

# POPULAR DEVELOPMENT — Samir Amin

Daniel Blain

*The economist Samir Amin is now the director of the Strategies for the Future of Africa program of UNITAR in Dakar (Senegal). He is the author of several books, including "Le développement inégal" (Unequal Development) and "L'accumulation à l'échelle mondiale" (Accumulation on the world scale). During the last fifteen years he has made a considerable contribution to upsetting accepted ideas about development problems, particularly by introducing such concepts as countries of the "centre" and "periphery" to clarify and orient discussion of development questions.*

*Ten years ago, in the course of a long discussion with a group of Italian journalists, Samir Amin and colleague Andre Gunder Frank, also an economist, talked about the then "artificial horizon for 1984" and put forward two hypotheses about the evolution of the world economy and the role that would be played by the developing countries. The first of these hypotheses dealt with the "redeployment capital project" that is, a new international division of labour in which large segments of the productive process, the classical production line industries, are transferred to the peripheral areas. Such a transfer would occur to take advantage of cheap labour and relocation close to expanding markets based on rising middle class demands: exactly the kind of development that occurred in Brazil during its peak phase. In this pattern of redevelopment, the centre serves an unequal function, based on technological innovation and new industries, which include those that control assembly line industry.*

*The other hypothesis involved the failure of such redevelopment; this is based on the supposition that the logic of capital controls and dominates the situation, not the negotiations between the centre and the periphery, which would encourage national industrial development open to the outside world. Resistance to redevelopment would then produce a second model "even more negative", in which the assembly line industries are reconverted and, ultimately, centralized. The new transformed modernized industries arise in the central countries, and the south is marginalized in a framework of "extermination, racism and rising violence: the Third World becomes inconvenient".*

*Ten years later these two hypotheses constituted the basis for an interview that Samir Amin granted to the IDRC journal Reports on the occasion of a visit to Italy to attend an international colloquium organized by the Pio Manzu Research Centre, which is concerned with the relations between the European and the Arab nations.*

**Reports:** Mr Amin, how have the last ten years tested your hypotheses?

**Amin:** I think that we are, unfortunately, not very far from the realization of the two hypotheses in the Third World. On the one hand, there are the industrialized countries and, on the other, the marginal countries now referred to as the Fourth World. Effective redeployment of the assembly line industries has been the direction of the major Latin American countries, such as Brazil and Mexico, but also Argentina and others. The pattern holds in some countries in East Asia such as South Korea and Taiwan, and a few other centres in the Arab countries and South Asia. These redevelopment areas in the newly industrialized countries are, at the moment, in crisis because of other important factors: rivalries between Europe and America or Europe the U.S. and the high interest rate counter offensive

that enables the U.S.A. to accumulate an enormous deficit without inflation. One of the results is obviously the worsening, to the point of becoming unbearable, of the burden of public debt in precisely those countries where capital redeployment was occurring successfully, quite the contrary of what the World Bank said when it foresaw development open to the outside. On the other hand, marginalization strikes, particularly, almost the whole of Africa south of the Sahara, where increasing famine is the plainest indication.

**Reports:** The present economic situation therefore obliges developing countries to try to adapt their economies. Can they?

**Amin:** You have used exactly the word I wanted to criticize, "adapt" their development to the new situation. That is where the development options lie: should partners sim-

ply try to adjust to the tendencies of world growth or, conversely, should they try to disconnect themselves from them?

The crisis the African States are passing through, and faring very badly, is simply the logical consequence of the type of development that has gone on there in the past. I think Africa entered a phase of prolonged crisis at the beginning of the 1970s, even before the 1973-1974 petroleum crisis. If one wants to set a date, it is rather the ending of the convertibility of the dollar in 1971 that marks the break off of the period of expansion and the beginning of the present crisis.

During the preceding period, the kind of development foreseen for Africa and the Third World in general was based on the worldwide expansion of the time. Consequently, it turned towards the outside world for the most part, and was based on giving a high priority to export products in agriculture, mining, and petroleum. It attempted to finance, with the income from exports, a small import substitution industry, supported by foreign capital or foreign public aid, and aimed mainly at the relatively well-off middle classes rather than the needs of the rural and urban people.

This kind of development produced the results that caused the collapses brought to light by the present crisis. It brought uneven development in the region: between those which, like the Ivory Coast, had a high growth rate but now find themselves with an intolerable foreign debt, and those which did not experience such growth, such as Burkina (formerly Upper Volta). It also brought a very uneven growth in terms of their internal society. The gap between town and country continues to widen, as does the gap within the towns themselves. Enormous shantytowns, even in quite average-sized cities such as those of Africa, reflect the wretchedness of the countryside as compared to the prosperity of isolated sectors.

**Reports:** But in that case, what options do the developing countries have?

**Amin:** It's no use being nostalgic about the 1960s, they are over, and don't think we will return to them. In my opinion, there are two ways of

confronting this crisis the first is that alluded to by the word you used just now, to adapt, that is to say, to try to find a new place in the coming new system, which has not yet crystallized and whose details and results cannot yet be known. The other, quite the reverse, is to distance oneself from the system that is under reconstruction, and still unknown.

I am afraid that as far as most Third World countries, and probably the Arab and almost all the African countries, are concerned, it is not really possible for them to adjust to the system that is emerging except in the lowliest of positions. Consequently, they face a historic opportunity and challenge: can they, and on what terms, gain some distance from this system, and quite to the contrary, give priority to a style of development that I would define as "popular in scope", a national and popular construct. Please note that I am not saying "socialist", it remains to be seen if a popular approach can offer a margin of autonomy that will permit the people to undertake projects that are more consistent with social reorganization.

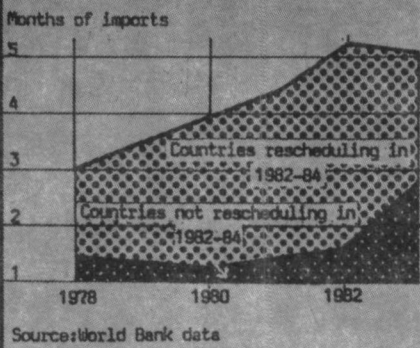
**Reports:** The repeated failures of large-scale development projects have led to the revision of certain concepts. Everywhere now people talk about miniprojects, or down-to-earth approaches. Can this kind of approach favour the sort of national popular development you foresee?

**Amin:** I think all these ideas and projects are ambivalent. On the one hand their social content is certainly very attractive, but on the other, they do not go far enough to carry through the conclusions drawn about the effectiveness of such a choice, either nationally or as regards international relations. The truth is that development cannot be a by-product of growth conceived without reference to the producers themselves, to their initiatives and priorities, to their needs and how they may satisfy them. But who would embark upon such a policy? So far as one can see, the international organizations do not have enough political power to start up such programs, nor does aid from the developed countries. Besides, I very much doubt that is

*Recent debt-servicing difficulties have often been caused or exacerbated by a shortening of the maturity structure of foreign debt. The average maturity of total medium- and long-term debt of the major borrowing countries fell from 17.9 years in 1972 to 12.7 years in 1981. The average maturity was even lower for the largest borrowers: Brazil, 9.7 years in 1981; and Mexico, only 8.7 years. In part this occurred because commercial bank debt rose much faster than Official Development Assistance and other official financing. The sharp increase in short-term debt, especially after 1979, has further shortened the debt structure. By early 1983, short-term debt of developing countries had increased to an estimated \$130 billion, roughly one-quarter of all developing country debt, according to the latest World Development Report of the World Bank.*

*For many countries, the shortening of maturities was not a deliberate policy*

Short-term debt as equivalent months of imports for developing countries, 1978-83



Source: World Bank data

*that then led to difficulties. Often they faced a choice between borrowing short term or not borrowing at all, since commercial creditors were no longer willing to lend longer term. Heavy short-term debts were therefore at least as much a symptom as a cause of difficulties.*

their true purpose. Is such a thing likely under today's political regimes? I certainly do not believe it.

Put in another way, such a development presupposes that the problem of internal political change has been solved, and that another problem has also been solved, that of outside support for popular undertakings. How, in fact, does the West react to changes in the Third World? Often, the response to a change of this type has been the threat of invasion. One must be logical, one cannot simultaneously look forward to popular development and then, each time that relatively favourable political conditions arise, oppose them systematically. On the economic level, the main option resorted to by the West as a whole - not only the U.S.A. but Europe and Japan, which entirely agree as regards the Third World just now - consists of imposing IMF policy. That policy is to re-established equilibrium in a way that is entirely negative as far as the majority of people is concerned, by applying so called "true prices". Internal social inequality is increased so as to reestablish the external equilibrium. It is not possible at one and the same time to speak of popular development and to try to impose through the IMF, the Group of Ten, etc., readjustment policies such as those conceived by the world system.

**Reports:** Ten years ago you formulated two pessimistic hypotheses which have, in large part been verified. What now?

**Amin:** One might well be very pessimistic about the short run, because there are effectively three factors to be seen. The logic of capital expansion which, in Africa, is marginalizing and crushing it. The logic of marginalization, which implies extermination, and the logic of the tool used to justify and legitimise it on the ideological level go hand in hand. The rise of racism in Europe is not a subsidiary phenomenon exclusively linked to the problem of immigrant workers and the demagogic policies instituted by the authorities in response to unemployment, it is also the logic that legitimates the notion of exterminating the Third World.

All of this is plain to see, as is the key to it all, a third element, which is the emphasis of the fear of war, a pre-war atmosphere that serves to justify the whole business. In the short run it is this that occupies centre stage and makes the outlook so dark. The darkness is everywhere. However, in the longer run, if there is no final explosion, there is no reason to be so pessimistic, because history has always gone along in this way. I cannot see any reason why it would not continue to do so.