent collapse of states, and ideological “regimes”—as a consequence to a significant extent, even if not entirely, of the cumulative actions of ordinary citizenry—that at one time appeared hopelessly invincible (e.g., the former Soviet Union, apartheid South Africa, Stalinist communism, and the cold war) within the life-time of an individual, surely, ought to lend credibility to this line of thinking.

Since this chapter is concerned about the future, it would not be out of place to conclude by suggesting perhaps an even more bolder strategy. Why not consider the matter of the problem of the democratization of the South African economy as one rooted in an entirely erroneous conception of what “development” truly means, and, therefore, mandating movement away from a Eurocentric understanding of development toward a new, wholesome and *earth-friendly* concept of development? Consider the problem: As Caufield (1996: 331) reminds us, in 1948 the average annual per capita income was around U.S. \$100 in PQD countries as against \$1,600 in the United States. Today the ratio is in the order of \$1,000 as against \$23,000 (these averages, it may be noted, mask deep inequalities among the PQD countries themselves too). Now, can one legitimately argue that this enormous and ever-widening gap between these two different parts of the world has nothing to do whatsoever with the global policies of the rich (mainly Western countries) which have their roots in the colonial period—and further back? The truth is that by never considering these kinds of matters in a historical context, one can sink back into the comfort of a general amnesia that allows one to resort to theories that at their core are driven by the project of “blaming-the-victim.” Hence, for instance, the common tendency of the OD countries (including often even those directly involved in the development-aid business), is to “forget” that the global inequality between them and the PQD countries is neither divinely mandated nor genetically predetermined; it is a function of human engineered international economic, political and legal structures in which those who garnered initial economic advantages through accident of history have shaped the “rules of the game” to maintain and bolster these advantages. It must be remembered that the conditions of poverty or wealth are not a matter of choice for

12. Assuming you have investments, are you, dear reader, a socially responsible investor? Visit this web site for an introduction to socially responsible investing: [www.socialfunds.com](http://www.socialfunds.com)

13. Exploitation in the Marxian sense would be impossible to prevent as long as there is capitalism. For, by definition, capitalism embodies exploitation of the worker by capital where the worker is paid according to the number of hours he/she works rather than according to the amount of work he/she does in the same number of hours. It is out of this mechanism that capital is able to generate profits for its own exclusive use.

most people at the group level (and probably at the individual level too). The poor are not poor because they have chosen to be poor. What is even more ironic, tragically, is that the solution being advanced by the ruling elites of the West is more of the same under the new mantra of “globalization”; which its proponents disingenuously refuse to point out, is nothing more, *at its fundamental core*, than an intensification at the global level of capitalist accumulation—in principle, no different from the globalization of the post-1492 imperialist era (even if the form of capital has changed in that the modern transnational corporation is a vertically and horizontally integrated *monopolistic* economic behemoth).<sup>14</sup>

The issue being raised here, however, transcends this traditional concern (over undemocratic global structures and exploitatively mindless accumulation) among those involved with the struggle for development in PQD countries: the problem is not only one of transforming the existing structures of the global economic order toward greater equity, but one also of *conceptualizing a life-style that the earth can truly sustain for all who live on it (including fauna and flora)*. A simple thought experiment to drive home the point: imagine it was possible for all of driving age throughout the world to own a motor vehicle, where would the raw materials come from to manufacture those vehicles? From where would the land come from for the roads, without jeopardizing our ability to produce food? How would the environment be able to cope with the pollution? (And remember that even alternative forms of energy still have environmental costs on the back end.) We must see the global inequality of today as also an expression of a global system in which one third of the world’s population consumes two-thirds of the world’s resources to sustain a standard of living that the remaining two-thirds can only dream of.<sup>15</sup> Consequently, no amount of re-engineering of the global economic order would in itself resolve the fundamental problem of the

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14. As a reminder, see Amin (2003) and Foster (2002). See also Baran and Sweezy (1966), which though dated, is still relevant conceptually. Interestingly, given the dominance of U.S. capital in the global arena, some have even suggested that globalization should be seen as nothing more than a project of a post-cold war revived U.S. imperialism. This view has been articulated (though not in so many words), for instance, by no less a personage than that cold war hawk, Henry Kissinger. (See his speech titled “Globalization and World Order” that he delivered at Trinity College in Dublin on October 12, 1999, and reproduced in its entirety in the *Irish Independent* in the following day’s issue, in which in the course of criticizing the conventional wisdom on globalization he states: “The basic challenge is that what is called globalization is really another name for the dominant role of the United States.”) For more on globalization, see this basket of sources: Allen (2001), Amin (2004), Appelbaum and Robinson (2005), Balakrishnan (2003), Bello (2001), Berberoglu (2004), Edelman and Haugerud (2005), Harrison (2005), Harvey (2003), Hopkins (2002), Magdoff (2004), Stiglitz (2002), and Wall (2005). To bring a heavy dose of reality to what globalization can also mean in practice to people of the PQD ecumene see also Hiatt (2007).

15. Consider, to give just one example, a problem that few among the international ruling elites appear to be overly concerned with (especially in the context of the latest U.S.-driven global obsession, the so-called “war on terror”)—not withstanding the *Kyoto Protocol* and the recent Bali Conference on climate change—but yet it threatens the interests of all and everything on this planet, let alone of those most immediately affected: the ongoing criminal destruction of Amazonia in Brazil (and other ecologically fragile systems elsewhere in the world, including the world’s oceans). Leaving aside for the moment the human rights issues involved, the steady destruction of Amazonia, is a huge global environmental disaster in the making—the long-term consequences of which are as yet to be fathomed. And it is not as if this is an entirely new issue. Some two decades ago, only three days before Christmas one hot summer evening in 1988, in the small village of Xapuri in Brazil’s Amazon basin, an outwardly nondescript man by the name of Chico Mendes was surprised, just as he was stepping out of his house, by a powerful blast from a 12-gauge shot-gun fired at point-blank range—it abruptly terminated his life. Despite the media reports, for most of the world this event, tragic in more ways than one, passed relatively unnoticed. Yet the brutal death of Chico Mendes, even though only one among many in the Amazon—nearly a thousand Brazilians ranging from peasants to high-ranking politicians had been murdered (during a period of nine years or so leading up to the murder of Chico Mendes) over the issue of Amazonian land—would send a shock wave worldwide among those knowledgeable and concerned about one of the most important and fast growing problems to emerge in the PQD ecumene in the waning decades of the twentieth century: the unprecedented rapid destruction of the last remaining patches of rain forests in Africa, Asia and Latin America in the name of profits. It is estimated that at the present rate of destruction the rain forests will be gone in a mere twenty or so years!

A simple man with no wealth, and a rubber-tapper by trade, Mendes had come to earn a reputation for leading a life-long struggle against the voracious greed of Brazil’s land-speculators and cattle-barons, as well as the Brazilian government itself whose members have been increasingly plagued by visions of mineral riches, supposedly waiting to be discovered beneath the Amazon forest, dancing in their heads. The capitalist thirst for profits—fueled by the very real problem of land-hunger among the poverty-stricken peasants pouring out of the Brazilian slums—has inspired a destructive assault on the Amazon forest of unprecedented cataclysmic proportions. Awarded the prestigious Global 500 award by the United Nations in 1987, his work had had sufficient impact to earn him many enemies among the capitalists that were exploiting the rain forest. Mendes had managed to escape, at least, five previous attempts on his life. Though he had once said: “I want to live—funerals won’t save Amazonia,” it is absolutely necessary that his death and those of many others like him be not in vain. The world must work toward permanently halting the rapid deforestation of the rain forests of the PQD ecumene, and the reasons go far, far beyond those of “nature-nostalgia” that the unconcerned often think lie at the motivational roots of the work of environmentalists: First, there is the simple matter of justice: deforestation is a form of genocide perpetrated against the human citizens of these forests. Primitive and backward though the lifestyle of rain forest inhabitants may appear to the outside world they, like everybody else, have a right to their home and source of livelihood—even if they lack the capitalist values of property ownership which ethnocentric outsiders see as necessary to legitimate their claim to their forests. Second, the destruction of rain forest flora and fauna is symptomatic of a greed-engineered inability to coexist in harmony with nature, an inability that must be corrected if the entire planet is not to eventually take on the barren effect of the Saharan desert sprinkled with islands of glass and concrete jungles. It must also be remembered that vegetation forms a critically important part of nature’s rain-making machine. Third, the rain forests represent a huge store-house of natural products of great potential value to all of humanity: ranging from medicine to food, but only if the rain forests are conserved and properly managed. Scientists know the chemical composition of only a tiny percentage (about five percent) of rain forest flora. It is estimated that almost eighty percent of the foods we eat here in the West have their origins in the rain forests. (This should not be surprising given that fully half of all planetary biodiversity is located in the rain forests—but which, amazingly, covers only about six percent of the earth’s surface.) Fourth, rain forests are among the major “natural engines” that help in preventing the “green-house effect” from degenerating into the “oven-effect”—the over-heating of the planet brought about by excess carbon-dioxide in the atmosphere that allows in heat but prevents it from escaping. Deforestation on a scale such as that taking place in the Amazon basin today (every-day an area the size of Rhode Island is going up in smoke) not only means the addition of tons of carbon dioxide into the atmosphere, but also the elimination of the very mechanism that helps to reduce carbon dioxide: plant photosynthesis—hence the concept of the “carbon sink.” Why is it important to prevent the oven-effect from coming into play? It has the potential to bring untold climatic damage to the planet: ranging from droughts and heat-waves to rising sea-levels and the resultant floods and destruction of existing shore-lines. It should be remembered that a mere seven degrees Fahrenheit upward change in temperature was required to melt the mile-high ice sheets covering the North American continent during the last ice-age. Consider these two of the many warning signs of the disastrous climate-change in the making as a result of climate change: for the first time in recorded human history the Northwest Passage in the Arctic Ocean completely opened up in the summer of 2007 making it possible to traverse it in less than two

incapacity of the planet to generate the resources needed for all outside the West to enjoy the same standard of living as that taken for granted within the West. Perhaps, its time for the enlightened among the citizenry of South Africa, in alliance with the enlightened

months, rather than years, and Polovina, Howell and Abecassis (2008) report that the “sea desert” (oceans with low chlorophyll habitat—oligotrophic gyres) are expanding at a much faster rate than originally predicted. (See also these two well-made documentaries on climate change, but with a U.S. focus: *An Inconvenient Truth* [2006], and National Geographic’s *Human Footprint* [2008].) Fifth, destruction of the rain forests increases the chances of human exposure to highly dangerous and often incurable infectious viral diseases through the processes of both *zoonoses* and *species jumping* as contact between animals and humans ceases to be episodic because of shrinking animal habitat.

Yet while the need for halting the destruction of rain forests is beyond dispute among the knowledgeable, there is the question of how to achieve this. Here, North Americans and others in the industrial world have a major role to play. At the minimum there is the need for the following short-term and long-term steps to be taken by both the PQD governments and Western governments:

- PQD governments must be educated through bilateral contacts that in their haste to exploit their rain forests they are in effect killing the goose that lays the golden egg. Properly and cautiously managed rain forests can serve as an infinite renewable natural resource. They must be made aware, however, that rain forests are extremely fragile ecological environments. Hence, for example, despite the illusions created by the density and lushness of their flora their underlying soils are too infertile for arable activity. The illusions of fertility is a result of the extremely finely balanced plants-to-soil-to-nutrients-to-plants ecological cycle that cannot be touched without provoking immediate and irreversible collapse of the entire cycle. Once destroyed, rain forests are not likely to come back.
- More countries than those presently involved must be included in the new strategy of swapping their national debts for measures to protect their rain forests. Six countries that account for approximately a quarter of the total PQD country debt also account for nearly fifty percent of the entire planetary biological diversity via their rain forests: Brazil, Colombia, Indonesia, Madagascar, Mexico, and the Democratic Republic of Congo.
- The World Bank and other similar organizations must cease all aid that subsidizes the destruction of the rain forests in the name of “development.” In fact, all “development” aid must be explicitly ecologically sensitive or not implemented at all.
- The Industrial world must stop importing all products produced as a result of the destruction of the rain forests. This means, for example, North American fast food chains must stop importing Brazilian beef produced on cleared Amazonian land and the Europeans must stop importing cheap iron-ore mined in the open-pit mines of the Amazon.
- The West must increase its development aid but in a targeted fashion, to the PQD countries if it is to convince them to preserve the rain forests for the benefit of the entire planet (analogous to “royalty payments”). To the starving peasant the short-term goal of placing food on the table by clearing the rain forest must of necessity take precedence over the long-term goal of preserving the ecosystem. PQD governments cannot be asked to keep their people poor and hungry so that we in the industrial world are spared the consequences of ecological destruction.
- A concerted campaign must be started to convince all concerned to declare all threatened major ecosystems in both the PQD and in the Western World as the heritage of all of humanity and place them under the joint supervisory management of a body comprising representatives from the home-country and the United Nations. It is time to recognize that the consequences of environmental degradation respect no national boundaries.
- Western governments must demonstrate through concrete action that they too have responsibilities in protecting the environment by undertaking two immediate steps: first, permanently halting any further efforts to “develop” existing *undeveloped* areas—such as, here in the United States the Alaskan nature sanctuaries, the Florida Everglades, and the Redwood forests. The crusade for the “Wattification” of public lands begun by Reagan’s first secretary of the interior (James Watt), that was aimed at throwing them open to profiteers who see the world only through dollar tinted glasses, must be rolled back. Second, begin long-term nature reclamation projects coupled with renewed vigorous programs for cleaning up the environment. Of what use is so-called “development” if the price is polluted air, water and land. Third, those Western industrialized countries, such as the United States, that did not ratify the laughably limited Kyoto Protocol should work toward (and of course ratify) an even better protocol, in environmental terms, when it expires in 2012. (Though the United States and Canadian performance at the recent Bali Conference on climate change leaves does not leave one with much optimism on this score.)
- A long-term sustained program of education must be launched to convince the public of the need to move away from the super wasteful, super-consumerist society. (With regard to this point, while the new era of post-Soviet communism is a welcome development, there is the danger that it bodes ill for the world’s natural resources, because yet another industrial giant in the making, Russia, has launched its efforts to create a Western-style consumerist society.) Imagine for a moment that the entire planet was recreated in the image of the industrial world, so as to allow all peoples access to the same standards of living that the West enjoys; the result surely would be complete ecological collapse with ensuing wholesale degradation of the quality of life for all.
- This commitment to the environment must also mean the passage of laws by Western governments prohibiting the dumping of hazardous wastes in the PQD countries—they must not be bribed into accepting these wastes because of their desperate need for money. They neither have the expertise nor the financial resources to deal with these poisons coming out of the industrial world. At the same time new legislative and education efforts must be launched to halt and eliminate national and international trade in endangered plant and animal species and products derived from them. It is a tragic commentary on the life-style of the industrialized world that in its pursuit of vanity that it is willing to drive animal and plant species into extinction. Are ivory-made piano keys, for example, of such importance as to warrant the extinction of the majestic elephant?
- The global race in phallic symbols—the nuclear arms race—must be brought to a halt. Not only because it constitutes a total waste of scarce resources, but because it strikes at the very purpose of the effort to protect the environment: the preservation of human and other life.
- All stops must be pulled to find ways of harnessing the limitless energy that can be derived from the sun, wind and the motion of the sea so as to reduce carbon emissions into the atmosphere and thereby reduce climate change inducing global warming.
- A sustained nation-wide education campaign must be started to make the public environment-conscious and be funded in part through fines imposed on businesses that violate environmental regulations. The problem of the disappearing rain forests in the PQD countries should no longer be seen as a deplorable but only a PQD country problem. It is a global problem akin to such other environmental disasters as acid-rain and the depleting ozone layer. The urgency to reverse the tide in the relentless effort to convert the planet into a gigantic cesspool, stems not only from the need to secure the future of generations yet unborn, but for the present generation too. The recurring large-scale droughts and hurricanes in many regions of the world are ample proof of the immediacy of the consequences of destroying the planetary ecological balance.

Note: for more on the life and work of Chico Mendes see Revkin (1990), and visit these websites: [www.chicomendes.com](http://www.chicomendes.com), [www.chicomendes.org](http://www.chicomendes.org), and [www.mirandaproductions.com](http://www.mirandaproductions.com)—the last is the website for the highly informative documentary film *Voice of the Amazon*. The 1994 HBO (Home Box Office) award-winning film directed by John Frankenheimer, *The Burning Season—The Chico Mendes Story*, with Raul Julia playing the lead part, is also worth seeing. For information on rainforests in general, as well as on the problem of environmental destruction, see Cashore, Gale, Meidinger, and Newsom (2006), Flannery (2005), Kolbert (2006), and London and Kelly (2007); and it is also worth visiting the websites of Rainforest Action Network, Amazon Conservation Team, Rainforest Alliance, and Rain-tree.com (website of an innovative entrepreneur specializing in sustainable use of rainforests). See also the academy award winning 2006 documentary film *An Inconvenient Truth* (directed by David Guggenheim and presented by the former U.S. vice-president, Al Gore), as well as the fourth report of the Global Environment Outlook project of the United Nations Environment Program (UNEP), published in 2007, titled *GEO-4* and available as a PDF download at the UNEP website.

among the citizenry of the United States, and those of other nations across the planet, to begin a movement for a redefinition of the meaning of “development.”<sup>16</sup>

A final thought: if there is one theme that we can discern in this overview of more than three centuries of U.S. relations with South Africa, then it is this: while it is absolutely true that, as in the case of U.S. relations with many other countries in the world, the overriding engine of these relations has been the inexorable need for accumulation by U.S.-domiciled globalized capital, both directly and indirectly (through the framework, in the twentieth century, of the cold war which was always motivated by the need to create global conditions conducive to accumulation), the U.S. citizenry has not always permitted an untrammelled operation of this engine. They have sought to “pollute” it with their needs: a humanistic world. It would be premature, therefore, to abandon our hope for a future in which U.S. relations with South Africa are imbued with the true spirit of the preamble to the U.S. Declaration of Independence (“WE hold these Truths to be self-evident, that all [Persons] are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness”), even while it is tempered by the current reality in this first decade of the twenty-first century of a renewed effort, under the leadership of the minions of capital who patrol the corridors of power in Washington, at ensuring the continuation of the global hegemony of the West that now harks back to the era of European imperialism but under the guise of, both, “globalization” and the so-called “war on terror.” Moreover, the slow but steady emergence of China (and India?) as a world economic power in its own right, as the twenty-first century unwinds, portends, possibly, a more complicated (multipolar?) world in which, perhaps, countries like South Africa may be presented with a sufficient wiggle room to permit its peoples to exert a greater degree of independence from the corporate tentacles of Western hegemony than has been possible hitherto.<sup>17</sup> Hence, the struggle continues; corporate capital has not, as yet, completely vanquished the will of the people, either in United States or in South Africa (or elsewhere in the world for that matter).<sup>18</sup> Though it is true, that against the backdrop of the relentless accumulation-driven acceleration of the massive exponential destruction of the planet’s life-sustaining natural resource base—in the context of an ominously accelerating pollution-determined world climate change—by an insatiable globalized corporate capital (aided and abetted by such seemingly benign, to the lay public, multilateral institutions as the World Bank), the stakes are incredibly high and, therefore, the people’s struggle in the decades to come will be that much more difficult and brutal.<sup>19</sup>

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16. There is now a burgeoning literature on alternative conceptualizations of “development.” These five considered together should provide an overview of the key issues involved: Bakan (2004), Kovel (2007); Foster, Buttel, and Magdoff (2000); Wall (2005); and Yunus (2007).

17. The tentativeness of this statement stems from the fact that despite the current wisdom among many mainline foreign policy analysts in the United States, and elsewhere, that China is unquestionably on its way to shattering the status quo of the post-cold war unipolar world that we presently live in, the truth is that China still has a long, long way to go before it can muster the wherewithal to allow it to decamp from the PQD world and emerge as the vanquisher of the current unipolar world. Neither its economic prowess nor its military power even remotely matches that of the West today. Moreover, the clear lack of an imaginative vision on the part of its authoritarian ruling clique to go beyond simply retracing the traditional Western strategies of boosting “economic growth” at all cost—that is with almost no regard for *true* development as suggested, for instance, by the sources indicated in the preceding note—places considerable hurdles on its desires, usually expressed sotto voce, on the path to creating a multipolar world (especially in light of the ever-escalating global resource constraints). Note: The Euro-North American ecumene, for all intents and purposes (vide, for example, the continuing effort to strengthen NATO), ought to be considered as a single unit—not withstanding the silly view among some mainline foreign policy analysts that Europe (excluding Russia) and the United States are adversaries from the perspective of the quest for global hegemony—for the simple reason that economically, culturally, politically, and racially (excluding marginalized minorities) they are, in the last instance, cut from the same cloth. Yes, to be sure, the march of globalization appears to hold out the promise of the erasure—in practical terms—of national boundaries, but the fact remains that corporate capital in its struggle with competitors is never above playing the “nation-state” card (or in this instance “the West-and-the-rest-of-them” card). In other words, much as racism/ethnicism at the domestic level has its uses for corporate capital (see Appendix II) so it does at the global level too. But notice, always working in tandem with the class factor, as manifest by the role of the “Uncle Tommery” of corrupt and shameless compradorial elites in the PQD ecumene who would sell their mothers down the river for a few pieces of silver in a heartbeat.

18. One cannot be accused, here, of excessive optimism if one is reminded of that popular adage (attributed to President Abraham Lincoln): “You can fool some of the people all of the time, and all of the people some of the time, but you can not fool all of the people all of the time.”

19. The bombs raining down on some of the peoples of the Islamic world (at the moment, and one wonders who will be next)—aided and abetted by their compradorial elites of course—are only a foretaste of what is to come. (The so-called “war on terror,” especially in a context where every legitimate movement of resistance to the hegemony of corporate capital now potentially stands accused of being labeled “terrorists,” is much more than meets the eye.)