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FORUM: DEBATES AND CORRESPONDENCE

Because the issues facing the workers' movements and their allies around the world are controversial and complex, past issues of Contemporary Marxism *have deliberately offered divergent perspectives. While the Editors do not necessarily share all the views expressed in* Contemporary Marxism, *we maintain a commitment to debate that we think is necessary, given the underdevelopment of the science of Marxism in the U.S. today.*

In this issue of Contemporary Marxism, *we are pleased to include an extended section, "Forum: Debates and Correspondence." This section provides readers with an opportunity to participate in principled debate on the key issues facing us today. The section will consist of letters from readers, commentaries, and responses from authors. The Editors encourage you to submit your contribution.*

The Editors

Comments on "Racism and the Rise of the Right"

PAUL TAKAGI

I recently read your latest issue of *Contemporary Marxism* (No. 4, "World Capitalist Crisis and the Rise of the Right") and was delighted to see Rod Bush's article "Racism and the Rise of the Right." Your discussion of racism has elevated the conception to a higher level, and I found it to be not only theoretically interesting, but provocative as well. I write to convey my admiration for taking on a challenging project and also to raise some questions.

The logic of your piece rests on the spatial division of the world under the capitalist world-system and the existence within the core of both a class structure and a system of polarization based on color. It is the polarization of color that needs to be explained, but instead, the article leads to a functional explanation that racism is necessary for the maintenance of the capitalist world-system—that is, of global unequal exchange. Bush frames the question as follows:

> So what is racism? DuBois's famous statement is given scientific rigor by Immanuel Wallerstein. In a review of Magubane's book, he explains that racism is the ideological legitimation of global unequal exchange, the structural antinomy of core and periphery, *and is thus integral to the functioning of capitalism as a world-system*. Consequently, the struggle for socialism must have the struggle against racism and national inequality as an inescapable centerpiece (Bush, 1982: 43, emphasis added).

I agree that Wallerstein (1981) and Magubane (1979) may appear to have said that, but I question whether that is what they meant to convey.

A major thesis in Magubane's work which Wallerstein focuses on is the sentence: "The history of the (native) reserves demonstrates that capitalism can never totally eliminate the precapitalist modes of production nor, above all, the relations of exploitation which characterize these modes of production." We immediately confront a problem: Does the sentence mean that capitalism is unable to or does not wish to eliminate the precapitalist modes of production? I would suspect it means "does not wish to," as it makes sense, in my judgment, in two important ways.

1. As Wallerstein comments, racism and precapitalist modes of production are not an anomaly; moreover, they are said to be structural. Wallerstein then discusses one of his favorite topics of how *race* and *people* have changing definitions and boundaries. Here, he is referring to the internationalization of labor, which results in an international division of labor, but in this context, of how *people* (read *race*) are "created"

and "assigned" to become members of different "work forces." The racial division of labor occurs in core states as you've pointed out, but also in the periphery, which gets to the second point.

2. Magubane is writing from the viewpoint of the peripheral state. He observes the reality of precapitalist modes of production where the relations of production lead to superexploitation. It is only in this way that there can be global unequal exchange.

Hence, a closer reading of the two works indicates it is *not* racism that is integral to the functioning of capitalism as a world-system, but rather, the racial division of labor in precapitalist modes of production is the *mechanism* that makes global unequal exchange possible. It is the racial division of labor that is ideologically legitimated.

Heretofore, theorists have focused upon the labor process that has been fragmented and simplified to account for the world capitalist system. What is theoretically fascinating about Magubane's work is the idea of precapitalist modes of production.

Your article stimulated my thoughts and most certainly has provoked debate. Thank you for writing the piece.

March 15, 1982

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Response to Paul Takagi's "Comments on 'Racism and the Rise of the Right'"

ROD BUSH

I think that your comments on my article "Racism and the Rise of the Right" are extremely important and address a certain theoretical imprecision in the article. You also clarify very succinctly both Magubane's and Wallerstein's positions. Let me see if I can restate your argument.

You agree that there exists within the capitalist world-economy a system of polarization based on color, alongside a class structure. What is important about the system of polarization based on color is that in the process of class formation, people (or races) are created and are assigned to different "work forces" in a rank order fashion, giving us a racial division of labor. It is this racial division of labor, not racism (as an ideology), that is key to the functioning of the capitalist world-system.

You argue further that it is the existence of precapitalist modes of production within the capitalist world-economy that makes superexploitation possible. Or, in other words, the peripheral working class can be paid wages below subsistence, because other members of the family can rely on sources outside of the capitalist world-economy as a means of obtaining some of the necessities of life. Clear examples of this are workers whose families live on farms and thus grow or raise their own food. Capitalists prefer this arrangement, because they do not have to pay for the full reproduction of the wage worker and his or her family.

I would simply add to what you have said that even within the core capitalist countries, especially in the black and brown ghettos of the United States, something of this sort seems to exist. Marlene Dixon, Elizabeth Martínez, and Ed McCaughan have done a pioneering study

along those lines in "Chicanos and Mexicanos: A Transnational Working Class" (1982a and 1982b).

In the case of the black community, it is not so much that precapitalist modes of production make possible the superexploitation of the black working class, but this superexploitation necessitates an irregular economy as the only means for people to survive. This means that there is a market for stolen goods because people cannot afford to buy all of their goods from stores. This means that many youth are forced to sell drugs or steal to acquire income. This means that most public housing units are occupied by extended family households, not nuclear family households, because people cannot afford to live one family per house.

This is an area that is in need of more systematic investigation, as your letter seems to suggest. I agree with your contention that we need to do far more work to explain the racial division of labor, and that I did not undertake this work in my article. On the other hand, if you are saying that racism (as an ideology) is *not* essential to the continuation of the capitalist world-system, I would have to disagree.

Racism is not simply an ideology that materialists can ignore; rather, ideas are powerful weapons in the class struggle, and racism as an ideology has served the capitalist class well. Using racism, the capitalists strive to gain the consent of the white working class for the superexploitation of minorities within the core and for imperialist conquest (military, economic, political, and cultural) of countries inhabited by people of color. Racism, then, seems to have everything to do with how people define themselves or do not define themselves as a class-for-themselves, that is, as a class organized to overthrow capitalist rule. If racism serves to conceal the class exploitation that is common to all working people, then it must foster competition within the working class. And isn't it the competition within the working class that is the pillar of capitalist rule?

It seems that the history of the U.S. working class offers the clearest example of how segmentation according to race or nationality can blunt the overall strength of the workers' movement. Your criticism of my article for lack of precision about the racial division of labor is certainly on the mark. But we can in no way downplay the centrality of the struggle against racism in the socialist transformation of the world.

May 1, 1982

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Further Comments on the Prospects of Fascism in the United States

RICHARD CRILEY

I have been reading the current issue of *Contemporary Marxism* (No. 4, "World Capitalist Crisis and the Rise of the Right") with great interest and a good bit of passion. I have not read the entire issue and cannot at this point attempt an overall estimate of its varied and provocative contents, but only those articles relating to the subject with which I attempted to deal in my article, "Notes on the Prospects for Fascism in the U.S."

Obviously, the space limitations of all articles have made an adequate discussion of the whole subject—the prospects of fascism ("friendly fascism," perhaps) and how to respond to it—impossible. My own article, which concentrated on the immediate issues relating to the transformation of the state apparatus, while based upon long-range premises similar to Bertram Gross's (1980), does not even attempt a long-term, basic analysis in terms of the very complex class forces

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Editors' Introduction: The United States and South Africa in a Period of World Crisis

Rod Bush

With the ascension of the United States to hegemonic status within the capitalist world-system after World War II, there was a general erosion of colonial rule in Africa. As a hegemonic power, the United States preferred free trade policies that would give U.S.-based capital access to markets which previously had been characterized by a bilateral economic relationship between the colony and the colonial power. Historically, hegemonic powers have not been tolerant of lesser powers having colonial empires and have opted for "informal empire."[1]

So when African nationalist movements began to assert themselves in the 1950s, with the political and moral support of the Soviet Union, it was just a matter of time before the United States chimed in with its own variant of support for decolonization. As the center of political-military strength and of economic power in the postwar period, the United States encouraged Britain, France, Belgium, and also Portugal to cooperate with "decolonization"—provided that the new African regimes would be pro-Western or at least nonaligned; and, more importantly, provided that economic ties with the West would be maintained. Moreover, ties with the West were reinforced by promotion of the policy of "economic development."[2]

Within this context, decolonization in Africa from the mid-1950s to about the mid-1960s followed a peaceful path. Some observers noted that here independence was being dispensed as a favor, and that it had the overtones of a gigantic deal. The maintenance of economic ties with

The general conception of this article was developed by Marlene Dixon, Director of the Institute for the Study of Labor and Economic Crisis. The article is a revised version of a paper presented at the 25th Annual Meeting of the African Studies Association, November 4-7, 1982, Washington, D.C.

the West meant that ruling classes within the African countries would remain subordinate to and dependent upon the dominant classes in the West. This, in turn, meant that the African ruling classes were extremely hostile to the pressure of the peoples of their own countries for more popular control over the national wealth. Instead of acceding to that pressure, the local elites opted for more intensive participation as peripheral producers in the capitalist world-economy.

Decolonization, however, did not extend to Southern Africa. There were primarily two reasons for the maintenance of colonial rule in Southern Africa. First, the presence of immense mineral wealth that was key to the economies of the Western nations meant that much more was at stake, and fewer risks could be taken. Second, the presence of white settlers in this region meant that there was a powerful political force with little to gain from the "deal" of decolonization.

In 1960, decolonization reached the northern tip of Southern Africa, then known as the Belgian Congo. Although 1960 has been called the "Year of Africa," in which some 18 states gained their independence (as did several more in the next few years), it was also the year, according to Immanuel Wallerstein, when a hard core of resistance to African advances was consolidated. That development was the context in which the "downward thrust of African liberation" was eventually halted for a period of time.[3]

The crisis in the Congo stemmed from the threat posed to the interests of the colonial power by the ascension to office, after independence was granted, of the left-wing Congolese National Movement (MNC) led by Patrice Lumumba. Within three weeks after the first national government was formed under Lumumba, Moise Tshombe, provincial president of Katanga, declared Katanga independent, and Belgian forces arrived there to protect Belgian mining interests. Lumumba requested assistance from the United Nations, which sent in a force but insisted that it should not become a party to internal conflict. When Lumumba then sought and received aid from the Soviet Union, the Congolese head of state, Joseph Kasavubu, dismissed him. Lumumba contested the legality of the action and was in the process of rallying widespread support when, less than two weeks later, army leader Col. Joseph Mobutu, with U.N. approval, seized power and dismissed the president and both prime ministers.[4]

According to Frantz Fanon, Lumumba had once proclaimed that the liberation of the Congo would be the first phase of the complete independence of Central and Southern Africa, and that his next objective would be the support of nationalist movements in Rhodesia, Angola, and South Africa. For this reason, as Fanon recognized after his trip to the United States, it was powers more important than Belgium or Portugal which decided that Lumumba must go.[5]

In June, 1960, Lawrence Devlin arrived in the Congo as the new

CIA chief of station. He cabled CIA headquarters in August:

> Embassy and station believe the Congo experiencing . . classic communist effort takeover government. Many forces at work here: Soviets, Communist Party, etc. . . . decisive period not far off. Whether or not Lumumba actually Commie or just playing Commie game to assist his solidifying power, anti-West forces rapidly increasing power Congo and there may be little time left in which to take action to avoid another Cuba.[6]

On December 1, 1960, Lumumba was arrested by the Mobutu forces with CIA help and was killed while allegedly trying to escape in January, 1961.[7] In the years that followed, the "left nationalist" forces were militarily suppressed, and governments in independent Africa which were reluctant to respect the "deal" of decolonization in full (Nkrumah in Ghana, Ben Bella in Algeria, Keita in Mali) were overthrown. Thus by 1965, the "downward thrust of African liberation" had been halted, and the U.S. government, which had previously encouraged the Portuguese to cooperate with decolonization, now stood emphatically behind Portuguese attempts to wipe out the national liberation movements.[8]

We should not in any way be surprised that the so-called anti-colonial thrust of U.S. foreign policy in Africa came to an end. As we shall see, such shifts are fully explicable within the context of the strategies pursued by a hegemonic power and, particularly, the strategies pursued by a hegemonic power in decline.

The World Capitalist Crisis and the Decline of U.S. Hegemony

The history of the capitalist world-economy is, in part, the development of a division of labor which has involved a steady increase in the extent to which production has been mechanized, land and labor made into commodities purchasable on the market, and social relations regulated by contracts rather than by customary rules. The development of this division of labor has proceeded in a step-like fashion that alternates 20 to 30-year periods of expansion with similar periods of contraction (sometimes called Kondratieff cycles or A-phases and B-phases). Each expansion has culminated in a major blockage of the world accumulation process, resulting in stagnation. Each contraction has been overcome by the further concentration of capital, the launching of new product cycles, the expansion of the boundaries of the world-economy, and the expansion of effective demand.[9]

The development of the division of labor was accompanied by the progressive formation of polities as stronger and weaker states in

terstate system.[10] Within this context, the United States became the ıdisputed political center of global economic forces between 1945 ıd 1967; it became the hegemonic capitalist power.[11]

The division of labor within the capitalist world-economy and its terstate system gives us not only the relation between classes based on e capital/labor contradiction, but also the spatial division of the orld-economy into core areas and peripheral areas (characterized by ıequal exchange), and of the interstate system into strong core states d weak peripheral states (characterized by patterns of domination at we call imperialism). On the one hand, the processes of the modern orld-system result in the polarization of these structures. On the her, they result in the creation of intermediate structures that amelio-:e the political and social explosiveness of polarization. So between e core areas of the world-economy and the peripheral areas, there : semi-peripheral areas, that is, economies which include both periph-ıl processes (in relationship to the core areas) and core processes (in ationship to the more peripheral areas). Likewise, between the strong tes in the core areas (imperialist countries like the U.S., France, and :st Germany) and the weak peripheral states (like El Salvador, Zam-, and Namibia) are sub-imperialist powers like the Shah's Iran, Brazil, ael, and South Africa. In general, sub-imperial powers are semi-·ipheral states, but semi-peripheral states are not necessarily sub-ɔerialist powers (e.g., Mexico, Nigeria).

By 1967, as a consequence of the steady expansion of production all of the big producing areas since 1945, the world-economy was ering a period of stagnation—the result of a classic worldwide crisis ɔverproduction.

In response to this crisis, oligopolistic producers have attempted to intain their profit margins by increasing prices amidst acute competi-ı with each other for markets. At the same time, many of the largest ıs have sought to solve their immediate problems through cost uction via the relocation of parts of their production processes to -wage areas of the world. Thus, since the 1960s and the 1970s, a ıificant amount of mechanized production has been shifted out of core countries to the free trade zones in the periphery, to the alled newly industrializing countries (or semi-periphery), and even the socialist bloc (e.g., Fiat plants in the USSR)—all in capital's ch for relatively cheap labor.[12]

South Africa: A Classic Semi-Peripheral And Sub-Imperial Power

The difficult years of the African liberation struggle (1965-74) cided with U.S. involvement in Vietnam. Significantly, the United es did not prevail in Vietnam the same year it fell

world economic crisis that set in circa 1967, and giving rise to a conscious and publicly articulated strategy of "Vietnamization" (i.e., the Nixon doctrine of having geopolitical and military powers police their respective regions by having "Asians fight Asians").[13]

During the 1960s and 1970s the transnational corporations helped build South Africa as a semi-peripheral and sub-imperial power, as a headquarters for their African businesses, and as a starting point for their deeper penetration into Southern Africa. As the worst crisis since World War II spread throughout the capitalist world in the 1970s, transnational banks refused to extend credits to the financially troubled cities of the core nations plagued by unemployment and declining tax bases. Instead, they loaned money to regional subcenters like South Africa, where they are able to reap a much greater profit because of the expansion of strategic industries and military might in a low-wage context.[14]

But there is even more. South Africa has a fundamental economic, political, and strategic position in the imperialist system. It produces 80% of the capitalist world's gold, and is an important producer and exporter of uranium, platinum, antimony, copper, lead, zinc, manganese, chrome, vermalite, fluorspar, asbestos, vanadium, vermiculite, and sillimanite in the capitalist world. It occupies a strategic position on the petroleum transport route from the Middle East to Europe and America; its dependencies include Zimbabwe, Zambia, and Mozambique (which exports 500,000 workers to South African mines, offers its port facilities to South African trade, and provides 10% of South Africa's electricity from the Cabora Bassa Dam); and it plays a preponderant political role in any "political solution" in the area. Further, there are few restrictions on the export of profits and dividends.[15]

Yet because of the polarized accumulation characteristic of the South African economy (due to apartheid), it has to go outside for markets. This dynamic results in a dialogue, sometimes secret, sometimes not, with many African nations despite South Africa's pariah status.[16] These links to South Africa are often hated (e.g., as with Mozambique), but they are born of the chains of necessity.

Within Southern Africa there is a powerful movement by the combined forces of the socialist states, the liberation movements in Namibia and South Africa, and the Front Line States to break the dependency on South Africa and restructure the regional political economy. This ongoing struggle is a crucial phase of the worldwide process of social transformation, but it is one which is confronted with total opposition from the besieged South African regime, with overt and covert collusion of the Western powers and the transnational corporations.

Although Cuban troops helped to block the advance of South

there has been an increase in actions to intimidate and destabilize countries bordering on South Africa. Angola, as the rear base for both the South-West Africa People's Organization (SWAPO) and the African National Congress (ANC), has been the main target. Angola has been subjected to ferocious South African military attack, first because Angola has been least linked to trade and transport networks that tightly enmesh the other border states within the South African economy—hence South Africa need not be concerned with damaging its own economic infrastructure[17]—and, second, because from South Africa's perspective, economic pressure cannot be utilized. Although the South Africans have attempted to disguise their nearly continual occupation of Angola as "hot pursuit" raids, they are involved in a classical destabilization operation: blowing up bridges that are used to transport goods, attacking heavy trucks, and mining roads so that people are afraid to go to market with their goods. In order to deal with this threat from South Africa, the Angolans have had to spend more than half of their foreign exchange on the military instead of on economic development.[18]

In Mozambique, South Africa is arming the Mozambican National Resistance (MNR). The MNR, made up of ex-Portuguese colonial army soldiers, are not seen even by the South Africans as an alternative to the Frente de Libertação de Moçambique (FRELIMO), but as saboteurs who attack vital economic targets, mainly cooperatives and transport links.[19] Captured documents show very clearly that the MNR is commanded by South African military forces, and that, for example, the MNR was ordered to ambush roads, attack rail links to Zimbabwe, and sabotage the Mozambique-Zimbabwe pipeline. These targets were selected because they are critical to Mozambique's efforts to reduce dependency on South Africa.[20]

Zimbabwe is also affected by the MNR attacks, since its connection to seaports is through Mozambique. But Zimbabwe is affected more directly by the presence of ex-Rhodesian soldiers in the SADF who use their knowledge of Zimbabwe's vulnerability and their connections with Rhodesians still in Zimbabwe to engage quite efficaciously in sabotage there. On July 25, 1982, for example, an act of sabotage occurred at Thornhill Air Base, destroying 13 of Zimbabwe's fighter aircraft.[21] In fact, it was disaffected ex-Rhodesian soldiers within the SADF who revealed to reporters that there is a special "destabilization center" inside defense headquarters in Pretoria.[22]

Swaziland, Botswana, and Lesotho are in an even less advantageous position than Mozambique, Zimbabwe, and Angola because their governments were not formed as the result of a guerrilla movement coming to power. The SADF operates against South African exiles within these countries, without regard for their governments.[23] There is also a special unit of mercenaries and South African regulars called

Battalion 31 that operates against Zambia.[24]

From the brief sketch above we clearly see why South Africa is denounced from every corner of the globe as an international outlaw. But we would be deceived if we stopped with this picture of South Africa's role in the region; in addition, we must investigate the role played by its more powerful allies, especially the United States.

U.S. Policy in Southern Africa

"The problem with Reagan," according to one of his Africa advisers, "is that all he knows about Southern Africa is that he is on the side of the whites."[25] Does this statement amount to simply putting on Reagan's constituency within the ideological right? Or do we really believe that the world bourgeoisie is entrusting its control over this crucial area of the world to a narrow-minded bigot? Before we draw a conclusion about this too quickly, we should consider that in our time, a time of structural crisis that has marked world capitalism since 1917, a ruling class no longer certain of its indefinite survival replaces arrogant disdain with cunning, and that cunning requires a judicious mix of ferocity *and* concession.[26]

Secret State Department documents leaked in May, 1981, reveal some key Reagan administration goals in Southern Africa: 1) an internationally acceptable settlement in Namibia, preferably excluding SWAPO or severely limiting its options; 2) foreclosure of opportunities for the growth of Soviet influence; and 3) "greater acceptance of South Africa within the global framework of Western security."[27]

In order to achieve these goals, the Reagan administration has taken up a policy that it calls "constructive engagement." This consists of a skillful combination of bullying and intimidation with negotiation—aimed primarily at the progressive states, especially Angola. In the face of growing attacks from South Africa, the possible repeal of the Clark Amendment, and possible U.S. military aid to the União Nacional para a Indepêndencia Total de Angola (UNITA), Angola called for talks with the Reagan administration. The condition that the U.S. set for pressuring South Africa to cease its attacks on Angola was the departure of the Cubans from Angola and the inclusion of Savimbi in the Angolan government. This is hardly acceptable to the Angola government, but it is calculated that the pressure of the South African raids will force the Angolans to put pressure on SWAPO to accept the settlement negotiated by the U.S.[28] In the meantime, the Reagan administration has lifted certain restrictions on exports to the South African police and military, and ultra-right-wing Senator Jeremiah Denton held a hearing to determine the extent of Soviet control over ANC and SWAPO (which ANC correctly analyzed as a means to justify U.S. intervention and destruction of ANC and SWAPO, if that proves necessary).[29]

In an apparent contradiction to the position of the Reagan admin-

istration, David Rockefeller, Gulf Oil, Texaco, and Cities Service have been calling for U.S. recognition of Angola. Rockefeller said that Cuban troops there had no direct bearing on U.S. business. Transnational capitalists like Rockefeller are more concerned with the effect on profits caused by *any* instability in the region. The Angolans, according to them, are "development-oriented" and uninterested in politicizing Central Africa on behalf of the Soviets and Cubans.[30]

Can we then say that we are witnessing an anomaly in Southern Africa, wherein the region has been captured and held hostage by a particularly reactionary regime, in opposition to both world opinion and the will of leading world capitalists? We must look very closely here so that we may learn an important lesson about the exercise of power in the world.

Who Rules the World-System?

The key to understanding the apparent contradictions—and the essential unity—of the various enemies of the people of Southern Africa, who are fighting for an end to the exploitative regional system there, is to go back to 1974.

As was noted earlier, in 1965 the "downward thrust of African liberation" was halted, and 1965 to 1974 were the difficult years of African revolution. By 1974 the "downward thrust of African liberation" had resumed, but in the ensuing period some important lessons had been learned. The nationalist movements were no longer simply movements against colonial domination; they had become movements for independence *and* socialism.

The struggle in Southern Africa is more strategic from the viewpoint of world capitalism than the struggle in Vietnam because Southern Africa is both politically *and* economically important. Further, the reverberations of liberation in Southern Africa will be far and wide. For one thing, it will mean possible upheavals in Zaire and probably elsewhere in the northern two-thirds of the continent. In short, it may mean the slow working-through of the African revolution. Since this is a situation that the rulers of the United States cannot tolerate, it would almost surely mean U.S. intervention in Southern Africa on behalf of the white minority regime, in what would widely be perceived as a race war. If the opposition to the Vietnam War shook U.S. imperialism to its very foundations, one need not think too hard about what intervention in Southern Africa would mean for domestic peace.

Although the United States can no longer be said to be a hegemonic power, it is still the strongest and most influential state within the capitalist world-system. We would be diverted from a real understanding of how the world-system operates if we adopted the view promoted by some that U.S. corporations are involved in a civilizing mission in South Africa, or that the more sophisticated and higher-ranking members of

the ruling class are trying to offset the ideological narrowness of the President. It is indeed true that Reagan is an ideologue, that he is a bigot, and that his eye is on the patchwork of right-wing nuts who constitute his electoral base. But both Reagan and South Africa are instruments of the higher echelons of the world-capitalist class, and the goal of all of these forces is to maintain capitalist rule. So Rockefeller can let Reagan and the South Africans take the rap for being brutal, but we should be clear that one section of the ruling class is not really more "enlightened" and "humanistic" than another, cruder section—the ruling class simply encapsulates both thrusts. Immanuel Wallerstein's comment aptly addresses this so-called dilemma:

> As the political and moral attack on the government of South Africa grows stronger—both from within by the African liberation movement, and from without—the defenders of the status quo retreat to more "liberal" positions. Once upon a time, it was enough to justify oppression of the African majority in South Africa by speaking of the civilizing impact of white rule.
>
> When the era of independence came to Africa, this argument was no longer tenable. The defenders of the status quo retreated to discussing the dangerous nature of extremist African movements. But as the movements demonstrated their strength and political maturity, new defenses were sought.
>
> The favorite one today is to agree that change is inevitable, but that only slow change will work. And what kind of slow change is advocated? Astonishingly, it is argued that strengthening the economic basis of the white apartheid regime will in fact bring change. This is nonsense, and those who speak it know it. . . . Continued American investment in South Africa *in any form* is continued American support for the oppressive regime in power.
>
> Those who wish to support change in South Africa have only two ways to do it: 1) active assistance to the liberation movement; 2) a call for United States disinvestment and political disengagement from the present South Africa state. The rest is sophistry.[31]

South Africa, Class Struggle, and Socialist Construction

To take note of the duplicitous nature of the highest echelons of world capitalism is not to deny that there is indeed a contradiction which their dual strategy attempts to address. What the transnational ruling class (e.g., David Rockefeller) can see, and what the white minority regime in South Africa cannot allow itself to see, is that the victory of the liberation movement is inevitable. The transnational

ruling class also knows that the intransigence of the white minority regime in South Africa will only serve to deepen the radicalization of the African working class and thus reinforce the genuine antisystemic nature of the leadership of the movement.

Given the existence of the white settler government, a neocolonial solution or the deal of decolonization is extremely unlikely. In this sense the white minority regime is in a similar position to Portugal, itself a semicolony which could not afford to offer the deal of decolonization to its colonies as did Britain and France. This meant that the liberation movements in the Portuguese colonies had to undertake a protracted war of national liberation in order to gain independence. In the course of the struggle, moreover, these movements transcended the movements of the earlier period which were merely anticolonial. The movements that ultimately emerged as victors in these colonies were movements that were both national and social.

The difference between the movements that came to power in the former Portuguese colonies and the anticolonial movements that came to power in the late 1950s and early 1960s was not solely that the earlier movements came to power through peaceful means and the latter through wars of national liberation. The decisive difference was in the conditions of the war for independence, and the class nature of the forces making up the base and the leadership of the movements. The wars of national liberation in Mozambique, Angola, and Guinea-Bissau involved a decade-long process of winning the confidence of the rural proletariat and peasantry, which could be done only by uniting with and articulating the interests of those segments of the population. The material embodiment of that unity was the development of liberated areas outside the control of the Portuguese, where new social relations were developed. By the time of the 1974 coup which overthrew the Portuguese fascist regime, the African Independence Party of Guinea and Cape Verde (PAIGC) controlled almost half of Guinea-Bissau, the Popular Movement for the Liberation of Angola (MPLA) more than half of Angola, and FRELIMO most of Mozambique.[32] In other words, the intransigence of Portuguese colonial rule created the conditions for a genuine merging of interests of the rural areas and the urban petty bourgeoisie, much as had happened in China.

The anticolonial movements of the late 1950s and early 1960s, by contrast, had not been required to transcend their initial base in urban African trading and professional classes, nor to mobilize, politically educate, and learn from the African proletarian and peasant populations. It was under these conditions that British and French imperialists were able to transfer political power to a black petty bourgeoisie that remained under their economic control. These petty bourgeois-based independence movements did not develop steeled cadre who placed the interests of the people's liberation above all considerations, but were rather vehicles of the African petty bourgeoisie to develop and enrich themselves through the use of state power.[33]

From the above, it becomes clear that while using the besieged white minority regime in an attempt to exterminate the freedom fighters, on the one hand, the transnational ruling class is, on the other hand, offering the deal of decolonization. But the white minority regime is not the only fly in this ointment. In an unscheduled appearance at the 25th Annual Meeting of the African Studies Association, ANC President Oliver Tambo made it extremely clear to the assorted scholars and activists present that the ANC did not see the regime's overtures about reforms as a serious option. Tambo said such reforms may have been relevant in 1962, but they are now too late.

Revolutionary change in South Africa will change not only the face of Southern Africa as a region, but also the balance of forces on the entire continent *and* among the core powers of the world-system. A revolutionary government in South Africa could use the country's highly developed industrial base to provide significant material support to Angola, Mozambique, and Guinea-Bissau, as well as to revolutionary governments in Zimbabwe and Namibia. A bloc of such revolutionary nation-states in Southern Africa would greatly maximize the possibility of socialist construction in those states and in other parts of the world-system.[34]

A revolutionary Marxist Southern Africa would reduce the penetrability of the whole area by the core powers of the world-system. Even though such a victory would not remove the region from the capitalist world-economy, it would change the quality of its participation in the world-economy and the interests on whose behalf that participation is directed. Revolutionary leadership in South Africa would end the use of that country's work force as cheap labor for transnational capital, change the terms on which transnational corporations extract the country's resources, and close off the country as an outlet for direct investment.[35]

All of this is no doubt discussed on a regular basis in the conference rooms of the transnational corporations. But there is no way that they can prevail in the long run. The powers that have long dominated South Africa and Southern Africa have been too greedy and have created a volatile force that will undoubtedly be their undoing.

NOTES

1. Wallerstein, Immanuel, "Yankee, Stay Home," *The Nation* (November 12, 1977), p. 490; and Chris Chase-Dunn, "Core-Periphery Relations: The Effects of Core Competition." In Barbara Kaplan (ed.), *Social Change in the Capitalist World-Economy* (1978), p. 163.

2. Wallerstein, op. cit., p. 440.

3. Wallerstein, Immanuel, *Africa: The Politics of Unity* (New York: Vintage Books, 1969), p. 43.

4. *Encyclopedia Britannica*, Vol. 6 (1969), p. 315.

5. Frantz Fanon, *Toward the African Revolution* (New York: Grove Press, 1967), pp. 192-93.

6. James Dingeman, "Covert Operations in Central and Southern Africa." In Western Massachusetts Association of Concerned African Scholars (eds.), *U.S. Military Involvement in Southern Africa* (Boston: South End Press, 1978), p. 93.

7. Ibid., p. 94.

8. Immanuel Wallerstein, "Yankee, Stay Home," op. cit., p. 441.

9. Immanuel Wallerstein, "Friends as Foes," *Foreign Policy* (Fall, 1980), p. 120.

10. Terence Hopkins and Immanuel Wallerstein, "Patterns of Development of the Modern World-System," *Review* 1, 2 (Fall, 1977), pp. 112-13.

11. Immanuel Wallerstein, "Friends as Foes," op. cit., p. 120.

12. Immanuel Wallerstein, "Crisis in Transition." In Amin, Arrighi, Frank, and Wallerstein (eds.), *Dynamics of Global Crisis* (New York: Monthly Review Press, 1982), pp. 38-39.

13. Andre Gunder Frank, "Unequal Accumulation: Intermediate, Semiperipheral and Sub-Imperialist Economies," *Review* 2, 3 (Winter, 1979), p. 283.

14. Ann Seidman and Neva Mackgetla, *Outposts of Monopoly Capitalism* (London: Zed, 1980), p. vii.

15. Frank, op. cit., p. 345.

16. Ibid., pp. 347-48.

17. *Africa News* (September 27, 1982).

18. *Southern Africa* (October 19, 1982), p. 7.

19. *Southern Africa* (September 19, 1982), p. 8.

20. Ibid., p. 8.

21. *Africa News* (September 27, 1982).

22. *Africa News* (September 13, 1982).

23. *Africa News* (September 27, 1982).

24. *Covert Action* (July-August, 1981), p. 17.

25. *Southern Africa* (July-August, 1981), p. 7.

26. Immanuel Wallerstein, *The Capitalist World-Economy* (New York: Cambridge Univ. Press, 1979), pp. 234-35.

27. *Southern Africa* (July-August, 1981), pp. 7-8.

28. *Washington Notes on Africa* (Spring, 1982), p. 3.

29. Ibid., p. 8.

30. Ibid., p. 4; *Covert Action* (July-August, 1981), p. 6.

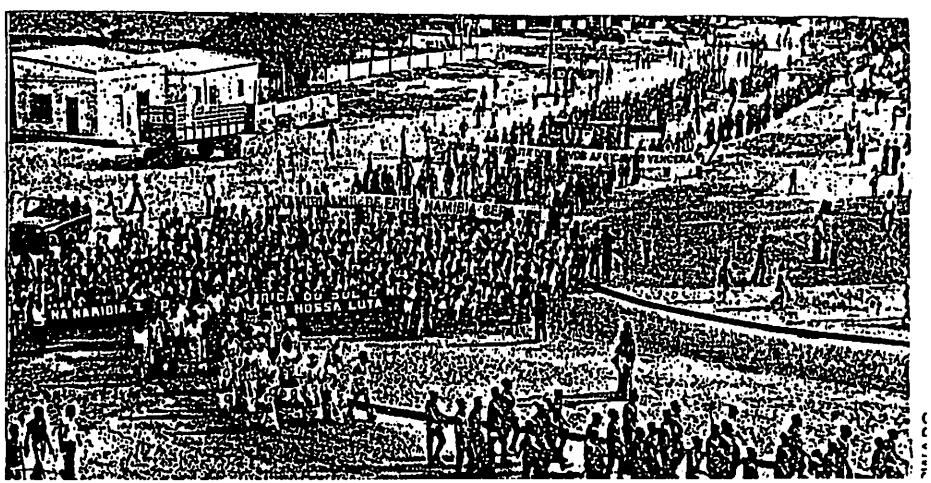
31. Immanuel Wallerstein, quoted in Lawrence Litvak et al., *South Africa: Foreign Investment and Apartheid* (Washington, D.C.: Institute for Policy Studies, 1978), Foreword.

32. Democratic Workers Party, "Working Papers: The Struggle in Southern Africa" (1977), pp. 2-3.

33. Ibid., p. 3.

34. Ibid., p. 13.

35. Ibid., p. 13.



agree that a large share of immigrants work in it. We must not, however, confuse a structural development with the occurrence of the new immigration.

For organizing purposes, it is important to capture the primary location of immigrant workers in major growth sectors. To that end I distinguish two spheres of circulation for the goods *and services* (often overlooked) produced in the underground economy. One is mostly internal and geared toward meeting the demand of various segments of the low-income population (immigrant communities, inner-city neighborhoods, etc.). In this sense it is both a survival strategy and a mechanism for lowering their cost of living and hence their cost as labor to employers. The other sphere of circulation runs through the advanced sector of the economy. Good examples are the sweatshop production of garments, shoes, toys, food dishes, etc., for wholesalers and industrial firms operating in the advanced, "modern" economy. In my analysis, the development of the underground economy is a function of major growth trends, which also explains its main locations being in major urban centers, that is, in centers that concentrate much of the new major growth trends. It is, then, a function of the same major growth trends that have expelled a large share of the middle-income blue- and white-collar jobs. It is not the massive influx of immigrants that has generated the increase in unemployment, and it is not this influx that has generated the expansion of the underground economy. These are the products of the recomposition process. Politically, these distinctions are important if we are to achieve alliances among different segments of the workforce.

Contemporary Marxism #6
Spring, 1983 p. 233-237

Rod Bush

There is certainly more to Manuel Castells's snide, arrogant, and off-the-mark polemic in *Contemporary Marxism* No. 5 (*The New Nomads: Immigration and Changes in the International Division of Labor*) than meets the eye. Based on a reading of articles by Bonilla and Campos, Vusković, Sassen-Koob, and Dixon, Jonas, and McCaughan, Castells issued a broadside against "the majority of Marxist journals" and the articles under discussion for a presumed dogmatic insistence on the "holy texts" of Marxism (all without naming names or giving specific examples). Having dismissed the above authors via the construction of strawmen, he then proceeded to discuss his views of the internationalization of the economy, the new immigration, and new political conditions.

Saskia Sassen-Koob's response to Castells (in this issue) appropriately takes issue with the disrespectful and patronizing way in which Castells announces his views, and especially his pretense that his views are original theoretical breakthroughs beyond the comprehension of the "dogmatic Marxists" featured in *CM* No. 5 and "most Marxist journals." Sassen-Koob's response to Castells very ably and effectively refutes Castells's devastating critique of strawmen, so I need not repeat that here. I will focus instead on the political implications of Castells's critique, for that seems to me the only way to explain why Castells would engage in such a careless commentary on the articles in *CM* No. 5—especially since they address a topic which is "one of the most significant topics of our historical epoch" and he has just indicted the "majority of Marxist journals" for "dealing with social analysis in careless terms."

On behalf of the editors of *Contemporary Marxism*, I would like to spell out what we see as the political implications of our theoretical differences with Castells (I am authorized to speak only for Dixon, Jonas, and McCaughan in this regard, although some or all of the other authors may share our views).

There are several aspects of Castells's argument that we think are especially worth noting:

1) He takes issue with the contributors to *CM* No. 5 for arguing that the internationalization of the economy is leading to worsening conditions for the peoples of the Third World.

2) As a matter of fact, a major point in Castells's polemic is that capitalist development *does* take place in the periphery.

3) He hints at, but does not state clearly, that the relative and absolute pauperization of the working class under capitalism is Marxist dogma.

4) And, in an aside, he hints that the labor theory of value has been superseded.

We think that behind Castells's snide remarks about "outdated explanations," and about "dogmatic Marxists" who defend the "true theory" taken from "holy Marxist text," we can see the contours of a tendency represented by Castells that is pro-imperialist and represents the class interests of the new petty bourgeoisie.

Why pro-imperialist? Castells makes a big point that "there is capitalist development in the periphery . . . that is deeply transforming the class structures of many dependent societies as well as international relations." So what if workers are exploited—after all, that's what capitalism is all about. He cites Brazil as an example. What he fails to show is that the countries that are now semi-industrialized have chosen models of development which are all, despite their variety, based on giving priority to the consumption patterns of the petty bourgeoisie

(Amin, 1982; Dixon and Jonas, 1979). But even with rapid growth here or there, one economic miracle after another has turned out to be a snare and a delusion based on the ruthless exploitation, cruel oppression, and marginalization from "development" of the majority of the population. Under the conditions that attend this new restructuring of the world-economy, there is no need to raise the wages of the direct producers to create effective demand within the national market, for these products are intended for sale on the world market. The only exception, as noted above, is the expansion of small local markets of high-income receivers (Frank, 1981).

As a matter of fact, an attempt to develop a high-income market for local industry in Brazil turned out to be quite successful, at least until 1974. But it was based on the depression of the wage rate and the forced marginalization and unemployment of the working class. Moreover, wages have been cut in half in Brazil, Uruguay, Argentina, and Chile, as well as being forced down in Peru and elsewhere. In South Korea and Iran, incomes stagnated under this kind of growth. The facts show that the only dependent societies where the real wages of the working class have increased have been backward core powers such as Spain in the 1950s and 1960s (Frank, 1981; Amin, 1982).

What then could be behind Castells's blasé attitude about imperialist exploitation? It must be that he analyzes what we call the new petty bourgeoisie as being a part of the working class, in a way apparently similar to the "new working class" notion elaborated by the New American Movement (NAM) and others some years back (see Castells, 1980: 162). Contrary to Castells and NAM, we see this stratum of managers, government bureaucrats, technicians, professionals, etc., as a stratum of the international bourgeoisie, in that its members live off the surplus produced by others. They are the repository of the skills and knowledge once possessed by the working class, and perform the function of commanding, controlling, and organizing the labor of the working class on behalf of capital.

It is not at all ironic that at the same time Castells calls for more precision in social analysis, he himself is very careless when it comes to a precise analysis of classes—all the time preaching to us that we should place more emphasis on the role of the class struggle in forcing capital to adopt the strategy of internationalization. We are similarly unimpressed by his cavalier announcement that the current bottleneck in accumulation is a structural economic crisis of the system and not a classic crisis of overproduction, as though we have no analysis of such phenomena.

We see the current bottleneck in capital accumulation as a classic crisis of overproduction. The structural crisis of capitalism as a historical system stems from a different set of processes than the crisis of ove

production, but the two types of crisis are not mutually exclusive. We see the structural crisis as a long-term process, more than likely 100-150 years in length, stemming from the exhaustion of the system's restitutive mechanisms and representing the gradual undoing of the system. Recurrent crises of overproduction, however, stem from the cyclical rhythms of the system which simply reflect the patterns of the capital accumulation process.

For us, the defining feature of capitalism is production solely for capital accumulation and regardless of human need. This means that there is a constant pressure for expansion. In a system composed of individual entrepreneurs, each seeking to maximize his profit, there is an inherent tendency toward the expansion of the absolute volume of production in the world-economy. But profit can be realized only if there is effective demand, which is a product of the sum of the political settlements in various states that determine the distribution of the surplus. These settlements are stable over the middle run, so accumulation in the system takes place in a step-like fashion with recurring bottlenecks which have occurred historically in cycles of 40-55 years (sometimes called Kondratieff cycles).

We could go on and on, elaborating our differences with Castells. Our point here is that he should be more modest (or perhaps more honest) about his theoretical differences with us and not present them as some kind of precision that he alone practices and that other people do not share. As for the differences between petty bourgeois socialism (Castells's democratic socialism) and proletarian socialism (which is the political position of Dixon, Jonas, and McCaughan), we would refer readers to Marlene Dixon's article "Against Social Democracy: In Defense of the Working Class" (1981).

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